

Annex J – Legal Questionnaire



Bringing Organisations & Network Development
to higher levels in the Farming sector in Europe

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Questionnaire

Dear Partner!

The following questionnaire is for performing the tasks - compilation of recommendations to support and motivate producer co-operation - specified in WP3 of the BOND project. Our aim with the help of this questionnaire is to prepare the professional content of national "decision-making" workshops and collect good practices that support the work of producers and production organisations at European level and strengthen the legal background of farmers' co-operations.

Please review the European regulatory good practices showed on the different worksheets, and then describe below (in the red cells which colour disappears once one finishes the text with an Enter) whether there is a similar or novel (good) practice in your country or region that ultimately produces co-operation between producers, environmental sustainability of production and help the farming of agricultural SMEs, taking into account local traditions and traditions.

Regulatory issues are divided into larger topics, and for easier understanding, we first introduce good practices that can inspire you to collect your own cases. Each good practice or topic is on a separate worksheet. In the first block, you will find a good example, and then by filling in the color block below you can describe your own practice summary, related law, its link and bibliographical references. This type of questionnaire requires more time (maybe some days) but please fill it thoughtfully to serve input for the successful work of consortia.

PLEASE PROVIDE YOUR CONTACT PERSON WE MAY LIAISE IF WE WOULD NEED FURTHER CLARIFICATION AT THE LAST WORKSHEET NAMED "CONTACT PERSON".

Thank you for your kind cooperation!

In case of questions, you can write to us at the following addresses:
drmajor@drmajor.hu, kujanikatalin@gmail.com

Your details

Name _____
Address _____
Zip code, City _____
Phone _____
E-mail _____
Place of completion _____
Date of completion _____

Details of the presented area

Country _____
Region _____
County _____
Contact Person _____
Phone _____
E-mail _____

Questionnaire, page 1

Definition of agricultural activity

Italian example, which encourages cooperation-based (joint) sales

The Italian legal system extends the definition of agricultural entrepreneurs, producers to include

- the primary producer activity and
- related activities, ie the handling, preservation, processing, transformation and commercialization of its product,
- allowing a farmer to sell not only his own products but also a products of third parties (his own products must be decisive),
- to process products that had been acquired by a third party (its own products must be decisive).

Legal reference, link:

228/2001. guidelines on the modernization of the agricultural sector. LINK:
<http://www.camera.it/parlam/leggi/deleghe/01228dl.htm>

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference (Please write all relevant available known literatures related to this practice.)

Questionnaire, page 2

Definition of agricultural activity

A broad definition of agricultural activity and light taxation in the national legislation (AT)

Simplified administration and tax systems were introduced for the income of family farms from agriculture and forestry (incomes from agriculture and forestry come from primary production: agriculture, forestry, fishing, hunting). The following income types are also subject of the special taxation administration laws (not subject to agricultural lump sum):

- Secondary agricultural revenue (processing, selling drinks) with a separate tax base (= revenue - expense - lump sum cost) up to EUR 33,000 (above this limit it is 'other commercial activity')

- Subsidiary activity (contract work, renting, renting a room up to 10 beds, rural tourism)

All the incomes from these are subject to Personal Income Tax (PIT).

The method of income calculation may be

- annual revenue - expenditures - depreciation, or

- agricultural unit value calculation. The unit value is 2,400 euro / hectare. It takes into account subsidies (increasing or decreasing; natural, economic [operational] 83%, 1st pillar subsidies 13% and intensive livestock subsidies 4%)

Light administration, taxation			
Subject to PIT		Partial lump sum	Full lump sum
Double-entry book-keeping	Revenue - expenditure, based on records	Double-entry book-keeping not compulsory	
Total annual turnover above 550,000 EUR	Total annual turnover under 550,000 EUR		
The agricultural unit value is above 150,000 EUR, or the turnover is above 400,000 EUR in two subsequent years		Agricultural unit value is between 75,000-130,000 EUR. Annual turnover may not be higher than 400,000 EUR	Agricultural unit value is under 75,000 EUR (max. 60 ha agricultural land, 120 livestock units, 10 ha orchard, 0.6 ha vineyard). Annual turnover may not be higher than 400,000 EUR
INCOME calculated in double-entry book-keeping	Revenue, expenditure (cash + bank) and depreciation have to be recorded: net income	Gross revenue has to be recorded. The income calculated with the 70% lump sum method (80% in case of animal husbandry) INCOME	The income is 42% of the agricultural unit value INCOME
<i>The income calculated by the methods above is subject to PIT (see below)</i>			
Personal Income Tax (PIT)			
up to 11,000 EUR		0%	
up to 18,000 EUR		25%	
18,000 - 31,000 EUR		35%	
31,000 - 60,000 EUR		42%	
60,000 - 90,000 EUR		48%	

90,000 - 1,000,000 EUR		50%
above 1,000,000		55%
Land tax:	The tax rate of the first 3,650 EUR agricultural unit value is 1.6 thousandths, above that the rate is 2 thousandths	
Corporate tax:	min. 1,750 EUR/yr., but 25% on average (3,500 EUR/yr. is the minimum for public limited liability companies; starting companies get reductions from the minimum corporate tax)	
Special tax for agricultural and forestry companies:	Like the land tax, with a factor of 600	

Legal reference, link:

Personal Income Tax:

Bundesgesetz vom 7. Juli 1988 über die Besteuerung des Einkommens natürlicher Personen (Einkommensteuergesetz 1988 – EStG 1988)

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10004570>

Corporate tax:

Bundesgesetz vom 7. Juli 1988 über die Besteuerung des Einkommens von Körperschaften (Körperschaftsteuergesetz 1988 – KStG 1988)

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10004569>

Land tax:

Bundesgesetz vom 13. Juli 1955 über die Grundsteuer (Grundsteuergesetz 1955 – GrStG 1955).

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10003845>

Special tax of agricultural enterprises:

Bundesgesetz vom 14. Juli 1960 über die Abgabe von land- und forstwirtschaftlichen Betrieben (AbglufBG), BGBl. Nr. 166/1960

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10003917>

Literature reference

Darvasné et al. (2016): Analysis of succesful operation of the Austrian food economy. AKI. Budapest sISSN 1418-2122 DOI 10.7896/at1601 [Analysis of the Operation and Successes of the Austrian Food Sector]

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference

Questionnaire, page 3

Exemption of tax and social contributions

Good practice for exemption of tax and social contribution for start-ups (SK)

For self-employed persons should not registered themselves at the social security office in the first year and they are exonerated from obligation to pay social security contribution.

Legal reference, link:

Establishment of SMEs in Slovakia, 2013

EuresDanubius [http://www.eures-t-](http://www.eures-t-danubius.eu/index.php?option=com_joomdoc&task=doc_details&gid=24&Itemid=67&lang=en)

[danubius.eu/index.php?option=com_joomdoc&task=doc_details&gid=24&Itemid=67&lang=en](http://www.eures-t-danubius.eu/index.php?option=com_joomdoc&task=doc_details&gid=24&Itemid=67&lang=en), 9. oldal

Presentation of own best practices (short description) max 3000 characters:

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference



Questionnaire, page 4

Direct sales related facilitations

Best practices for sales cooperation between farmers (IT)

GAS (Gruppi d'Acquisto Solidale), solidarity customer circle. This is a self-organized form of a consumer group, which is also recognized by the 2008 Budget Act (Act 244/2007) and which is defined as a non-profit association designed to purchase and distribute products among the members of the group, with ethical, social solidarity and

environmental sustainability. Regulators allow such groups to conduct business in accordance with tax laws for non-commercial businesses.

Related law and its link

244/2007. (196/2006) Section 1.065 and Section 1 1.064. The details are set out in Decree 114/1998. Regulation [1]

Literature reference

[1] Legislative Decree Nr 114 of 31 March 1998: Reform of the law concerning trade Direct sale as a means for promoting the sustainable use of plant genetic resources: ..Tuscany Region 79 pursuant to Article (4) (4) of Law Nr 59 of 15 March 1997, Official Gazette Nr 95 of 24-4-1998 - Suppl. Ordinario Nr 80

Presentation of own best practices (short description) max 3000 characters:

Related Law

Literature reference

Questionnaire, page 5



Facilitation for short chain (+1 intermediare) sales

Best practices for sales cooperation between farmers (FR)

GIE (Groupement d'intérêt économique): Common Interest Group. Its good practice is to be emphasized because in many countries only the cooperative form is available for the common sales of producers. Smaller producers selling small quantities of goods at a store, market or at a joint selling point, often encroach on legal obstacles. The common points of sale / producer stores, ie French PVCs (point de vente collectif) can choose between several legal forms, but most commonly GIE is applied. The purpose of GIE is to facilitate or improve the members' economic activity and to strengthen and increase the efficiency of their activity. As GIE sells products at "purchase price" (but it does not buy the product as it is a group sales outlet and not an intermediary), ie there is no income from the product received from producers, the GIE will be exempt from paying VAT, which he can invoice the producers at the end of each year or monthly.

So, the GIE sells as an "association" and invoices to its members, in the monthly / quarterly / semi-annual / annual accounts, paying the price of the products and invoices the payable VAT, ie the producer pays the VAT. Minimum number of members 2, there is no maximum number of members.

The so-called "Commission", the producer contribution or membership fee can be different. The GIE may use this value for rent, wages, bank card service fees and other costs incurred by producers.

Legal reference and its link

Code de Commerce Art. L. 251-1 et s., Art. R. 251-1 et s.

https://www.legifrance.gouv.fr/affichSarde.do;jsessionid=13FBE2B5E00640170F150EF9474BE12D.tplqfr34s_3?reprise=true&page=1&idSarde=SARDOBJT000007111725&ordre=null&nature=null&q=ls

Literature reference

[http://rhone-alpes.synagri.com/synagri/pj.nsf/TECHPJPARCLEF/00966/\\$File/Doc%20PVC-%20IFCA.pdf?OpenElement](http://rhone-alpes.synagri.com/synagri/pj.nsf/TECHPJPARCLEF/00966/$File/Doc%20PVC-%20IFCA.pdf?OpenElement)

Presentation of own best practices (short description) max 3000 characters:

Legal reference

Literature reference

Questionnaire, page 6



Community marketing of local products

Promotion of food from local, traditional, environmentally friendly, fair trade, social etc. production (IT)

In 2008, the legislative body of Veneto adopted the rule on the so called '0 km products' [1]. The term refers to the short distance between the production and the place of consumption. The legislation supports '0 km products', which are valuable. It provided a legal framework for the marketing and consumption of '0 km products', consumer information on the origin, characteristics and price of products. The legislation set rules to promote supplying public and private entities with this type of products, in order to boost direct sales between producers and consumers. The legislation defined "quality product", "traditional product", "seasonal product" and included rules for environmentally sustainable products.

The law encourages mass caterers to use '0 km products': providing such products became a selection criterion when evaluating applications of suppliers.

It has become compulsory for municipalities to maintain 15% of the market area for farmers who sell directly to

consumers. Moreover, local government land-use plans have to include provisions on local farmers' markets. The law allowed in Section 5 that businesses, which operate regionally and 30% of their annual sale is local product may use a special local product promotional logo.

The legislation was preceded by a broad social movement, led by Coldiretti, which elaborated the draft law, and filed it with a petition with 25,000 supporting signatures, requesting the adoption of the law. The essence of the draft was to provide that 50% of the raw materials used in public catering, hospitals and other publicly-funded organizations should be local products per year.

In many Italian regions, rules were introduced to support short supply chains, which were related to commercial activities in many cases. Some of these are:

- In the catering industry, the proportion of local products was increased, for example with Regional Decree No. 1/2012 in Sardinia, and Regional Decree No. 4/2010 in Friuli;
- promoting the sale of local products at retail stores in Friuli with Regional Decree No. 4/2010, with Regional Decree No. 29/2008 in Lazio, with Regional Decree No. 9/2009 in Puglia;
- Regional Decree No. 29/2008. in Lazio established rules for internet sales, creating the term 'vendor group' that functions similarly to the consumer communities.

Legal reference, link:

- 1) ", Legge regionale 25 luglio 2008, n. 7 (BUR n. 62/2008) and its modification in 2010: Leggi N. 3 del 22 gennaio 2010 (Bur n. 8 del 26/01/2010)
- 2) Regional Decree No. 3/2010
- 3) With Regional Decree No. 1/2012 in Sardinia, and with Regional Decree No. 4/2010 in Friuli
- 4) Regional Decree No. 29/2008 in Lazio, Regional Decree No. 9/2009 in Puglia

Literature reference

https://it.wikipedia.org/wiki/Chilometro_zero

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference



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Marketing programs promoting national or regional cooperation

Genuss region (AT)

The first complex national program. In 2005, the Austrian Ministry of Agriculture and AMA Marketing set up a collection of local products and a trademark on the model of the French Euroterroirs. Currently, the products of 120 regions form the system. The regions are districts, settlements in the vicinity of maximum 50-100 kms from the producer/product. According to the criteria system, the product and the production method have to be traditional and characteristic of the

region, the raw materials should come from the region, processing and product quality should be higher than the average (and meet the standards). The region must establish a legally responsible association, which will include all stakeholders. The products, their quality must be certified according to the existing AMA trademarks and EU geographic markers. The region has to hold a nationally important event on a regular basis. After the foundation of the local organization, 3 training sessions have to be made for members (producers, processors, tour operators ...) for cooperation and profiling. The seminar analyzes what quality and quantity of products the region can produce, what sales channels are there and what they want to achieve. They create an operational concept and action plan, which includes marketing plans as well. (Source: AKI, 2016: Az osztrák élelmiszer-gazdaság működésének és sikereinek elemzése. [Analysis of the Operation and Successes of the Austrian Food Sector])

Legal reference, link:

if relevant

Literature reference

https://de.wikipedia.org/wiki/Genuss_Region_%C3%96sterreich
<http://www.genuss-region.at/>
https://link.springer.com/chapter/10.1007/978-3-211-48606-1_11
 (AKI 2016 - Az Osztrák élelmiszer-gazdaság működésének és sikereinek elemzése")

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference

Questionnaire, page 8



Light food hygiene rules based on the principles of tradition, flexibility, marginality, small quantity and community life

Guideline made in cooperation in Hungary

A cooperation of 53 NGOs initiated the modification of the national regulation on small producers (decree on products manufactured by small farmers, in small quantities, with light hygiene requirements) in Hungary. Pursuant to Article 8 of Regulation (EC) No 852/2004, Member States may develop Good Hygiene Practice at national level with the involvement of a given producer group.

Two NGOs (Alliance for the Living Tisza, KISLÉPTÉK) elaborated light hygiene guidelines for small farmers, on the basis of the above mentioned favorable modifications of the relevant decree. The proposal on Good Hygiene Practice (GHP) was submitted to responsible authorities, finalized with the professional contribution of the Hungarian Ministry of Agriculture and the Food Safety Office, and it was officially approved.

- Manufacturing of products in small quantities at homes, in kitchens; appropriate use of traditional methods and tools

are permitted.

- Food production and slaughtering animals raised at the farm for meals for 'guest tables' are permitted.

Legal reference, link:

EC Regulation 852/2004 on the Hygiene of Foodstuffs, Chapter III of Annex II
Decree No. 52/2010. (IV. 30.) FVM. – on the preconditions for the production, processing and selling of food by small producers [Hungary]

Literature reference

<http://elelmiszerlanc.kormany.hu/download/6/ae/e1000/Kistermeloi%20GHP.pdf>

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference

Questions on the reference case:

Please describe regulations with motivating effects at national or regional level in the following food hygiene topics (in case there are such):

- Legal support in the field of hygiene for the manufacturing of local products
- Is there a flexible, light national regulation? GHP and its details ...
- Regulation on common manufacturing of producers
- Licensing and regulation of mobile small-scale slaughterhouses and processors
- Is there a special regulation for food hubs (packing, wrapping, removal, warehousing, logistic plants operating in small-scale cooperatives)?

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Light food hygiene rules based on the principles of tradition, flexibility, marginality, small quantity and community life

In England, the authority issued a guidance to promote volunteer or charity food offering and retail of communities. (In contrast to it, selling of eg. cakes is not possible in Hungary without having an enterprise.)

Legal reference, link:

community-groups

Literature reference

2. <https://www.food.gov.uk/business-industry/caterers/food-hygiene/charity->

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference

Questionnaire, page 10



Programs promoting the operation of cooperatives

Promotion of the operation of cooperatives in taxation law (AT)

In Austria, co-operatives are organizations whose membership is not limited. Membership is voluntary, their activities are primarily aimed at encouraging the employment of their members and protecting the members' economic interests. Cooperatives founded for the purchase of tools for agricultural production and vine-growing cooperatives for the processing of raw materials produced by the members are exempt from corporate income tax.

Legal reference, link:

Reichsgesetzblatt No. 70/1783#; Gesetz vom 9.4.1873 über Erwerbs- und Wirtschaftsgenossenschaften (law on cooperatives)

Literature reference

Presentation of own best practices (short description) max 3000 characters:

Legal reference, link:

Literature reference

Topics

Contact persons for each topic in case of further clarification

Topic	Approach	Contact person	Email address
Agricultural activities	Definition		
	Tax		
Diversification			
Tax	Advantages		
	Simplified administration		
Employment			
Sale	legal forms		
	in short chains with intermediary		
	marketing		
Collaboration			
Food safety			
Cooperatives			
Any other			



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