POs: Cornerstone F&V sector

Framework POs F&V sector, practical example
Civil Dialogue Group Milk, Brussels
28 November 2017

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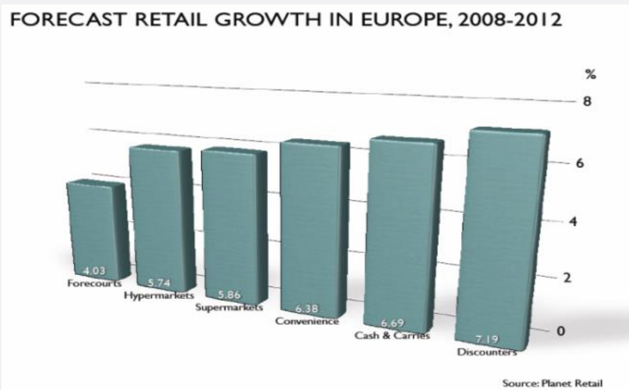
Developments/challenges sector

Growers	Retailers	Consumers	Government	Society
Over-production	Up-scaling	Convenience	Global market	Food Safety
Up-scaling	Purchase power	Healthy	Fewer grants	Certification
Chain forming	International buyers	Fresh	Increasing legislation	MRL's down
Application of IT	Food service	Price/Quality	Politics and trade/export	Tracking & Tracing
		Smaller households		Social responsibility
		Ageing population		Environmental friendly
		Wealth		
		Leisure time		

Response
Belgian F&V Sector

Customer orientation

Producer orientation



Concentration of the supply

PO1

PO2

...

POn

p11

p21

p31

p41

p12

p22

...

...

p1n

p2n

VBT-members POs

4.000 growers

HOOGSTRATEN
HOME OF QUALITY

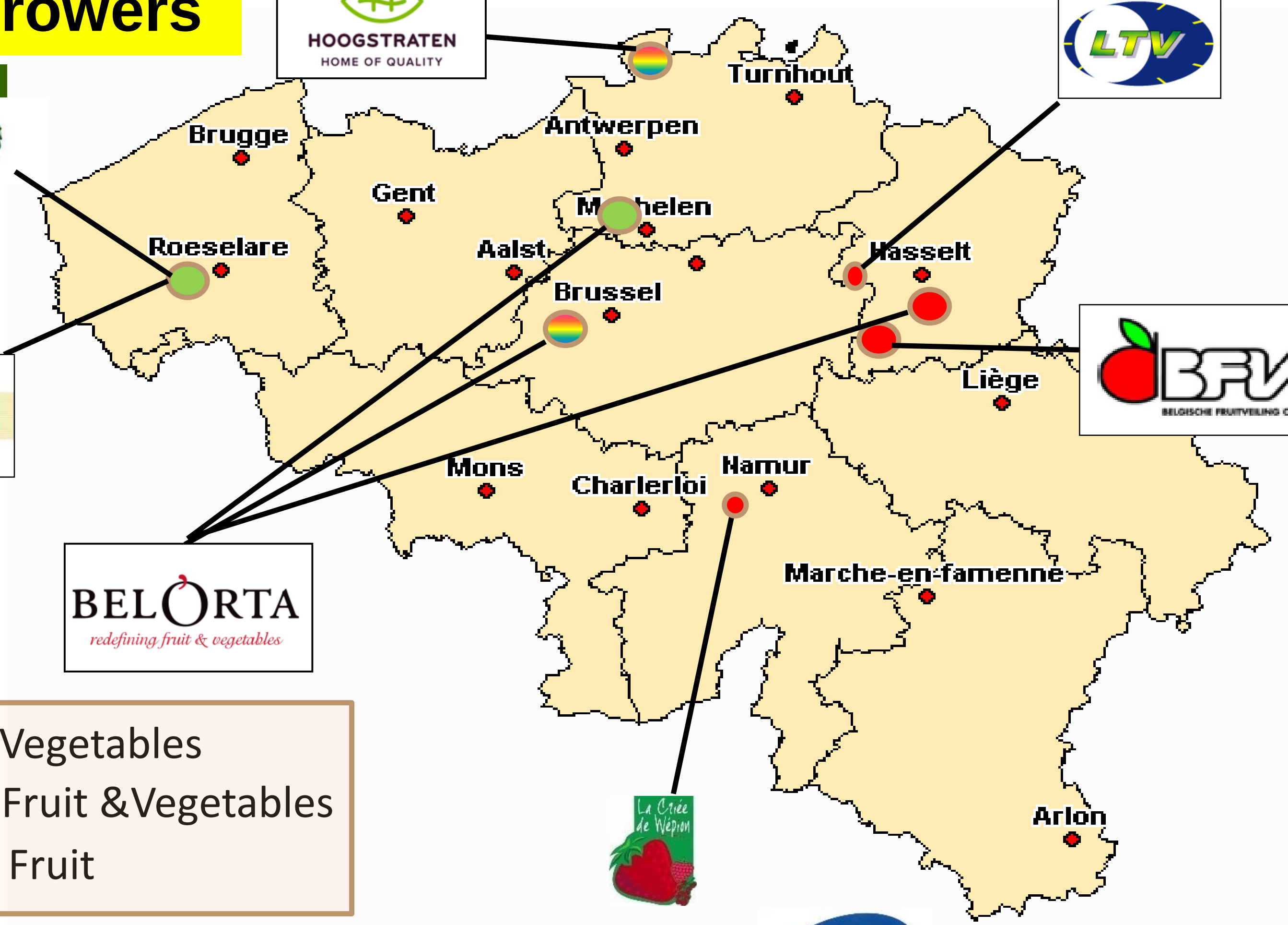
INGRO

LTV

REO VEILING

BFV
BELGISCHE FRUITVEILING CVBA

BELORTA
redefining fruit & vegetables



La Criée de Wépion

- Vegetables
- Fruit &Vegetables
- Fruit

VBT-members APOs

lava

efc
european fruit co-operation

Turnover PO members VBT

Fresh produce € 921,8 million

€ 582.140.224

€ 339.705.233

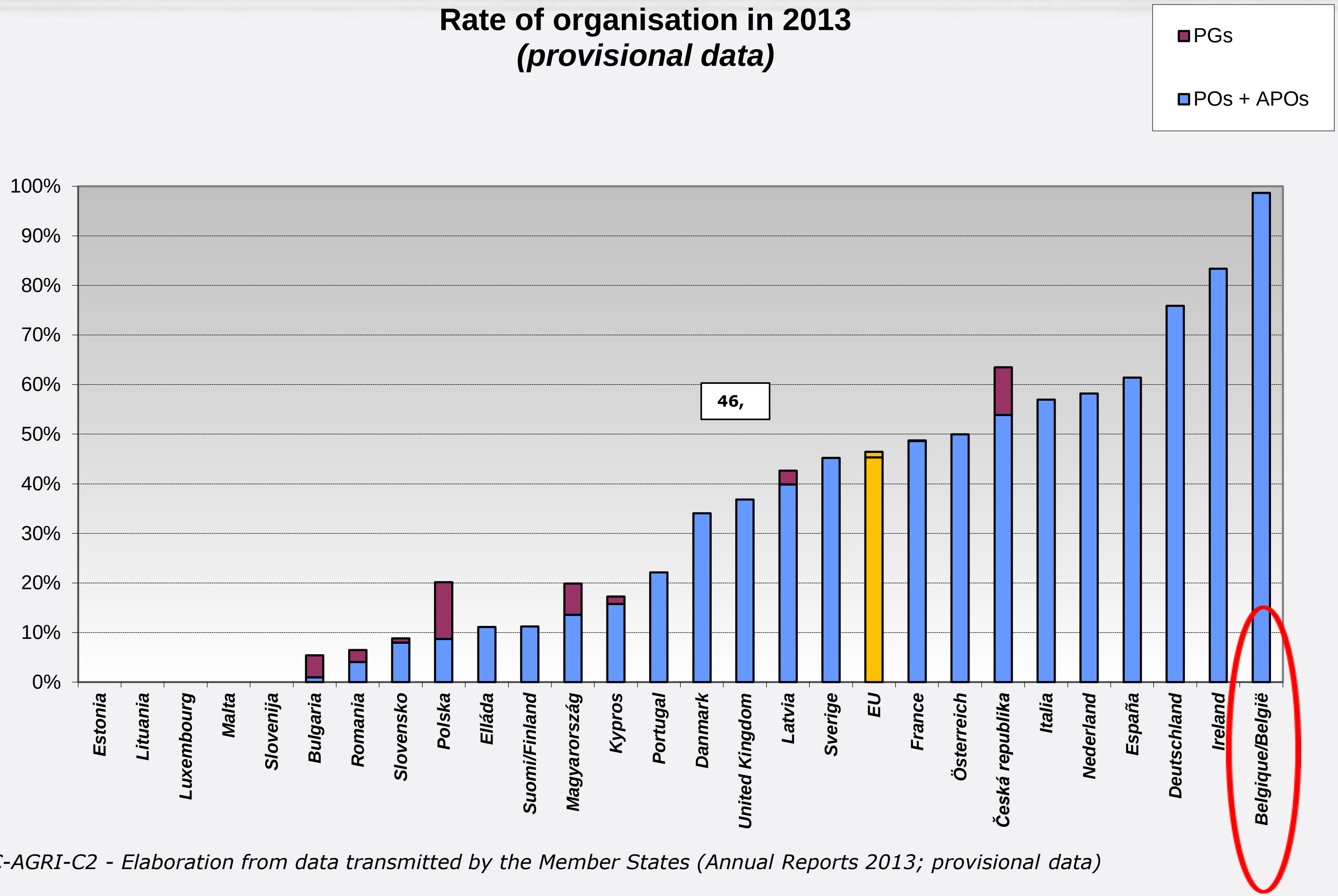
Frozen vegetables € 93,0 million

FROM THE HEART OF EUROPE

PREMIUM QUALITY PERFECT TASTE

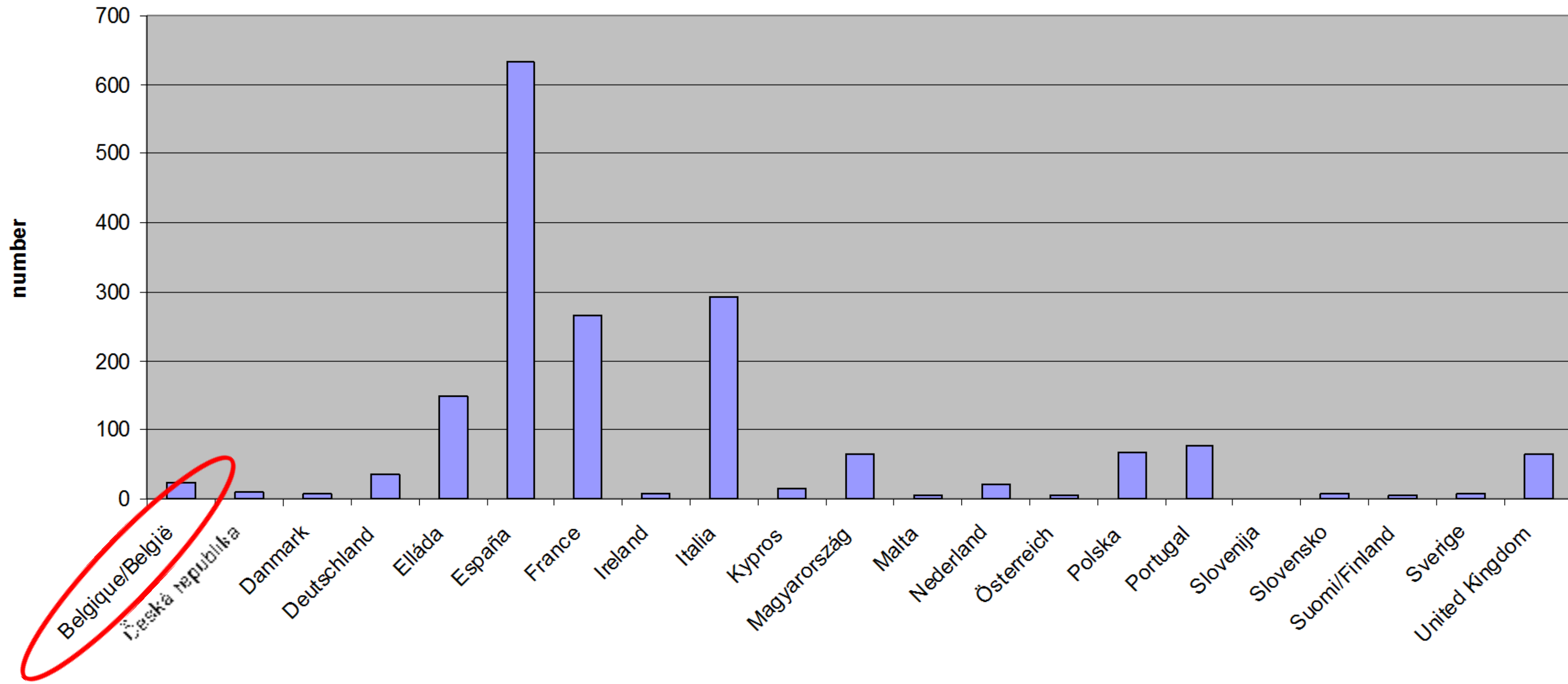
RESPONSIBLY FRESH

Rate of organisation in 2013
(provisional data)



Source: EC-AGRI-C2 - Elaboration from data transmitted by the Member States (Annual Reports 2013; provisional data)

Number of POs EU



POs in the center of the sector

Tasks of PO’s

Centralised Calibration (Peppers, Fruit)

Conservation short and long term

Distribution

Sales & Marketing

Quality control and inspection, grading

Procurement of packaging

Packaging

Fundamentals EU Scheme F&V sector

1. Producer Organisations (POs) are the cornerstone of the scheme. POs need to be recognised by MS.

2. Union financial assistance possible up to 4,1 (4,6)% of the Value of the Marketed Production VMP (i.e. turnover of POs) but capped at 50% of actual expenditure through Operational Programmes (actions, investments, crisis measures, etc.).
   So producers/POs have to invest 50% themselves.
   Operational Fund max. 8,2% (9,2%) of VMP.

3. Operational Programmes approved by MS based on their National Strategy.

Structure Operational Programme

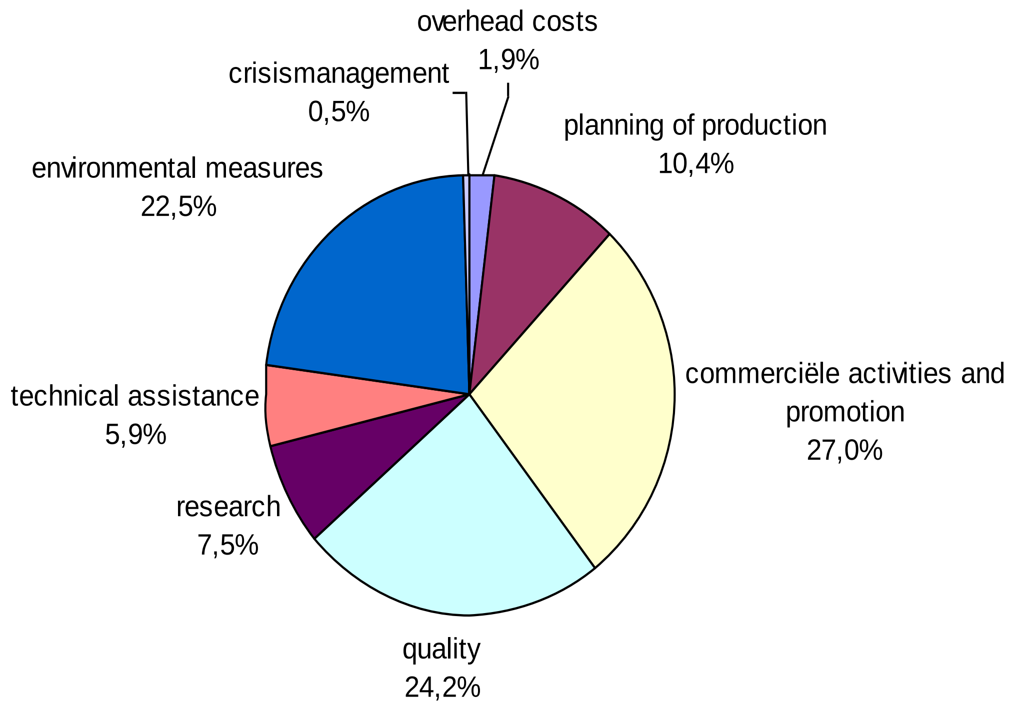
Operational Programme

1. Planning production
2. Product quality
3. Improving marketing + promotion
4. Research and experimental production
5. Training + advisory services
6. Crisis prevention and management
7. Environmental measures
8. Other actions

Support CMO F&V: new activities BE POs

	traditional	new
sales	✓	✓
sales administration	✓	✓
quality control of product	✓	✓
logistics	✓	✓
quality control of production process + traceability		✓
marketing + promotion		✓
innovation + research		✓
wholesale/export third countries		✓
environmental measures		✓
processing (convenience products)		✓
grower assistance		✓

Balanced Operational Program



Trends in POs in Belgium

- POs: from small POs to larger POs (mergers)
- Transnational aspect: almost every BE PO has foreign members (> 1.000 mainly NL, DE, FR)
- Further cooperation in Associations (APOs)
- Development of new activities:

- POs became service providers for their members but also for wholesalers/retailers and exporters
- Investments in shares of companies, creation of joint ventures (larger POs) companies with activities connected tot F&V trade
- Attracting related services of companies (packaging companies, traders, processors, convenience)

POs as a solution

- Overall balance in Belgium is positive
- A lot of the challenges/concerns of the market are met
- POs bear large responsibility but get many possibilities to
  - battle the challenges and adapt to market requirements
  - create sustainable development/growth for their growers
  - be attractive to growers
- Most producers are happy with their PO because:
  - payment guarantee +short payment delay
  - support in quality, traceability, sustainability guidelines
  - supply-oriented concentration
  - R&D
  - Economies of scale (e.g. joint purchases)
  - Information channel through PO (imperfect market)

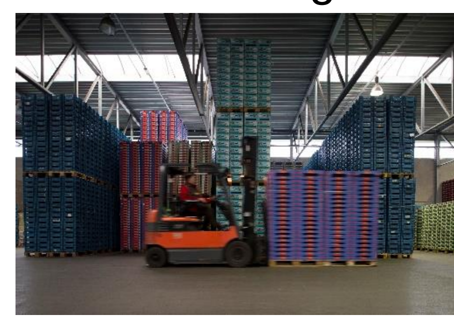
POs: unique role in the value chain

Quality control
Research/ Innovation

Sales
Marketing

Packaging
Support

Logistics
Planning



To have an impact on the position of the producer in the chain:
PO need to be a real economic organisation (selling/marketing produce)

[Practical example: PO BelOrta (company movie)]

Thank you for your attention