

Study on agricultural interbranch organisations (IBOs) in the EU

AGRI-2015-EVAL-13

National Legislation and Actions concerning IBOs

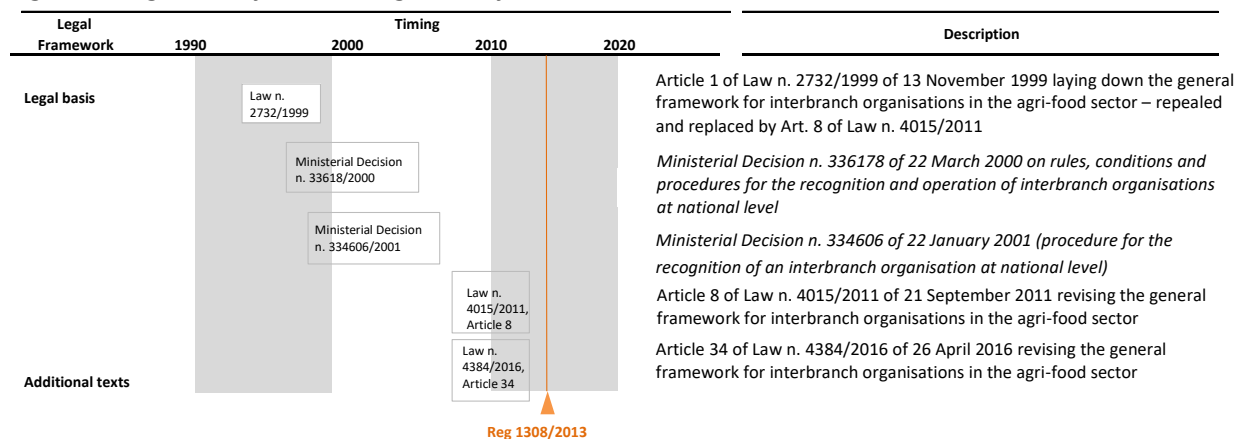
GREECE

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[Section 1: National legislation pursuant to Articles 157- IBOs, 158- Recognition of IBOs, 162 – IBOs in the olive oil, table olives and tobacco sectors and 163- IBOs in the milk and milk products sector of the CMO Regulation](#)

Figure 1: Legal basis for the recognition of IBOs in Greece



Source: Compiled by Agra CEAS Consulting

Summary of national legislation on IBOs

In Greece the legal framework for the setting, the recognition and the functioning of Inter-branch Organisations (IBOs) in the agri-food sector at national level was first established by Article 1 of Law n. 2732/1999 of 13 November 1999 (*“Inter branch organisations and regulating matters within the remit of the Ministry of Agriculture”*). This was subsequently repealed and replaced by Article 8 of Law n. 4015/2011 of 21 September 2011 on Agricultural Cooperatives and Producers Organisations (*“Institutional framework for agricultural cooperatives, collective organisations and entrepreneurship in the rural sector -organisation of State controls”*). The latter laid down a unified general framework for the setting, the recognition and the functioning of all organisations that are active in the agri-food sector in Greece (including producer organisations, cooperatives, the national federation of agricultural cooperatives (PASEGES) and IBOs).

Other legislative acts containing implementing rules have supplemented the existing framework, notably Ministerial Decision n. 336178 of 22 March 2000 on *“Rules, conditions and procedures for the recognition and operation of interbranch organisations at national level”*, as amended by Ministerial Decision n. 334606 of 22 January 2001 (on Article 3 par. 1: procedure for the recognition of an interbranch organisation at national level). Rules for the recognition and operation of interbranch organisations at regional level are also laid down in separate acts (Ministerial Decision n. 63179/2005); these are similar to those applying in the case of national IBOs¹. Other relevant legislation has included Ministerial Decisions on the imposition of a compensatory levy for the benefit of IBOs (e.g. Ministerial Decision n. 39996/2003 imposing a levy on growers and wineries for the IBO on vines and wine).

¹ Ministerial Decision n. 63179/2005 on *“Rules, conditions and procedures for the recognition and operation of interbranch organisations at regional level”*.

It is worth noting that 2015 marked a century of the legislative enactment of the agricultural cooperatives movement in Greece. In this context, there have been discussions and a public consultation was completed on 27 November 2015 on a revision of the legislative framework for agricultural cooperatives. As a result, Law n. 4384 has recently been adopted and entered into force on 26 April 2016: this revises certain provisions of Law n. 4015/2011, including on interbranch organisations (Article 34)².

IBOs: definition, objectives and legal status

Article 8 par. 1 of Law n. 4015/2011 defines IBOs as private, non-profit, legal entities representing producers, and/or processors and/or distributors of a specific product or group of products from the agricultural, agri-food, forestry and fisheries sector (Article 8 par. 1). As a rule, national legislation allows for the **recognition of IBOs only at national level**, and of **only one IBO for each agri-food product or product category** (Article 8 par.2).

Among the **objectives** that IBOs may pursue, Article 8 par. 2 of Law n. 4015/2011 lists the following:

- a) Contributing to the design, formulation and implementation of the strategy and development policies of all activities referred to in par. 1 and, more generally, the institutional support of products in the markets.
- b) Defining specific issues and promoting the conclusion of agreements amongst members for a limited period or for a certain geographical area or to tackle temporary needs, particularly through the establishment of interbranch agreements or rules of action, codes of conduct or rules of application of concerted practices, provided that these do not conflict with national or EU legislation.
- c) Contributing to the organisation and management of markets with transparency, better adaptation of products to quality improvement programs, and better coordination of product distribution.
- d) Strengthening measures for the safety of products, mainly of the agri-food sector, particularly through product checks, for the protection of users and consumers, and the proper management of quality marks issued by the Agency for the Certification and Supervision of Agricultural Products (AGROCERT).
- e) The development of research, improvement of knowledge, collection of information, towards the orientation of production to products that better respond to market needs, consumer preferences and expectations, in particular as regards the quality of products, soil and water protection and generally respect for the environment.
- f) The promotion and protection of organic farming and designations of origin, geographical indications and quality labels.

IBOs' recognition and monitoring

Article 8 par. 2 of Law n. 4015/2011 stipulates that the **Minister of Rural Development and Food** is the public authority responsible for granting recognition to IBOs. In order to obtain formal recognition IBOs must:

- a) Qualify as **non-profit organisations**;
- b) Ensure a **minimum level of representativeness** as regards the sector or the product(s) concerned;
- c) Pursue one or more of **the objectives listed above**;

² Article 34 of Law n. 4384 lays down the general framework for the operation of interbranch organisations.

As the first national legislation dates back to 1999 (Law n. 2732/1999), further detailed rules, conditions and procedures for the recognition of IBOs in Greece were laid down in Ministerial Decision 336178/2000, as modified by Ministerial Decision 334606/2001 (on Art. 3 par. 1: IBO recognition procedure, specific address in Greece). These rules continue to apply, in the context of Article 8 of Law n. 4015/2011 (as well as of Article 34 of the recently adopted Law n. 4384/2016), which replaces the original legal base (Law n. 2732/1999). According to the currently applicable legislation, in order to obtain formal recognition as a national IBO, interbranch organisations must³:

- a) Be **located in Greece**⁴;
- b) Be established in accordance with Article 8 par. 2 of Law n. 4015/2011.
- c) **Represent** through member organisations **at least one third (1/3)** of the production and/or processing and/or packaging/distribution/marketing of the products at national level. The degree of representativeness is certified by specific reasoned unanimous decision of the member organisations (self-certification).
- d) **Not carry out themselves activities** of production, or processing or marketing of the products covered by the IBO or any other products directly related to the production, processing, marketing, packaging, or distribution of products for which IBOs may be constituted (Article 8 par. 2, Law n. 4015/2011).
- e) Carry out mainly one or more activities specified in Article 8 par. 2 of Law n. 4015/2011, taking into account the interests of consumers.
- f) In their statutes provide for **access of new members**, provided that the latter meet the criteria and conditions defined by national law (i.e. Article 8, Law n. 4015/2011).

IBOs that are recognised in accordance with Law n. 4015/2011 are entered into the **National Registry** of Collective Agricultural Organisations, which is established and maintained within the **Ministry for Rural Development and Food** (according to Article 8 par. 3 of Law n. 4015/2011), along with other types of collective agricultural organisations that operate in Greece.

The Ministry for Rural Development and Food is responsible for the supervision and control of the activities of IBOs (Article 8 par. 4). In order to allow for an appropriate supervision of their activities, every year IBOs must submit to the Ministry an annual activity Management report and legally certified minutes of the Annual General Meeting (in accordance with Article 4 point d of Ministerial Decision 336178/2000). In addition to this obligation, IBOs must notify to the Ministry any changes affecting their status, including the accession of new members, withdrawal of existing members, rejection of new application for membership and reasons for it, changes in representativeness rules or in any other condition for its recognition. They must also provide evidence of implementation of any interprofessional IBO agreements concluded between members.

Should any of the conditions listed in Article 2 of Ministerial Decision 336178/2000 cease to exist, the recognition is revoked (Article 6 par. 1).

From a procedural point of view, organisations seeking recognition as an IBO must **submit a request** to that effect to the central services of the Ministry for Rural Development and Food and notably to the Directorate for Financial Controls and Inspections. The request must be accompanied by the following documents (Article 3 of Ministerial Decision 336178/2000):

- a) The **statutes** of the organisation legally validated and any other available proof of its constitution;

³ In particular, these rules and conditions are laid down in Ministerial Decision 336178/2000.

⁴ Specific address of the IBO seat in Greece to be provided on the IBO application form, in accordance with Ministerial Decision 334606/2001.

- b) Proof of IBO **representativeness** and its activities;
- c) Proof of **inscription in National Registry of member organisations** and of their activities;
- d) Record of constitution of the **IBO Management Board** as the governing body and the legitimacy of its representatives.

The above Directorate may solicit the submission of additional documents where necessary (Article 3, Decision 336178/2000). The granting of recognition is an exclusive prerogative of the Minister for Rural Development and Food, as set by Law n. 4015/2011 (Article 8 par. 2).

IBOs' agreements: approval and extension of rules

Law n. 4015/2011 (Article 8) allows IBOs to promote the conclusion of agreements between their members (in accordance with the IBO statuses), that pursue one or more of the objectives listed in Article 8 par. 2. Upon request of the concerned IBO, the Minister for Rural Development and Food may **approve certain agreements** in the form of interprofessional IBO agreements, decisions or concerted practices concluded between members.

The implementing rules, including conditions that must be fulfilled, for the approval of IBO agreements are laid down in Article 7 of Ministerial Decision 336178/2000.

In particular, such agreements should not:

- a) Affect the proper functioning of the common market organisation;
- b) Cause distortions of competition in achieving the common agricultural policy objectives pursued by the IBO activities;
- c) Involve fixing of prices, without prejudice to measures taken by interbranch organisations in the application of specific Community provisions;
- d) Cause discrimination or eliminate competition for a substantial part of the products concerned;
- e) Be incompatible with national and EU legislation.

Before their application, interprofessional IBO agreements, decisions or concerted practices must be notified by the IBO to the Ministry for Rural Development and Food as the competent authority, accompanied by all the information necessary to assess them, as well as to the European Commission if this is required by EU legislation. If the Ministry for Rural Development and Food or the European Commission, **within two months of their notification**, do not declare them incompatible with national and EU legislation, such agreements, decisions and concerted practices may be implemented after the expiry of this period.

Agreements may be subject to extension, in full or in part, to all non-member economic operators of the product/sector concerned in accordance with the requirements set by national law in this respect (i.e. Article 8 Decision 336178/2000). This extension is granted **on a compulsory basis for a temporary period of time (up to maximum 3 years)**, subject to conditions and requirements set out in Article 8.

In particular, such an extension may be granted if it has been requested by an IBO gathering, at least, **two thirds (2/3) of the production and/or processing and/or distribution activities** of the product(s) in question **at national level**.

Furthermore, the rules for which the extension is sought for must:

- Have been **adopted by unanimous decision** of the professional branches that are represented within the IBO;
- Apply, at least, **to one marketing campaign**; and,
- **Not entail discriminations or eliminate competition** with regard to the product(s) in question (within Greece or within the EU).

The request of an IBO to extend to non-members on a compulsory basis the rules of interprofessional IBO agreements, decisions or concerted practices is submitted to the competent central services of the Ministry for Rural Development and Food. The final Ministerial Decision must be published on the Government Gazette within 3 months from completion of the file. The IBO request must be accompanied by the text of the **interprofessional agreement or decision**, and any document proving that the provisions of the agreement or decision were **adopted** by the entities represented in the IBO by **unanimous decision**.

Once the extension of the rules of an IBO agreement is approved in accordance with the procedure outlined above, the rules in question are **binding on all economic operators** of the sector in question that, acting individually or collectively, conduct their activity in Greece and that are not members of the IBO.

Rules on financing

Law n. 4015/2011 (Article 8) sets out the general principle whereby the establishment of IBOs and their activities are to be promoted in accordance with the applicable legislation. In line with that, recognised IBOs may benefit from financial support that national law may foresee as a means to support the establishment, the functioning and the modernisation of associations and the pursuit of the objectives for which they have been created. In particular, as laid down in Article 8 par. 6 of Law n. 4015/2011, the Agriculture and Livestock Fund may, upon decision of its Management Board, finance IBOs which submit a request, with the aim to support their activities.

IBOs have the right to determine the **fees** that can be requested to their members. In addition to that, national law also foresees the possibility to extend their application to economic operators that are not members of the IBO in the case of an extension of interprofessional IBO agreements, decisions or concerted practices to non-members. However, under such circumstances, the fees imposed to non-members must be proportionate to the costs and benefits of the services provided in the context of joint actions that form part of an agreement that has been subject to approval and extension, and **should not cover administrative expenditure** (Article 9 of Ministerial Decision 336178/2000).

Representativeness

There are no implementing rules laid down in national legislation with regard to the **representativeness criteria** that national, regional and local organisations must fulfil in order to be granted access to established and recognised IBOs that are relevant to their activities. Thus, there is no minimum number of producers and other operators, i.e. processors and distributors, required by law for an organisation to be granted access to the IBO of its interest. Requests aiming at securing access to an IBO by an organisation must be addressed to the IBO of interest

Article 2 Ministerial Decision 336178/2000 only lays down the general representativeness criterion that an IBO must fulfil to apply for recognition as national IBO: it must **represents**, through member organisations, **at least one third (1/3)** of the production and/or processing and/or packaging/distribution/marketing of the products at national

level. The degree of representativeness is certified by a specific reasoned unanimous decision of the member organisations.

Section 2: Other national legislation relevant to activities and operation of IBOs pursuant to Articles 157 –IBOs, 158 – Recognition of IBOs, 162 – IBOs in the olive oil, table olives and tobacco sectors and 163- IBOs in the milk and milk products sector of the CMO Regulation

No other national legislation of direct specific relevance to IBOs was identified beyond the legislation indicated in Section 1.

Agricultural cooperatives members of IBOs are also subject to the rules laid down in horizontal legislation concerning agricultural cooperatives, in particular the provisions of Law n. 2810/2000 (on "Agricultural Cooperative Organisations"), as amended by Law n. 4015/2011 (on "The institutional framework for agricultural cooperatives, collective organisations and entrepreneurship in the rural sector – organisation of State controls").

Section 3: History and list of IBOs pursuant to Articles 157 –IBOs, 158 – Recognition of IBOs, 162 – IBOs in the olive oil, table olives and tobacco sectors and 163- IBOs in the milk and milk products sector of the CMO Regulation

According to data submitted by the competent authority (Ministry for Rural Development and Food), there are **seven (7) IBOs formally recognised** by the Ministry. Of these, five have been recognised by national laws and two following the adoption of Regulation (EU) No 1308/2013. They are all **national IBOs**.

Greece has a relatively short history in recognising IBOs. The first IBO (on vines and wine) was recognised in February 2001.

The sectors in which IBOs are formally recognised appear below, along with the number of members in each IBO and their date of recognition.

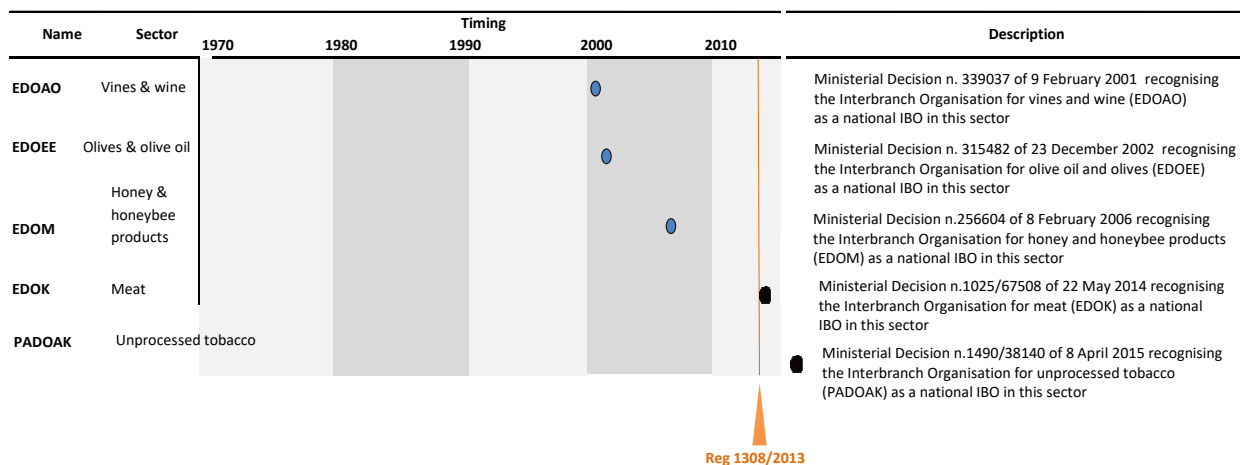
1. **IBO of Vines and Wine:** 2 Members: Central Union of Agricultural Cooperatives of Vine producers and Association of Greek Wineries, Date of recognition 9-2-2001
2. **IBO of Olive Oil and Table Olives:** 10 Members: Agricultural cooperatives of olive producers, processing industries of olive oil, association of exporters and of retailers of olive oil and olives. Date of recognition 23-12-2002
3. **IBO of Honey and other by –products of bee hives:** 8 Members: Agricultural associations of honey producers, processing and packaging associations and exporters. Date of recognition 8-2-2006
4. **IBO on Meat:** 6 members: national association of livestock producers', meat traders, meat processors, slaughterhouses and butchers. Date of recognition 22-5-2014
5. **IBO of Unprocessed Tobacco:** 21 Members: 17 tobacco agricultural cooperatives, 3 tobacco trading companies and the National Association of tobacco processing industries. Date of recognition 2-4-2015

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6. **IBO on (processed) Tobacco***. Date of recognition 5-9-2002. Not active since 2006.
7. **IBO on Processed Peaches and Pears* (EDOVRA)**. Date of recognition 14-6-2001. Not active since 2006.

* The last two IBOs are no longer active (not in operation since 2006).

Figure 2: List of IBOs in Greece*



* Note: Only lists currently active IBOs. In addition to these, there are two IBOs (on processed peaches and pears; and, on processed tobacco), which were formally recognised through Ministerial Decisions in 2001 and 2002 respectively, but are no longer active (not in operation since 2006).

Source: Compiled by Agra CEAS Consulting.

[Section 4: Use of the available legal framework for IBOs and other forms of cooperation between producers and other stages of the food supply chain established in the context of CMO Regulation](#)

All 7 IBOs which have been recognised in Greece are established at national level; of these, only 5 are currently active (Figure 2). The procedures for the recognition of IBOs at national level are laid down in Ministerial Decision 336178/2000, as modified by Ministerial Decision 334606/2001. These implementing rules were established in the framework of Law n. 2732/1999⁵, as modified by Article 8 of Law n. 4015/2011. There have been no updates to the implementing rules following the adoption of Law n. 4015/2011. In view of this, some of the consulted parties highlighted the potential for some 'institutional gaps' in the current legislative framework. Although this could not be confirmed, on the basis of the available evidence, it does not appear that this may be a

⁵ IBO's legal framework in Greece was first established by Law n. 2732/1999 on Inter-branch Organisations, which was replaced later by Article 8 of Law n. 4015/2011 on "Agricultural Cooperatives and Producers Organisations".

factor directly preventing attempts of other sectors to form IBOs at national level and obtain formal recognition of IBO status⁶.

The concept of IBOs is generally considered useful at national level, both in terms of promoting closer cooperation and more transparency in the organisation of the sector and in reinforcing the dialogue and coordination between the industry and the competent authority (the Ministry for Rural Development and Food). Furthermore, other forms of cooperation, also ensuring self-regulation of the product chain, may not always exist. Even where they exist, the IBO is clearly seen to have an added value, e.g. in the meat sector (EDOK), for developing programmes on product promotion (e.g. on lamb).

It is noted that Law n. 4384/2016 revising the general framework on cooperatives has recently been adopted by the Greek Parliament (26 April 2016)⁷; Article 34 covers inter branch organisations. The new Law repeals certain earlier provisions, including those relevant to some organisations that are currently members of certain IBOs. In particular, it repeals articles that regulate the functioning and activities of PASEGES, a member in certain of the recognised IBOs⁸ (repeal of Article 33 of Law n. 2810/2000 and Article 7 of Law n. 4015/2011). It could not be established at the time of writing what implications the repeal of these provisions may have on membership of existing recognised IBOs and recognition of currently applying IBOs. Under Regulation (EU) no 1308/2013 and the national legislation, there is one IBO currently applying for recognition in the citrus sector; this inter-branch organisation is legally constituted and currently in the process of assessment of its application for recognition as a national IBO by the competent services of the Ministry of Rural Development and Food⁹.

⁶ It is noted that although Greece has a long tradition in agricultural cooperatives and producer organisations, a very small number of these (with the exception of producer groups), have had viable economic activity. Under Law n. 4015/2011, the legal framework of agricultural cooperatives, producer organisations and IBO has been reformed, the aim *inter alia* being for only economically active organisations and cooperatives to remain in operation. A new (electronic) National Registry of cooperatives, producer organisations and IBOs was established under Law n. 4015/2011 and it is updated under the supervision of the Ministry of Rural Development and Food. This legal framework was reformed further with the recently adopted Law n. 4384/2016, which *inter alia* aims to reinforce the cooperative movement in Greece, including in relation to interbranch organisations (Article 34).

⁷ The background to Law n. 4384/2016 was the need to update and consolidate the legal framework on agricultural cooperatives. A key driver has been the continuing need to create the basis for entrepreneurship in the agricultural cooperative movement, particularly in the current economic context. According to various reports only 16% of the 6,500 cooperatives currently registered at the National Registry are in operation (this figure could not be confirmed with the Ministry of Rural Development and Food). According to data provided by the Ministry, 2 of the 7 recognised IBOs that are currently registered and appear in the National Registry have not been in operation since 2006.

⁸ PASEGES, the Pan-Hellenic Confederation of Unions of Agricultural Co-operatives, was established in 1935 as a private legal entity. PASEGES is the leading agency of the country's agricultural co-operative organisations, representing them on an international, European and national level. This includes, at EU level, representation in the Committee of Professional Agricultural Organisations in the European Union (COPA), the General Confederation of Agricultural Co-operatives in the European Union (COGECA), the Consultative Committees of the EU on horizontal and sector-oriented agricultural matters, and the European Economic and Social Committee (EESC). PASEGES also, participates in Inter-Branch Organisations, such as the National Inter-professional Organisation of Olive-oil and Olives (EDOEE), the National Inter-professional Tobacco Organisation (EDOK) and the National Inter-professional Organisation of Vine and Wine (EDOAO).

⁹ Furthermore, in the table olives sector, the Interprofessional Organisation for Tables Olives (DOEPEL) has been declared by its members as a national IBO (decision taken by members during their 1st General Assembly on 17/12/2015); the application process for its formal recognition by the competent authority is still pending. Discussions for the constitution and formal recognition of national IBOs have also been held in recent years in other strategic sectors of Greek agriculture, including the milk and cotton sectors.

[Section 5: Decisions of competition authorities/national courts on the compatibility of IBOs activities/practices with national competition law](#)

According to the information available, no decisions of competition authorities/national courts of direct specific relevance to the IBOs that are currently active, or complaints received by MS competent authorities with regard to activities of those IBOs, were identified.

Earlier practices involving price fixing amongst associations members of the IBO on processed peaches (EDOVRA), which is not active since 2006, have been investigated by the Greek competition authorities in 2006, following complaints submitted in 2002, and were condemned, as unlawful and not in line with the EU legislation on IBOs (Art. 20 par. 3 of Council Regulation (EC) No 2200/96 on the common organization of the market in fruit and vegetables) and national implementing rules. (Hellenic Competition Commission, Decision n. 312/V/2006 of 23 March 2006)¹⁰.

[Section 6: Literature](#)

National Legislation

- Article 1 of Law n. 2732/1999 of 13 November 1999 laying down the general framework on interbranch organisations in the agri-food sector – repealed and replaced by Art. 8 of Law n. 4015/2011
- Article 8 of Law n. 4015/2011 of 21 September 2011 (on “*Agricultural Cooperatives and Producers Organisations*”) revising the general framework for interbranch organisations in the agri-food sector
- Article 34 of Law n. 4384/2016 of 26 April 2016 on “*Agricultural Cooperatives*” laying down the general framework for the operation of IBOs (publication pending).
- Ministerial Decision n. 336178 of 22 March 2000 on "Rules, conditions and procedures for the recognition and operation of interbranch organisations at national level", as amended by Ministerial Decision n. 334606 of 22 January 2001 (on Art. 3 par. 1: IBO recognition procedure)
- Ministerial Decision n. 334606 of 22 January 2001 on the procedure for the recognition of an interbranch organisation at national level
- Ministerial Decision n. 63179/2005 on rules, conditions and procedures for the recognition and operation of interbranch organisations at regional level
- Ministerial Decision n. 339037 of 9 February 2001 recognising the Interbranch Organisation for vines and wine (EDOAO) as a national IBO in this sector
- Ministerial Decision n. 315482 of 23 December 2002 recognising the Interbranch Organisation for olive oil and olives (EDOEE) as a national IBO in this sector
- Ministerial Decision n.256604 of 8 February 2006 recognising the Interbranch Organisation for honey and honeybee products (EDOM) as a national IBO in this sector
- Ministerial Decision n. 1025/67508 of 22 May 2014 recognising the Interbranch Organisation for meat (EDOK) as a national IBO in this sector

¹⁰ http://www.epant.gr/img/x2/apofaseis/apofaseis347_1_1194268279.pdf

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- Ministerial Decision n.1490/38140 of 2 April 2015 recognising the Interbranch Organisation for unprocessed tobacco (PADOAK) as a national IBO in this sector
- Ministerial Decision n.369894 of 14 June 2001 recognising the Interbranch Organisation for processed peaches and pears as a national IBO in this sector (IBO no longer active)
- Ministerial Decision n.54003 of 5 September 2002 recognising the Interbranch Organisation for (processed) tobacco as a national IBO in this sector (IBO no longer active)

Extension of rules

No extension of rules yet.

Website of the competent authority (Ministry of Rural Development and Food) on interbranch organisations, where further information can be found, including links to the above national legislation:

<http://www.minagric.gr/index.php/el/for-farmer-2/sillogikes-agrotikes-organoseis/204-diepagelmatikesorganoseis>