



# Operational Bases, Norms, and Conditions

Strategic Architecture Program on Farm  
Beef Cattle Farming for Export  
2023.



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## 1. INTRODUCTION

As part of the main functions of the Foreign Trade Promoter of Costa Rica is the promotion of exports. For this purpose, the institution generates various efforts to support, promote, and strengthen the national productive sector on its path to internationalization, either through the promotion of direct exports or through indirect exports, by generating productive linkages.

As part of these efforts, PROCOMER seeks to promote the export of beef to various markets, especially to the European Union, which is one of the market focuses with higher purchasing power, and therefore a fundamental opportunity for the growth of this niche in the country and the diversification of destination markets. However, this economic integration group has different standards for the import of meat.

The existence of an installed base and an active cattle offer in Costa Rica are enablers for the creation of the necessary productive offer. Nevertheless, given international regulations, it is required that the processes and farms of national producers have standardized conditions that guarantee compliance with different parameters. To achieve this standard, it is relevant to identify opportunities for improvement on the farm, establish transformation plans that allow their implementation, as well as guide the different ranchers towards more efficient and effective productive management.

Therefore, it is fundamental not only to align productive processes with these minimum market requirements but also to improve the competitiveness of meat producers in the country in order to increase export levels in the international market. This, with the aim of promoting the transformation and strengthening of the Costa Rican cattle sector, with a view to exporting in the European market and other relevant markets.

## 2. OBJECTIVE

The Strategic Architecture Program on Farm identifies improvement opportunities in beef cattle producing farms that are part of an organized productive group (known as GPO, which includes chambers, associations, cooperatives, or other types of formal organization) or part of an established distribution chain (suppliers) of a processing company.

This program aims, for a period of 1 year, for the beneficiary farms to receive the identification, management, accompaniment, and implementation of improvement opportunities through the transfer of strategic knowledge, optimization, and readjustment of the installed capacities found on the farm, and through the incorporation of strategic changes that do not involve high economic investments. This document presents the Operational Bases, Norms, and Conditions of the first call of the program for productive farms of the sector to access specialized and personalized technical assistance that allows them to carry out these transformations, to strengthen the productive link of the Costa Rican cattle sector.

The initiative is achieved through the impulse of the Foreign Trade Promoter (PROCOMER) and the execution of the University of Costa Rica (UCR).

## 3. DEFINITIONS

For the purposes of this call, the following will be understood as:

- i) Organized Productive Group (GPO): A group of producers duly organized under a legal figure, developing activities related to the production, commercialization, or processing of beef cattle.
  
- ii) Processing Company: A company that carries out one or several industrial operations that allow the transformation of beef to obtain higher value-added products.

iii) Beneficiary Subject: A person who, among their economic activities, includes the production of beef cattle, owns a farm, is part of a GPO or established supplier of a processing company, and is among the list of referrals from these.

iv) Related Companies: Companies that are part of a group, in which one of them has economic control over the other, or are subject to common control, or their legal representation corresponds to the same person.

#### **4. BENEFICIARIES**

GPOs or processing companies that together profile 50 beneficiary subjects from the beef cattle productive sector, who own a farm and are part of the GPO or established supplier of the processing company.

#### **5. ELIGIBILITY REQUIREMENTS**

To ensure the belonging of the beneficiary subjects (productive farms) to a GPO or a processing company, the application will be in charge of these groups or companies, which must comply with:

- a) Have a legal ID (be a legal figure duly registered in the National Registry)
- b) Be registered and up-to-date with their obligations with the Costa Rican Social Security Fund.
- c) Be registered and up-to-date with their tax obligations with the Ministry of Treasury. Estar inscrito y al día con sus obligaciones tributarias ante el Ministerio de Hacienda.
- d) Have the operating permits from the Ministry of Health if applicable, or any other necessary permit for the operation, or the development of their productive activities.



e) Have a list of beef cattle producing farms that wish to be referred and participate in the program. This list cannot exceed 25 producing farms, which must comply with:

- Be willing to receive technical assistance for a 1-year period
- Have a Veterinary Operation Certificate (CVO)
- Have at least 3 years of experience in beef cattle production (desirable)
- Have a herd that is within an average of plus or minus 20% of the average herd of all the members of the organized group or of the total suppliers of the tractor or processor (desirable)

## 6. SELECTION OF BENEFICIARIES

The applications of the GPOs or processing companies, with their respective lists of producing farms who will be the final beneficiaries, will be evaluated by a technical team that will select the projects considering the score obtained according to the evaluation criteria established in section 7 of this document.

### Phase 1: Application by GPOs or processing companies

The GPOs or processing companies to which the producing farms are related must enter the website <https://www.descubre.cr/>, go to the "Strategic Architecture on Farm" Program section, click on the "Participate Here" option, create a user and complete the online form (Annex 10.1), consisting of the request for the admissibility requirements mentioned in section 5, as indicated. After completing the form, they must download the application, physically or digitally sign it<sup>1</sup> and attach it to the system to complete the application<sup>2</sup>. The period for sending the information covers from October 25 to November 09, 2023.

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1 For all cases, the valid digital signature is the digital signature of the National Digital Signature System of the Government of Costa Rica.

2 Forms that are physically signed must, in addition to the previous steps, be sent in original format to the central offices of PROCOMER, so that the application is valid.

## **Phase 2: Application of tool**

From all the applications received, compliance with what is requested in phase 1 will be analyzed. Those applications that correctly comply with everything requested will continue to phase 2, in which a virtual tool for evaluating capabilities will be applied, according to whether it is a GPO or a processing company. These tools will generate a reference score.

## **Phase 3: Selection of beneficiaries**

According to the score obtained in the capacity evaluation tool and the valuation criteria of the technical team, the GPOs or processing companies and, therefore, the producing farms listed that will benefit from the program will be chosen.

If, to cover the available quota of the program, it is necessary to include several lists, whose total sum exceeds the 50 available spaces, the allocation of the quotas will be made according to criteria of equitable distribution, which may mean the modification of the beneficiary quotas per list.

The evaluating technical team will be designated by PROCOMER and will consist of professionals with knowledge in the sector and export markets.

The winning farms will be publicly announced by PROCOMER through its social networks and website.

Once the beneficiary farms are chosen, they must sign a commitment letter (Annex 10.2) with the program and with PROCOMER, where they commit to the conclusion of the program. The beneficiary subject must be willing to be evaluated at the end of the program and participate in a process of exchange of experiences and learning, as defined by PROCOMER.



## 7. EVALUATION CRITERIA

The following table presents the evaluation criteria of the tools to be applied.

Table 1. Evaluation criteria of the tool for Organized Productive Groups.

Category	Percentage
Governance	25%
Employment Management and Equity	20%
Linkages	25%
Competitiveness	25%
Institutional Support	5%
<b>Total</b>	<b>100%</b>

Table 2. Evaluation criteria of the tool for Tractor or processing companies.

Category	Percentage
Added Value	25%
Employment Management and Equity	20%
Linkages	25%
Production and Exports	25%
Institutional Support	5%
<b>Total</b>	<b>100%</b>



## 8. PROGRAM DESCRIPTION

The 50 beneficiary subjects will be provided with specialized technical assistance for a period of 1 year, this process will be carried out, in its execution and direct accompaniment, by the University of Costa Rica.

The beneficiary farms will receive identification, management, accompaniment, and implementation of improvement opportunities through the optimization and readjustment of the installed capacities found on the farm or through the incorporation of changes that do not imply high economic investments (cost not included in the granted technical assistance).

The strategy for the assistance approach contemplates the following benefits:

- a) Diagnostic visit
- b) Current Operational Performance Bioeconomic Report
- c) Delivery and presentation of the Technological Transformation plan
- d) Complete implementation of transformations in defined areas
- e) Continuous strategic monitoring until the end of the project (12 months)
- f) Technical training process

### **A) DIAGNOSTIC VISIT:**

Comprehensive on-site evaluation of the production processes and conditions of the productive system management. It establishes the first contact of personalized attention with each producer, a recognition of the production system is carried out, the producer is interviewed, each productive subunit is visited, the resources, possibilities, and expectations of those who make up the company are reviewed, the scope of the attention is explained, the required documents are collected, and everything necessary for the comprehensive diagnostic work of the business is documented.



**B) CURRENT OPERATIONAL PERFORMANCE BIOECONOMIC REPORT:**

Between 15 to 21 days after the diagnostic visit, a meeting with each producer is held to explain and deliver a detailed analysis of the current state of their meat production business. In simple and clear language, a detailed analysis of the bioeconomic aspects of the current meat production of the business is provided. The results are compared with the producer, to fine-tune details of the operational simulation model. This report is complemented with the current status of a series of performance indicators to consolidate the current situation and be able to compare changes over the project's timeframe. This report includes a current cash flow and a projected cash flow that confirms the financial and technical feasibility of the investment plan design.

**C) DELIVERY AND PRESENTATION OF THE TECHNOLOGICAL TRANSFORMATION PLAN:**

Design of a personalized strategic plan to meet export requirements. In the same meeting space as the previous point, each producer will be given a low-investment, high-impact project configured for the five main critical areas of technological transformation of the meat business in Costa Rica, identified as having the greatest potential productive impact, specifically and without order of importance: 1. Forage biomass 2. Information systems, 3. Reproductive programming 4. Nutritional design and 5. Sanitary management; all under criteria of high animal welfare.

All these integrated changes allow the implementation and permanence of practices and techniques that ensure the quality and traceability of the meat, the main primary challenge of regulation processes in this sector.

**D) COMPLETE IMPLEMENTATION OF TRANSFORMATIONS IN DEFINED AREAS:**

The producer will receive a technological transformation design, which includes a detailed implementation schedule of the project, including stages and deadlines of the transformation plan of the livestock business, as well as the dates of intervention by the suppliers of the different technological change systems.



In the five mentioned areas, a transformed process will be delivered for each producer, in which the measurement of success will be evaluated by comparing the before and after of the implementation of the changes. Each general area of transformation has a general summary indicator that for each producer will be oriented towards obtaining a minimum compliance rating, as follows:

### **Forage Biomass.**

The minimum base for improvement in forage productivity is set at 20% of dry matter biomass per hectare per year for each impacted producer.

Information Systems.

Each producer must have a rating of 95+ on the registry traceability indicator, a process through which the quality level of measurement and use of operational records is verified.

### **Reproductive Programming.**

Based on indicators such as intervals between births, heat detection, and fertility, the reproductive programming plan will be reconfigured, for applicable producers, in such a way that it allows testing and adjusting the meat supply to customer demands.

Through this programming plan, the implementation of the process trained and implemented on each farm will be verified.

### **Nutritional Design.**

From the bioeconomic diagnostic visit, the producer will receive nutritional attention in feeding practices, design or redesign of diets, advice at the different stages of meat production (development, fattening, finishing and transport), in order to meet the quality requirements of meat established for the export process. In most cases, these changes only require operational adjustments, so the impact of support in this regard is expected to start in the short term. In the case of beef cattle, most farms lack a method of nutritional recording, the comparative method of meat biomass productivity per production cycle will be used, through which nutritional improvement can be compared by quarterly or semi-annual gain rate.



**Sanitary Management.**

From the bioeconomic diagnostic visit, the producer will receive attention in the process of changes in sanitary management pending for their meat business, whose route is established by the EU requirements. The sanitary schemes to be defined for each producer will receive the approval of a duly certified veterinarian. At the same time, this process will be rated, which must comply with the minimum requirements of the EU regulation to obtain an approved rating. In most cases, these changes only require operational adjustments, so the impact of support in this regard is expected to start in the short term.

**E) CONTINUOUS STRATEGIC MONITORING UNTIL THE END OF THE 12-MONTH PROJECT.**

Periodic evaluation of the progress and results obtained and adjustments according to changing needs, planning, and testing of integrated operation as a group of producers. This allows integrating the groups with a strategic planning tool for the commercial export offer.

**F) TECHNICAL TRAINING PROCESS "PREPARING TO EXPORT MY MEAT".**

Two training processes will be completed to explain to each rancher the scope of the process of compliance with good livestock practices for the purpose of exporting to the EU. Two events will be held at the beginning of the process and another in the implementation phase (post-diagnosis), in order to provide group feedback on experiences, and conduct a process evaluation workshop.

It is important to emphasize that the beneficiary farms must commit to attend and complete the process of specialized technical assistance, the visits contemplated by the program, and the necessary measurements to be able to evaluate the development and impact of the implemented changes.



## 9. MAXIMUM DEADLINES FOR PROJECT EXECUTION

The following table summarizes the maximum deadlines for the execution of the program and its associated activities.

Table 3. Project deadlines

Activity	Date
Opening of the contest for the presentation of applications (Phase 1)	25 Oct, 2023
Final date for submitting applications (Phase 1)	09 de Nov, 2023
Start of tool application (Phase 2)	09 de Nov, 2023
Final date for tool application (Phase 2)	15 de Nov, 2023
Announcement of beneficiaries (Phase 3)	16 de Nov, 2023
Start of the program	17 de Nov, 2023
End of the program	18 de Nov, 2024

## 10. ANEXXES

### 10.1 Application Presentation Form

Instructions:

Below, you will find the application form where the Organized Productive Groups (chambers, associations, cooperatives, or other types of formal organizations) or processing companies must complete.

The CCSS, Ministry of Finance requirements, and operational permits that apply must be in the name of the same legal ID presenting the application.

For any questions or issues during the filling process, you can contact [descubre@procomer.com](mailto:descubre@procomer.com) or call 2505-4917.

Questions:

Attach legal representation of the GPO or the processing company, as applicable \*  
Space enabled to attach

Attach proof that the GPO or the company is registered and up-to-date with the CCSS.

\* You can make the online query at <https://sfa.ccss.sa.cr/moroso/> and attach the displayed image or the downloaded PDF document. In this query, it must be verifiable that the GPO or processing company is registered and up-to-date.

Space enabled to attach

Attach proof that the GPO or the company is registered and up-to-date with the Ministry of Finance \* You can make the online query at

<https://atv.hacienda.go.cr/ATV/frmConsultaSituTributaria.aspx> and attach the displayed image. In this query, it must be verifiable that the GPO or processing company is registered and up-to-date.

Space enabled to attach



Attach any other necessary permit for the operation of the GPO or processing company, as applicable It could be an Operating Permit issued by the Ministry of Health or Patent if applicable.

Space enabled to attach

Attach a list of beef cattle producing farms that submit their application to be considered as potential beneficiaries of the program \*

Download the following template: List of Referred Farms

Complete with the requested information

Attach



## 10.2 Commitment Letter

The undersigned, \_\_\_\_\_, in my capacity as a beneficiary subject of the Strategic Architecture on Farm Program, declare my commitment to the program and its execution for a period of 1 year, being willing to attend and complete the process of specialized technical assistance, the visits contemplated by the program, and the necessary measurements to be able to evaluate the development and impact of the implemented changes.

_____  <b>SIGNATURE OF BENEFICIARY</b>
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## Strategic Architecture Program on Farm Beef Cattle Farming for Export

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