



New Common Agricultural Policy

A renewed CAP supporting a greener, fairer and innovative transition

*Overview of the political compromise of 25/06/2021: **ASPECTS
RELATED TO THE FRUIT AND VEGETABLES SECTOR***

Directorate General for Agriculture and Rural Development

CDG F&V 01/10/2021



Sectoral interventions – Introduction (1/2)

Policy aim:

- To integrate all the CAP support instruments intended to increase competitiveness and sustainability of the EU agriculture in the **new performance oriented model**;
- Move, **from the CMO to the new SPR**, the existing sectoral specific support programmes for f&v, hops, olives, wine and apiculture;
- To **extend to all other sectors** (not tobacco and ethanol) the possibility for MS to provide sector specific support to enhance the economic organisation of farmers (f&v approach).



Sectoral interventions – Introduction (2/2)

Two models:

- Support to recognised **Producers Organisations (POs)** running operational programmes which are composed by interventions chosen by the POs. Covers also Producer Groups (PGs) on their way to become POs (in “other sectors”);
- Interventions designed by Member States **to support farmers and operators directly** subject to eligibility criteria defined by the MS.



Section 1 – General provisions (1/2)

Scope

- Fruit and Vegetables
- Apiculture
- Wine (16 MS)
- Hops (DE)
- Olive oil and table olives (FR, GR and IT)
- Other sectors

Nature of interventions for MS

- **Mandatory** (f&v, apiculture and wine), optional for the rest of sectors
- Not mandatory for the 4 MS with no recognised POs in F&V + in case of new PO recognition during the planning period



Sections on f&v, hops, OO and Other sectors – General principles (1/2)

Objectives

- To be chosen among: (a) production planning, (b) supply concentration, (c) competitiveness/modernisation, (d) R&D, (e) environmental friendly farming practices, pest resilience, animal welfare, biodiversity, (f) climate change mitigation, (g) quality improvement, (h) promotion, (i) increase consumption of f&v, (j) crisis prevention & risk management and (k) employment conditions

Interventions

- one or more to be chosen among: (a) investments, (b) advisory and technical assistance, (c) training/coaching, (d) organic production, (e) transport/storage efficiency, (f) promotion, (g) quality schemes, (h) traceability/certification
- + for crisis prevention & risk management: (a) mutual funds by POs, (b) investments for supply management, (c) collective storage, (d/e) orchards replanting/livestock restocking, (f) market withdrawal, (g) green harvesting, (h) non-harvesting, (i) harvest insurance (j) coaching, (k) impl. SPS requirement for exports, (l) communication/awareness in time of crisis



Sections on f&v, hops, OO and Other sectors – General principles (2/2)

Operational programmes

- Objectives & interventions implemented through operational programmes of recognised POs/APOs – min 3, max 7 years – linked to interventions chosen by MS – to be approved by MS – max 1/3 for crisis prevention.

Operational funds

- POs/APOs may set up an operational fund, partly financed by the Union, which must be dedicated to finance the implementation of their operational programme.

Simplified planning, reporting and performance in the SP

- Different to other interventions: planning, reporting and performance clearance are made at the level of operational programmes - not at the level of interventions.
- Financial planning at the level of the sector, not at the level of interventions.

Transitional provisions for F&V POs (Art 6 of CMO Amending Regulation)

- During transition period: max extension of operational programmes until 31/12/22.
- During transition period: new programmes approved maximum duration 3 years.
- By Sept 2022 the Pos need to choice to maintain ongoing programmes until its end/present a new programme under the SPR on 1/1/23/ terminate programme by 31/12/23



Specific provisions on f&v



Compulsory objectives and targets for f&v operational programmes

- Every operational programme includes concentration of supply and environmental/climate related objectives.
- 15% of expenditure for environmental/climate objectives.
- 2% of expenditure for R&D.
- AND at least 3 interventions for environmental/climate related objectives.

EU financial assistance to operational funds f&v

- Max 4,1% to 5,5 % of value of marketed production (VMP).
- Max 50% of expenditure per intervention...but,
 - 60% if transnational, engaged in IBO, organic only, 1st time, low level of POs in a MS, in OTMR; for crisis/risk; mergers;
 - 80% for R&D if it covers 5% of expenditure;
 - 80% for env/climate if covers 20% of expenditure;
 - 100% for free distribution up to 5% of the volume marketed.
- National Financial Assistance: MS can cover up to 80% of private own POs contribution and go up to 10% of the VMP in regions where the level of organisation in POs is lower than EU average.



Financial allocations

MFF impact

- Current envelopes cut by 3,9%, as for DP.
- Exception: apiculture (+70%).

Envelopes per sector

- **F&V: *status quo* i.e. no envelopes (but on average 830 million €/y expenditure for the EU);**
- Apiculture: 60 million €/y;
- Wine: 1,1 billion €/y;
- Olive oil: 45,8 million €/y (only EL, IT, FR);
- Hops: 2,2 million €/y (only DE).

Flexibilities

- Hops and olive oil envelopes may be transferred to DP.
- MS may decide to use up to 3% of their DP envelopes for interventions in “other sectors”.
- MS may review their decision in 2023.

Common Market Organisation (CMO) Regulation

Guiding principles :



No step back from market orientation



No additional CAP spending



Respect of EU competition law and international commitments

CMO – Exceptional market measures

- Providing in **Art. 219** for **adjusting import duties** and referring to **production reduction scheme** (instead of removing the safety net test, interfering with the CAP Strategic Plans and adjusting the f&v entry prices scheme)
- Adding **plant diseases and pests for f&v** in **Art. 220** (in addition to animal diseases)



CMO – other

- Some **sectors reorganised** in Annex I (sweet corn, Jerusalem artichokes, sweet potatoes, hot peppers, etc. included in f&v)
- Sustainability aspect added under **marketing standards** (Art. 86)



CMO – Farmers in the food supply chain

- Some major (and less major) **improvements** of the CMO in relation to:
 - Inter-Branch Organisations (IBOs)
 - Private Supply Management
 - Producer Organisations
 - Derogation from competition rules



CMO – Farmers in the food supply chain

- **Interbranch Organisations**

- Simplification of the process to ensure IBO can derogate from competition rules (Art 210 CMO)
 - end of compulsory prior notification
 - possibility to request a COM opinion
- Some changes in scope, activities and scope of extension of rules (not certified seeds for organic production)
- No specific recognition for wine IBOs but clarification of possible recognition at regional level





CMO – Farmers in the food supply chain

- **Private Supply Management**
 - Existing possibilities for PDO-PGI cheese and hams
 - Extended to all PDO-PGI agricultural products
 - Limited in time
 - Prior approval 2/3 producers
 - Raw material suppliers (if raw material from a certain area) consulted
 - Specific regime for cheese





CMO – Farmers in the food supply chain

- **Producer Organisations:**
 - Clear possibility for members to contact purchasers provided concentration of supply not jeopardised
- **Contracts and value sharing**
 - Clarification concerning **indicators** and indices of reference in price formula of standard contracts
 - Current **value sharing clauses** (between producer and first buyer) extended downstream (ie. tripartite contracts)



CMO – Farmers in the food supply chain

- **Article 210a - Derogation to competition rules for sustainability**
 - Agreements aiming at **sustainability standards** higher than EU/national Law
 - Production and/or processing and/or trade (incl distribution)
 - Scope : environment (incl climate and circular economy), pesticides and antimicrobials reduction, animal health and welfare
 - No prior notification / decision
 - COM can still check agreements ex post (if complaints or ex officio)
 - **Guidelines** by COM within 2 years (co-lead AGRI/COMP)
 - Possibility to ask opinion by COM (in 2 years)



CMO - Trade

- Most sensitive issue in the CMO package: a number of amendments proposed by the EP : **imports** of agri food products in the EU should **comply with EU standards**
- In the discussion, evolved towards a ‘blanket ban’ (prohibition of import of foods containing pesticides residues not authorized in the EU – **import tolerances**); major concerns with WTO compatibility and with EU legislation on maximum residue limits



CMO - Trade

- 3 political statements, unilateral, bilateral and trilateral
 - COM will also take into account **environmental concerns of a global nature** in addition to health and good agricultural practice aspects currently considered when setting **import tolerances** for pesticides residues
 - COM is asked to submit a **report by June 2022**, assessing rationale and feasibility of applying EU health and environmental standards to imported products
 - Common political statement on being proactive in international fora to **increase the level of ambition on international environmental objectives / food security** and on using the existing possibilities under WTO law to apply health, animal welfare and environmental EU standards to imported goods



CMO - Trade

- Other points:
 - **Export refunds** definitively removed from Basic Act (WTO Nairobi 2015)
 - Alignment of **Special Safeguard Clause** (Article 182 CMO) to Article 5 of the WTO Agreement on Agriculture (AoA) = calculation of trigger volume not necessarily in function of domestic consumption changes!!!

Thank you



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