F&V policy present and future

EXPERT GROUP FOR AGRICULTURAL MARKETS UNDER THE SINGLE CMO REGULATION - SUBGROUP ARABLE CROPS AND OLIVE OIL
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Today...

- Setting up sectoral programmes, with a direct or indirect benefit for protein, to strengthen supply chains, unlock the market potential of plant proteins and make farmers more resilient

- F&V sector: the model
F&V Sector Characterisation - figures (2017)

- Production 57 billion € (Cereals 42 billion €, Dairy 54 billion €, Proteins 1.2 billion €)
- Trade: exports = 7 billion € (trade balance ≈ -20%)
- 1784 Producer Organisations (POs) market 50% of the total EU production
- EU aid 700 Mio €/year
Why an EU F&V scheme?

CAP objectives
- Support to growers - fair prices - consumers
- Ensure food supply and food quality
- ...
- Increase competitiveness
- Rebalance power in the food chain
- Climate change action, Environmental care
Better supply chain organisation

big fish eat small fish
POs are the cornerstone

Objectives

CMO

Operational Programme

National Strategy
(Enviroment!)
Achievements

- **POs turnover: steadily increasing trend**
Achievements

• **Flexibility**: covering the specific needs of each PO

• *Fosters producer cooperation* - 4 F&V PO/APO (up to 7 000 individual producers!) = 3.5% of CAP expenditure to a high number of beneficiaries (236744 F&V producers members of POs)

• **Highly efficient** (in terms of EU aid). 3.5% of CAP support to a sector representing 20% of the agricultural value
Challenges

• **PAST**
  - Enforcement of Recognition PO
  - Organisation Rate decreasing in MS: NL
• **Size POs: too many, too small**
• **FUTURE**
  - Market transparency
  - BREXIT
  - Dropping Consumption
Conclusions

• *Scheme endorsed by achievements,*
• *50% of market under PO control,*
• *Model exportable to other sectors*
KEY ELEMENTS OF THE REFORM OF THE COMMON AGRICULTURAL POLICY

1. Rebalancing responsibilities between Brussels and the Member States (more subsidiarity)
2. Targeted, result and performance based support
3. Fairer distribution of direct payments
4. Enhancing environmental and climate ambition
5. Simplifying and modernising the policy
A COMMON FRAMEWORK FOR MARKETS

- Sectoral interventions
  - Fruit & Vegetables
  - Wine
  - Olive oil and table olives
  - Apiculture
  - Hops
  - Other sectors

- Internal market
  - Rules on Wine
  - Marketing standards
  - Producer organisations
  - Quota schemes
  - Geographical indications

- Trade
  - Licences (import/export)
  - TRQs
  - Export refunds
  - Import duties

- Safety net
  - Public Intervention
  - Private Storage Aid
  - Exceptional measures

- Competition
  - State aid
  - Antitrust

- Other schemes
  - School Fruit & Milk
  - POSEI and Smaller Aegean Islands

Possibility to support other sectors (up to 3% of DP)
Amendments to the CMO regulation

- Increasing F&V consumption;
- Focus on RDI;
- More versatile.

- Philosophy untouched;
- More focus on APO;
- Transnational dimension
CAP STRATEGIC PLAN

- Direct payments (26 notifications per MS)
- Rural development (118 rural development programmes) and
- Sectorial strategies, including F&V

27 CAP plans
WHAT WILL CHANGE in the F&V support scheme?

LARGELY UNCHANGED ...

...BUT A FEW IMPORTANT POINTS FOR MORE EFFECTIVENESS AND AMBITION ON ENVIRONMENT

- Compulsory nature of the scheme
- Open-ended budget based on performance
- List of interventions barely untouched

Integration of sectoral interventions in CAP strategic plan
  - Interventions linked to sector-specific and CAP-specific objectives

Fine tuning of existing interventions:
  - Mutual funds refilling

- Enhanced environmental component
- Enhanced innovative component
F&V policy in the CAP post 2020

• F&V scheme remains an integral part of the CAP and is compulsory for Member States.

1. Exceptional emergency measures => CMO
2. Marketing Standards and Producer organisations => CMO
3. Financing, management and monitoring of the CAP (Operational programmes) => Horizontal Regulation
• F&V Operational programmes implemented by Producer organisations => CAP STRATEGIC PLAN
• Compliance -> performance
• CAP Objectives -> Specific objectives -> Result indicators -> Output indicators
• Annual performance review and annual performance clearance
• The current financial governance is maintained (open-ended budget)!
F&V OPERATIONAL PROGRAMMES (1)

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F&V OPERATIONAL PROGRAMMES (2)

EU level

• CAP Strategic Plan drafted by MS
• - Objectives
• - List of Interventions

Member State level

• Producer organisations will prepare their OPs (approved by MS) listing the type of interventions used to accomplish objectives for which the OPs were established in accordance with the CAP SP