SPARKLE

Sustainable Precision Agriculture
Research and Knowledge for Learning
how to be an agri-Entrepreneur

ITALY

GIULIANO DONATO D.I.

# BUSINESS MODEL CANVAS in the field of SUSTAINABLE PRECISION AGRICULTURE

## STUDY CASES COLLECTION

Co-funded by the Erasmus+ Programme of the European Union

The European Commission support for the production of this publication does not constitute endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

## COMPANY INFORMATION

## GIULIANO DONATO INDIVIDUAL COMPANY

**Adress**: Strada Cerretale 33 - 58100 Alberese (GR)
**Founding date** : 2008
**Note**: the activity is distributed over three family businesses that operate in an integrated manner, also sharing machinery and personnel:

1. The first company, created by the father in 1972 (the farmhouse in 1999) makes conventional production and holiday farm;
2. The second company, founded in 2008/2009 and headed by Giuliano Donato, makes mixed production mainly conventional;
3. The third company created in 2014 by father and son, now belonging to his sister, deals with organic production.

**Extension** (on integrated business system): 240-250 hectare (included leased land)
**Crops** (on integrated business system):

1. Cereal, legume, industrial crops, vineyard, olive grove and accommodation on the holiday farm (4 apartments, 9 beds)
2. Cereal (bio and conventional), legume (bio and conventional), vineyard, olive grove, bio vegetable for large-scale distribution, industrial crops among them tomato; huckleberry
3. Organic production of vegetable, legume, cereal and extra-virgin olive oil

**Number of employees** (on integrated business system): 4 full-time fixed-term employees plus seasonal work
**Contact Name:** Giuliano Donato
**Telephone**: +39 0564 407033 - Mobile. +39 339 7893372 or +39 339 7893372
**Email**: info@agriturismo-merano.com
**Website**: www.agriturismo-merano.com - **Social**: https://www.facebook.com/Merano2015/

**Date of the interview**: 29.11.18
**Name of the interviewed person** (specifying his/her role in the company): Giuliano Donato, owner

## INFO PA introduced

### What kind of PA innovation was introduced in the company?

2010 our first PA investment: automatic-guidance of a tractor

### Why? What was the motivation / problem to solve?

The real reason was the great curiosity and passion for the new technologies of the owner entrepreneur, graduated in agriculture. The first requirement was to have the precision in transplantation and in the consecutive cultural practices of processing tomato.
State aid facilitated the investment, affecting 90% of interventions.
But the real benefits obtained are different and various and allow increasing yield/profitability:

- Rationalising of production system / avoiding overlapping
- Precision in the execution of cultural practices, especially in the organic sector
- Increase in workers wealth (health and comfort)
- Optimization of fertilizer and pesticide
- Fuel savings for tractors
- System efficiency, greater use (in terms of annual hours) of machines (the hours number is just an estimate made a posteriori on the congruity of the purchase of the machines)
- Incidence reduction of variable costs

### How did you learn about these new technological solutions?

In 2010, following his passion for technology, G. Donato started studying PA and decided to make his first investment.

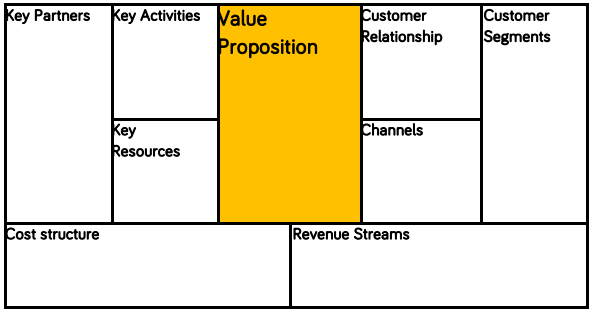
### Have you been supported / trained by someone?

What is lacking is a proper support for entrepreneurs, whether in terms of experts and specifically trained resources, or in terms of training/assistance from PA providers. The training received from the New Holland providers was not simple, quickly (on site) and at a distance. A direct contact with highly qualified personnel would be useful. The lack of experts is a real limit to the development of these technologies.

Il Business Model Canvas
Progettato per:
Progettato da:
Partner chiave
Attività chiave
Valore offerto
Relazioni con i clienti
Segmenti di clientela
Canali
Struttura dei costi
Flussi di ricavi

# BMC - report

## Value Proposition

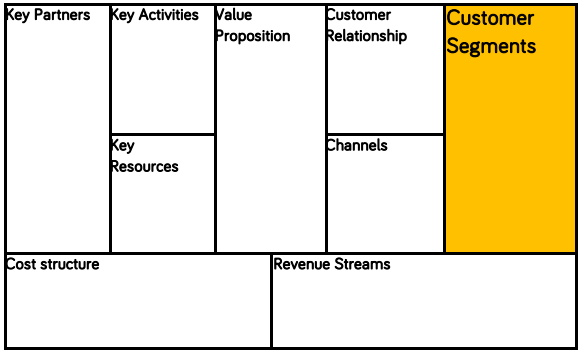



- Tomato sauce (conventional production to the canning industry)
- Huckleberry (for large-scale distribution)
- Organic production of vegetable, legume and cereal; extra-virgin olive oil: conversion is underway
- Hospitality

The value linked to the relationship with customers is CORRECTNESS and HUMAN RELATIONSHIP.
Another key factor is the value of TUSCANY BRAND.

For the large-scale distribution QUALITY AND CONSTANT AMOUNT of production.

## Customer Segments




The market of the integrated company Donato is Italian and concerns mainly *Valfrutta Conserve Italia*, which purchases tomatoes for the sauce production and intermediate customers who bring fresh products to the large-scale distribution circuit:

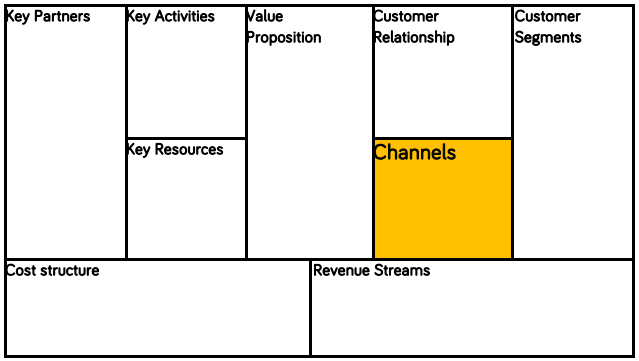
- CAI a cooperative which provides organic vegetables (since 2 years, especially tomato datterino, courgette and pumpkin) for *Esselunga*
- A supplier from the COOP circuit regarding blueberry

Added to this main segment there are also consortium and cooperatives (which provides products and technical means):

- *Consorzio Agrario Del Tirreno* for cereal and legume
- *Coop. Raspollino* for cereal, legume and tomato
- *OL.MA Sac, Tuscan College of Olive Grower* for extra-virgin olive oil and organic
- *Coop. I Vini di Maremma* for grape

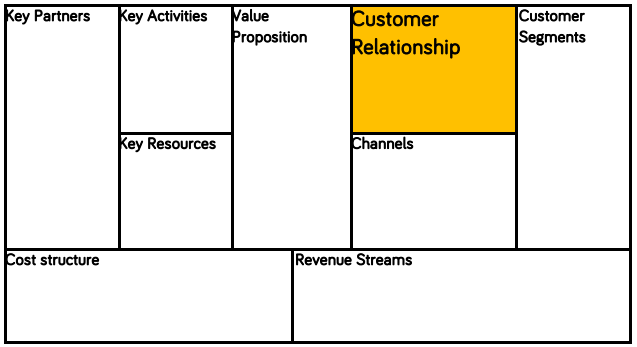
The end customer segment is less developed, but in the near future, the objective is to strengthen the direct distribution channels, the GAS for example or – on the advice of the University of Florence – and CSA (Community Supported Agriculture; see: http://www.arvaia.it)

## Distribution Channels



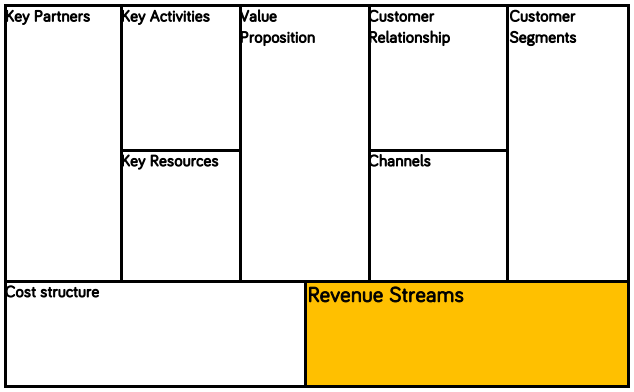

The distribution of horticultural productions is not direct, but through the Esselunga and COOP stores. The conventional extra-virgin olive oil is marketed very well by the local Coop. OLMA - Tuscan College of Olive Growers OL.MA. s.a.c., which has yet to develop the organic oil market well.

## Customer Relationship



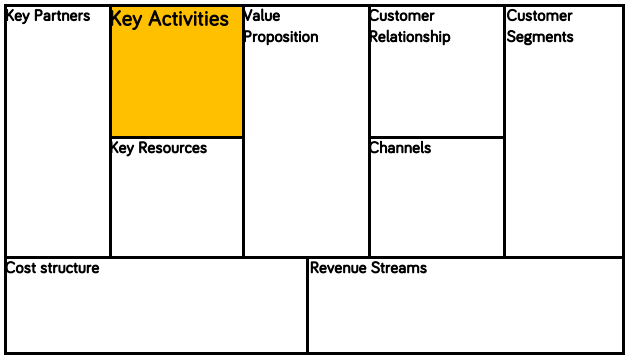

The relationship with intermediate customers "big buyers" is solid and based on personal relationship. The entrepreneur interacts directly with the clientele. The relationship is based on trust.

## Revenue Streams



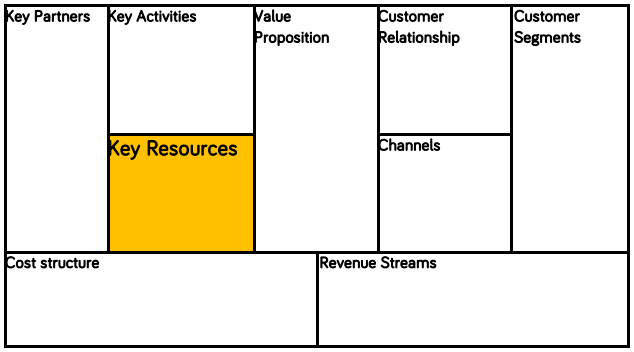

The main part of turnover is guaranteed by the sale of tomatoes for canning industry; production has been reduced, from 80 ha to 20 ha, due to the price collapse. The other two important sources of turnover are, in order of importance, **organic vegetables** and **blueberries**.
These two crops are significant both in terms of margins, definitely higher than in tomatoes (especially blueberries) and in terms of cash flows generated.
The price of organic products is around 70% higher than conventional products.

## Key Activities



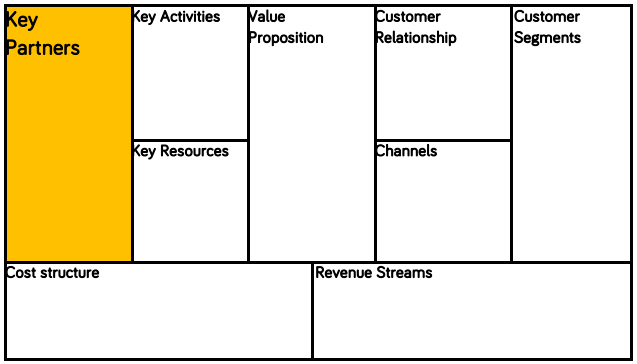

Maintaining a **positive relationship with their employees**, improving working conditions, increasing wealth and business productivity. **Investing in innovation**. **Conversion process** from conventional to biological.
Comparison, collaboration and **exchange of ideas with the university research system** are certainly a key activity for the company.
**Acquisition, processing of data gathered** with PA tools. Processing through dedicated software would allow managing the marginality of cultures with greater precision.

## Key Resources



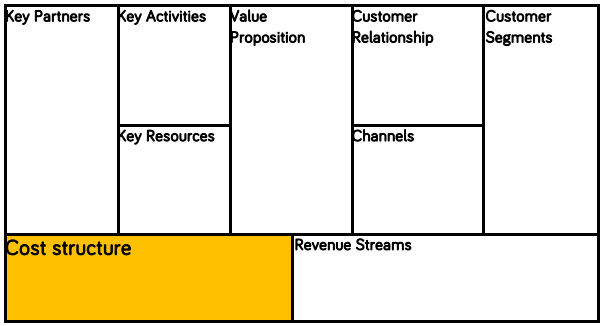

Human Resources: their skills and professional abilities, their health and their wealth at workplace.
In the same way, the entrepreneurial staff is also important, that is the integrated competences present in the group of companies, father and sister of the owner.
The territory, its healthiness and its climate represents another key factor.
Finally, a precious and scarce resource is **TIME**: on the one hand time for informing and for studying solutions of PA on the other hand time for dealing with bureaucracy.

## Key Partners




Key Partner is the **University of Florence** through its involvement in innovative projects, enables the improvement of production systems and company growth.
For example, at this time, they will experiment together with variable rate seeding and nutrition methods, which would be a key step to improve the PA performance (INTRACERT project).
A greater involvement would also be desirable to students and/or to young researchers, which could do an internship.

## Cost Structure




- High labour cost.
- The introduction of PA systems is expensive too; state aid facilitated the investment, affecting 90% of interventions.

**IMPACT ANALYSIS**

## Barriers:

- Innovation culture is still not widespread among entrepreneurs
- Small company size and parcels of land
- High technology costs (not justified, moreover)
- Lack of support to farmers and in particular lack of experts and trainers to assist in implementing PA in the farm
- Lack of and/or difficulty in finding service providers on the market: especially in the South of Tuscany
- Lack of poorly trained resources

## Drivers

- Passion for new technologies and innovation
- Pride and personal satisfaction in being appreciated for our production system by the University
- State aids allow breaking down costs of PA innovation still very high
- Research partners such as University

**Sustainable Precision Agriculture**

## Benefit

- Rationalization of work
- Increase in workers' health and comfort
- Fertilizer optimization

## Impact

- Increase in business productivity
- Variable costs decrease
- Optimizing nutrient in organic productions increase quality and quantity production (yield more similar to conventional production)