



WHITE PAPER on the FRUIT & VEGETABLE CMO

Assembly of European Regions
producing Fruits, Vegetables and
Ornamental Plants





WHITE PAPER
of the
Fruit & Vegetable
CMO



Published by

A.R.E.F.L.H.

A positive review of the 20 years of the Common
Market Organisation

Presentation by
MARCO CESTARO

Region Emilia-Romagna

**FRUIT & VEGETABLES , A
STRATEGIC SECTOR FOR
THE EUROPEAN UNION**

Marco Cestaro
Region Emilia-
Romagna

THE FRUIT & VEGETABLES A STRATEGIC SECTOR FOR THE EUROPEAN UNION



Economic Dimension

- ✓ About 21% of the total value of European agriculture (50 billion €)



Social Dimension

- ✓ Over 1.4 million farms
- ✓ 750.000 jobs



Health Dimension

- ✓ A key element for healthy and balanced nutrition

THE FRUIT & VEGETABLES A STRATEGIC SECTOR FOR THE EUROPEAN UNION

The great challenges of the F&V production

- **Quickly perishable products:** they need to be preserved from attacks of diseases and parasites
- **Economic investment:** important resources are needed for primary production and industrial transformation
- **Volatility of prices:** they generate repeated phases of crisis
- **Commercial penetration:** to improve presence on international markets



THE FRUIT & VEGETABLES, A STRATEGIC SECTOR FOR THE EUROPEAN UNION

Forces; weaknesses, risks and opportunities



Forces

- ✓ Important, wholesome and high-quality production volumes
- ✓ Wide range of varieties
- ✓ Identifiable characteristics (integrated production, organic prod, DOP, PGI)



Weaknesses

- ✓ High production costs
- ✓ Fragmentation of supply
- ✓ Reduced trading capacity



Opportunities

- ✓ Evolution of the sector's relationships and market regulation
- ✓ Valorisation of quality-territory ratio
- ✓ Productions that are consistent with new health and dietary requirements



Risks

- ✓ Decisive reduction of consumption
- ✓ Strong and aggressive presence of competing countries
- ✓ Political instability on some export markets



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PRESENTATION BY
KARINE OSWALD-POULET

IDFEL

THE CMO : AN INNOVATIVE
and EVOLVING AID
SYSTEM

THE CMO : AN INNOVATIVE and EVOLVING AID SYSTEM

Karine Oswald-Poulet
IDfel

Why the F&V producers organisation?

The situation :

Imbalance between the production (atomized supply)
and marketing (ultra-concentrated)
AND the withdrawal system shows its limits

=> The idea:

Developing / supporting producer organisations
to re-balance the commercial relationship

=> The fruit & vegetables PO is mainly a commercial operator



THE CMO : AN INNOVATIVE and EVOLVING AID SYSTEM

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IDfel

The resulting PO criteria

- Democratic control by producers
- Minimum size (in turnover and number of members)
- Knowledge of production
- Adaptation to markets in quantity and quality
- Means of preparation, storage, packing, ... adapted to the markets
- Concentration of marketing

And the F&V operational programme is the first eco-conditioned system of the CAP



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The Operational Programme : an innovating aid system

Helping to implement the PO strategy

A medium-term company project to accompany the structuring, the evolution and the improvement

- > Duration : 3, 4 or 5 years
- > Actions that are collectively thought
- > EU-PO co-financing



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The axes of the operational programmes

- > Optimisation of the production costs
- > Maintenance or improvement of the quality
- > Maintenance or improvement of the environment
- > Improvement of marketing
- > Research and experimentation
- > Prevention and crisis management



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The operational programme

To stay in touch with the different realities / evolutions

- > regulatory developments
- > Space for action left to Member States
- > for the POs, possibility to modify the programme





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Presentation by
JACQUES DASQUE

AREFLH

**PROPOSITIONS FOR
IMPROVEMENT**

Concentrating even more the offer

The economic organisation of production has been structured over the years,

but its bargaining power with its downstream actors is still too low in view of **international competition**

- Need to better support the supply concentration process by **introducing an aid gradient to the OP** depending on the level of services and commercial integration provided by the PO (from 2.5% of OPs up to 6.5% for commercial APOs).
- The **APOs play a central role** in the process of the concentration of supply opening the possibility of providing European support at APO level and not at PO level



A specific aid for the development of the organic production

In recent years, the organic production has undergone considerable expansion, both in terms of agricultural **areas involved** and **increasing interest of consumers**.

POs in their operational programmes are called upon to achieve specific environmental objectives.

The current Regulation on the fruit and vegetable CMO **provides for a 60% aid** for organic farming but still within the ceiling **of 4.1 % of the value of marketed production**.

->This situation is detrimental to the development of organic farming

We are calling for an additional 0.1% of the value of marketed production for the implementation

A more efficient crisis management

It is necessary to widen the range of the possibilities of interventions, for example :

- Insurance of credit funds
- mutualisation funds
- promotion , etc.

It is also important to intervene in compensation of the losses of income of the producers in the situations of unfavorable markets



Quality, research and environment

The concept of **overcost** does not function, in particular for the environmental actions:

-> the entirety of the costs must be taken into account.

The sector needs research and a **technical and organisational innovation** that is more dynamic and that lies in an appropriate and more inciting framework.



Control methods and audits

They have to be simplified and secured

- Setting up controls which take into account the results of former controls on the basis of analysis of risks (reduced controls).
- Defining a proportionality of the sanctions according to the level of gravity of the failures.





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The White Paper on the F&V
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contact@areflh.org



A.R.E.F.L.H.
37, Rue du Général de
Larminat
33000 Bordeaux, France



00.33.5.56.48.88.48



contact@areflh.org



www.areflh.org



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