Market transparency from the producer's perspective

Brussels, 11th September 2018

Who are we?

Anecoop is a **second-tier food cooperative** that **integrates**, **coordinates** and **markets** its member's production in line with the highest **quality** and **food safety** standards, providing these members with different **services** so they can streamline their activities

27.000 FARMERS	• Production
69 MEMBERS	• Product management • Packaging
ANECOOP	• Sales • Marketing

Founded in **1975**

Marketing **citrus fruit, fruit, vegetables and salad stuffs,** and **wine**

Over €850 M average yearly turnover and **1,000,000 tonnes** in sales volume

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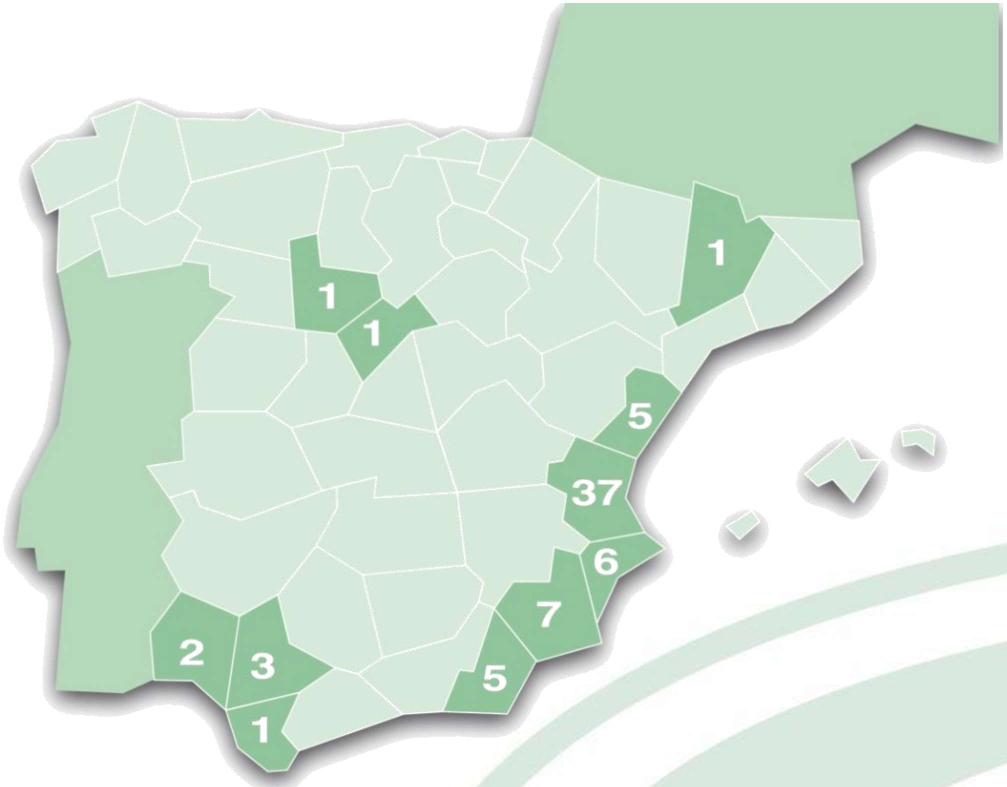
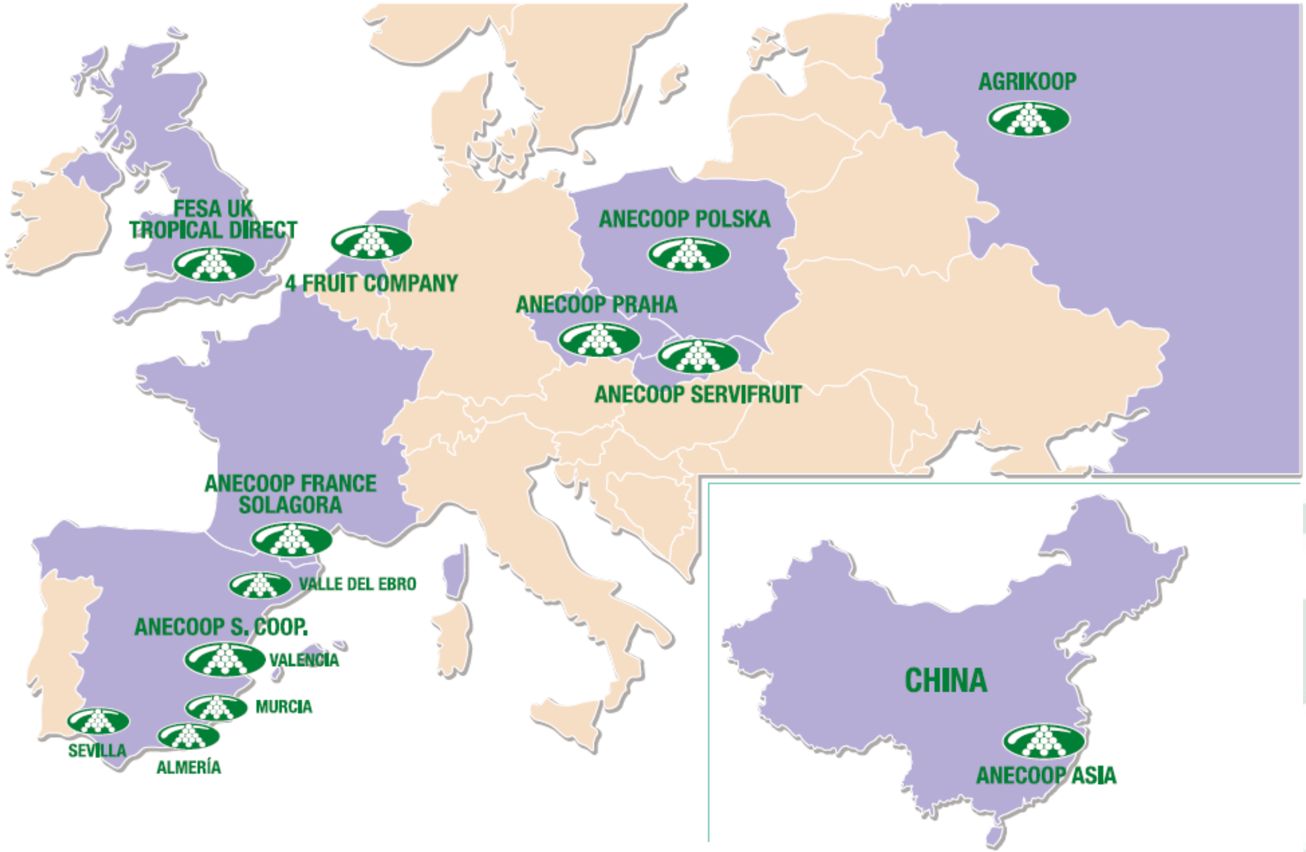
Members



69 Members

GRUPO ANECOOP *THE ANECOOP GROUP*



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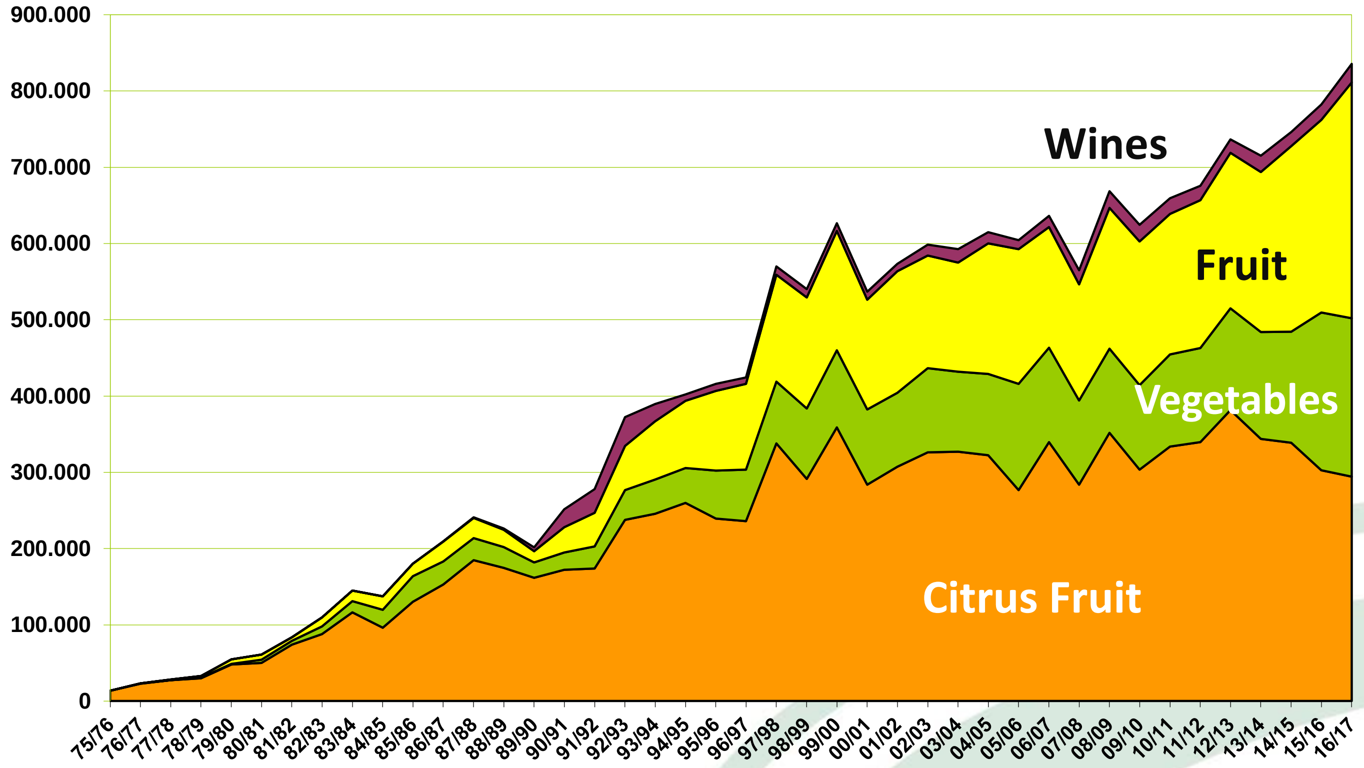
Sales development by group of product



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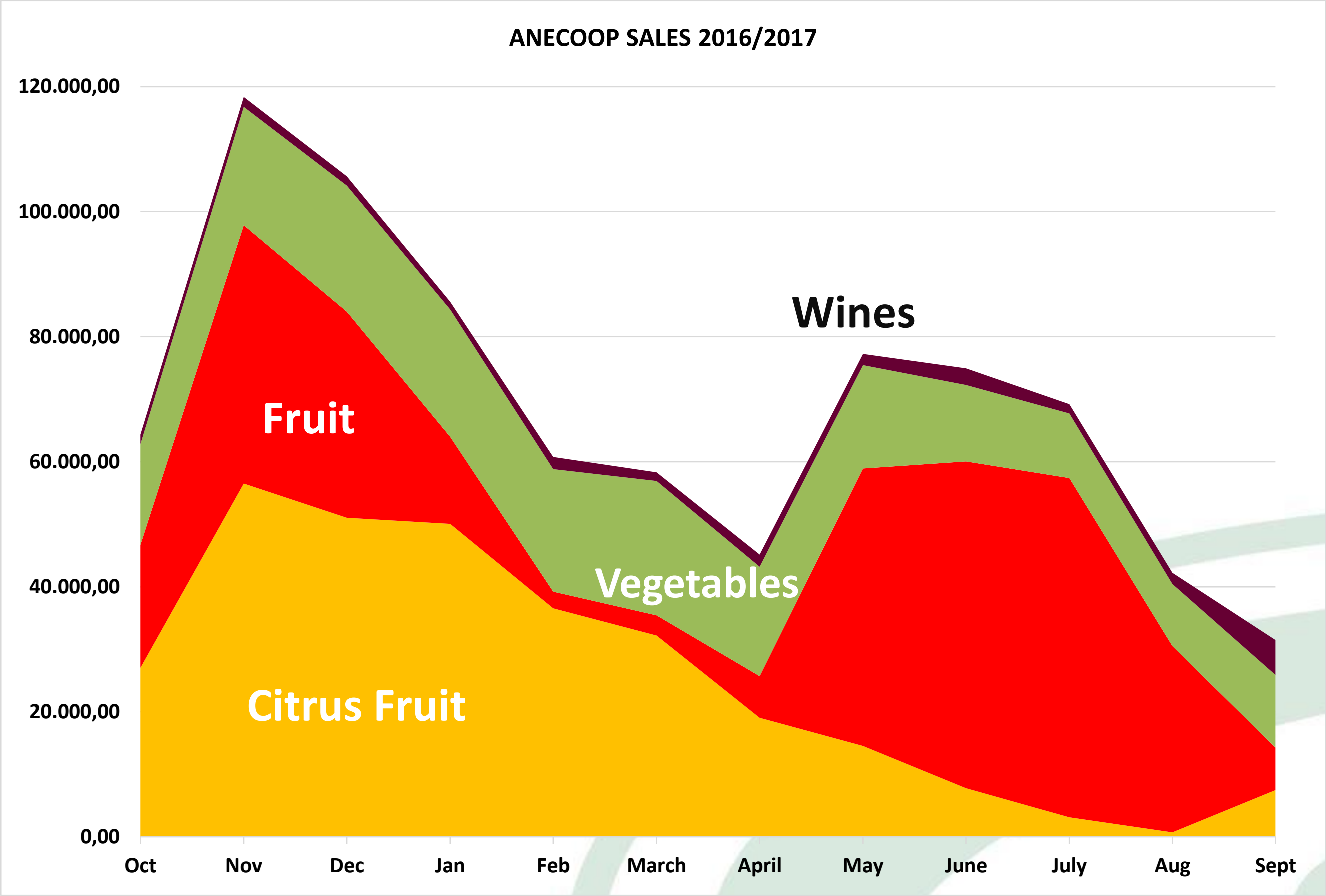
Wide product range all year round



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The speaker and the organization

Paco Borrás has been Sales Manager at Anecoop for more than 30 years and was named also Deputy Managing Director of the cooperative organisation in 1998.

Anecoop takes part in different information forums in which produce farmers provide the chain with data:

- **Copa-Cogeca.** Citrus fruit and stone fruit expert in the EU's working groups.
- **Freshfel.** Chairman of Export Division.
- **Valencian regional government and Spanish state government.** Provides weekly price updates for ex-works products.

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Spain’s prices Observatory

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Spain’s prices Observatory

ISC

Informe Semanal de Coyuntura

25 de julio 2018

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GOBIERNO DE ESPAÑA

MINISTERIO DE AGRICULTURA, PESCA Y ALIMENTACIÓN

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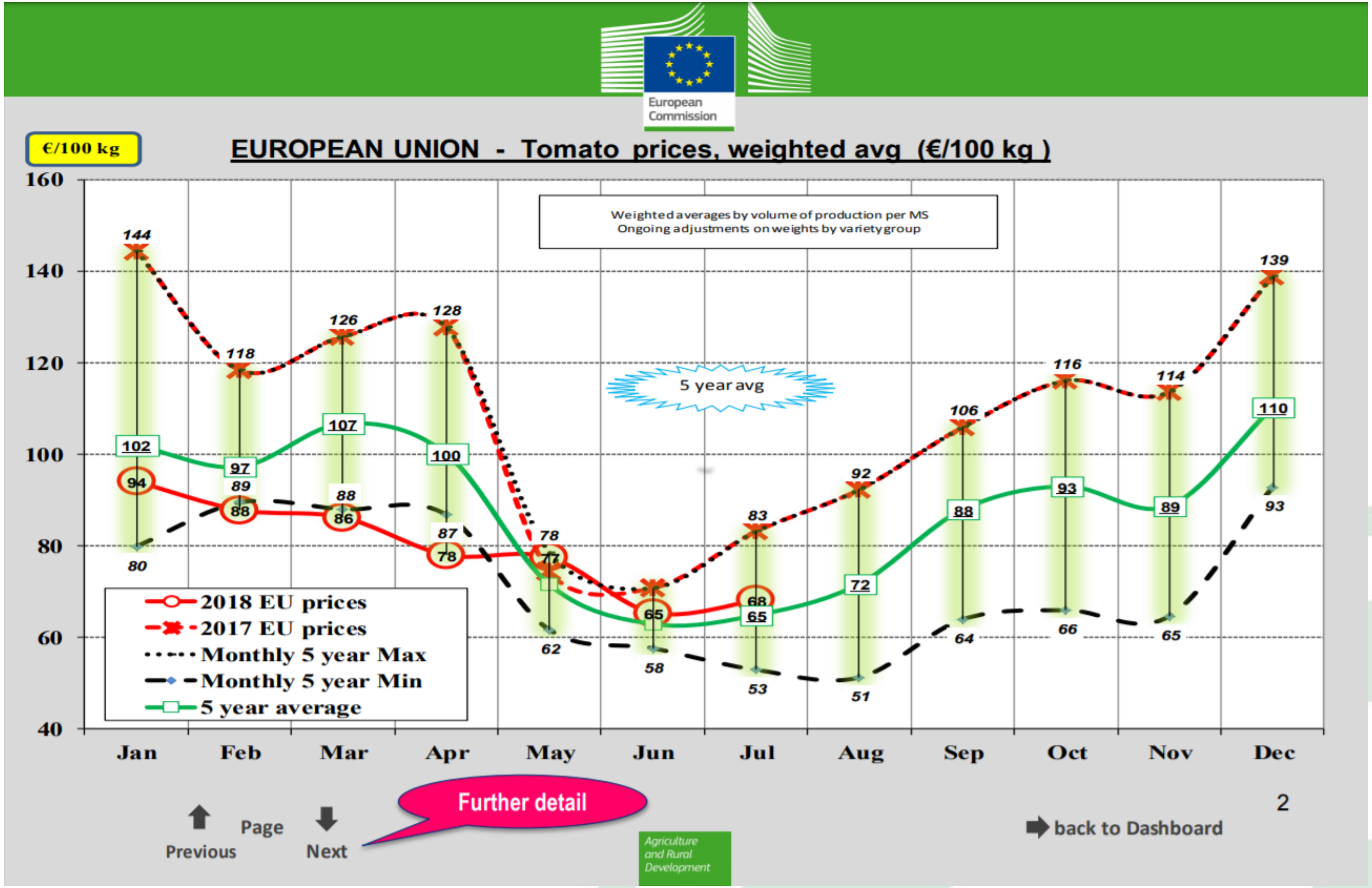
EC prices Dashboard. Tomato



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Tomato offer

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EC prices Dashboard. Apples

Market summary

European Commission

Provisional May prices in graphs (up to week 20)

Apple prices €/100kg (= Euro cents/kg) and % changes – April 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	April 2018, Price, €/100 kg	April 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Mar to Apr %	2017/18, changes from Mar to Apr %
EU	83	146	+3 %	+3 %
PL-Poland	44	152	+8%	+7 %
IT-Italy	93	132	+1 %	+3 %
FR-France	101	121	+2 %	+4 %
DE-Germany	94	212	+3 %	0 %

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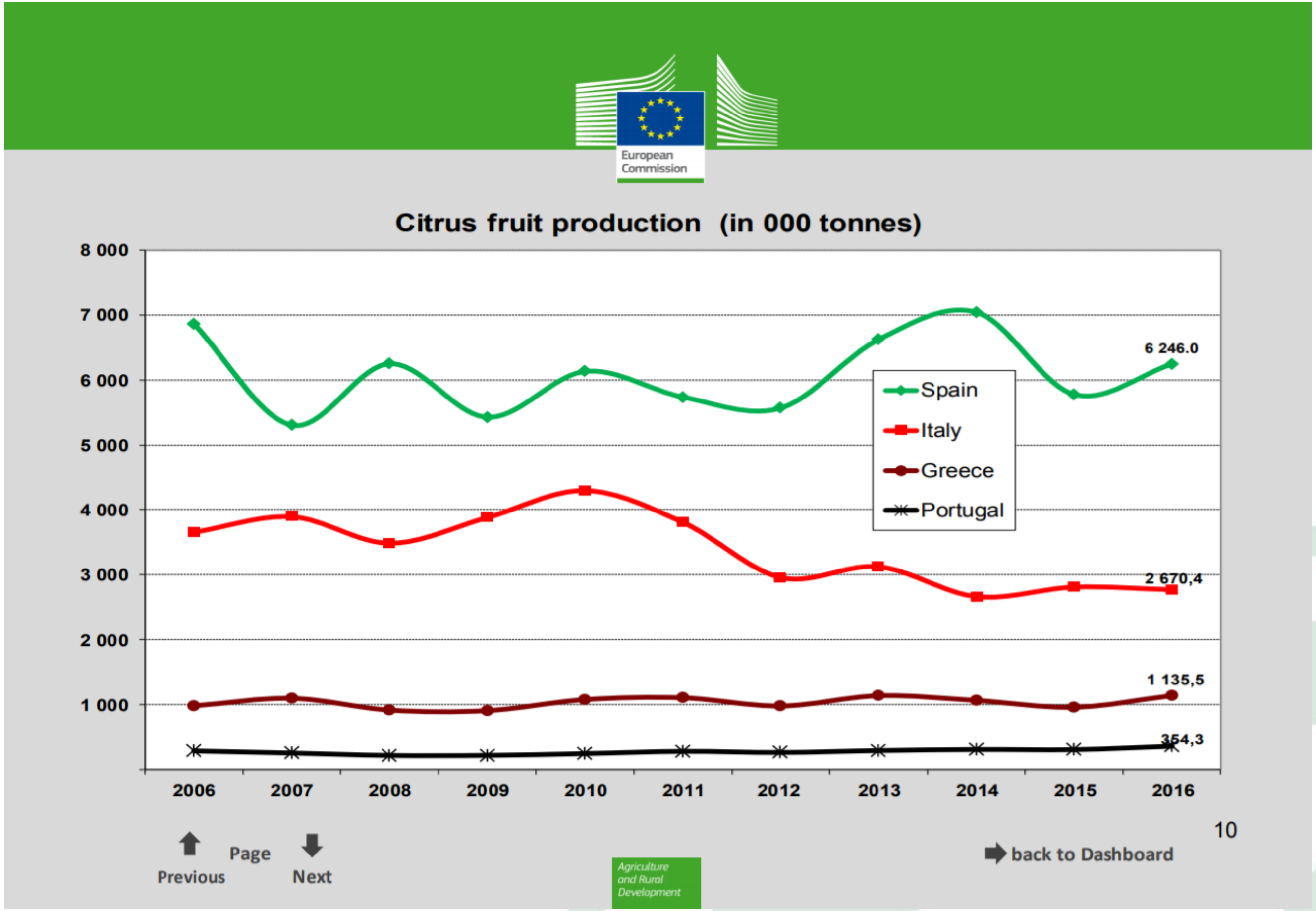
Apple offer


FRUITS PONENT


TESCO
BEST OF BRITISH APPLES
10 JAN
Pink Lady apples
Extra free

EC prices Dashboard. Citrus fruit



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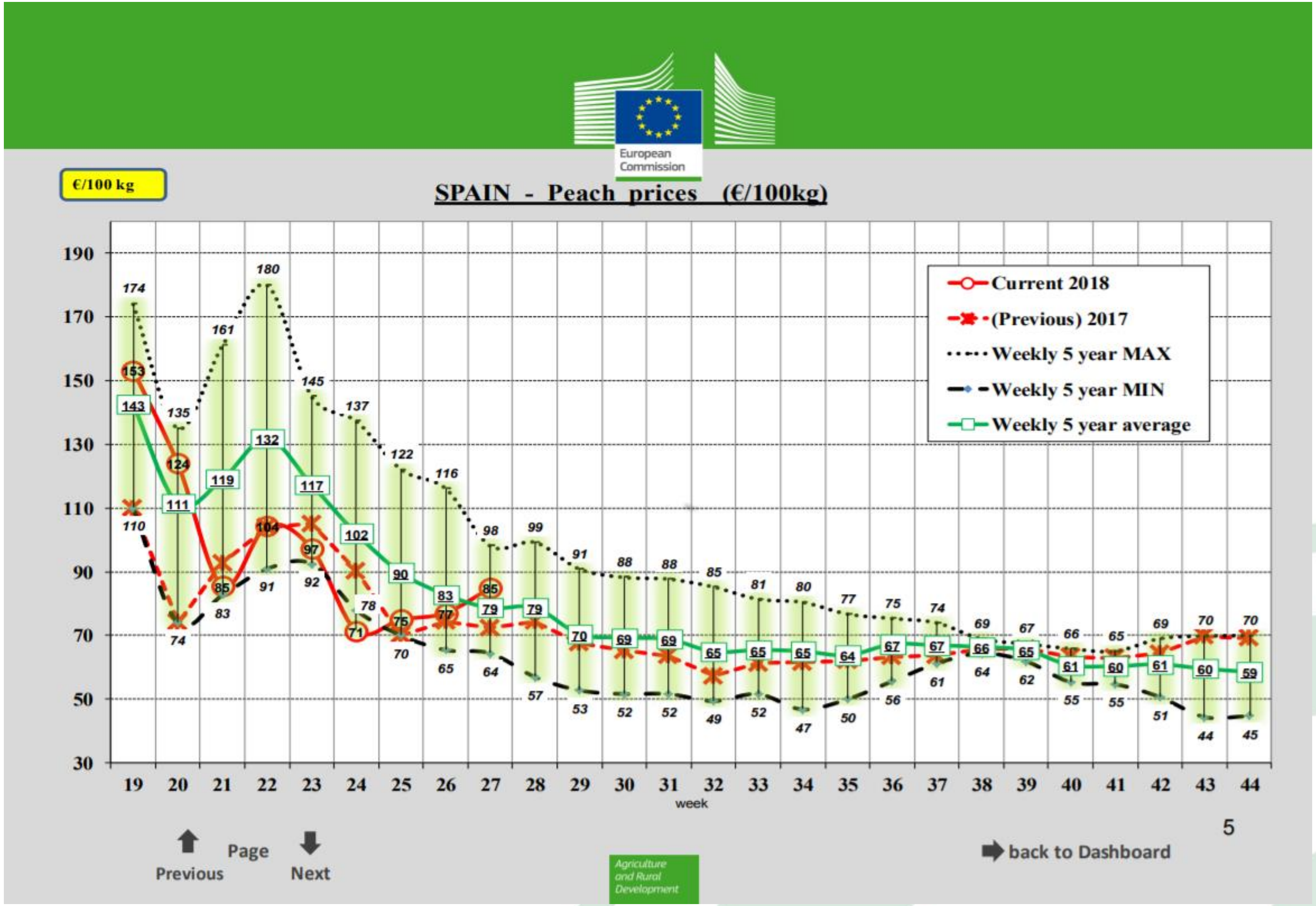
Citrus offer

EC prices Dashboard. Peaches&nectarines



Peach & nectarine offer

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What affects final prices?

- **Volume** of the offer

- **Perishability** of the product (storable/non storable)

- **Perishability** of the produce:

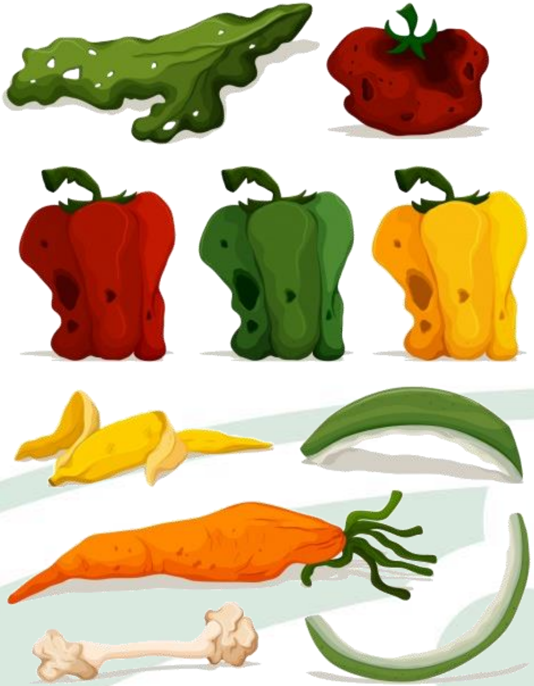
–Sector to cope with short cycle

–Low reactivity on the market for most of the fresh produce

–More reactivity for produce with longer shelflife (kiwi, apples, ..) but sometimes postpone the problem until later in the season

–Some product with little variations of consumption (lemons, onions)

Adjusting short term not always possible (orchard, infrastructure,..)

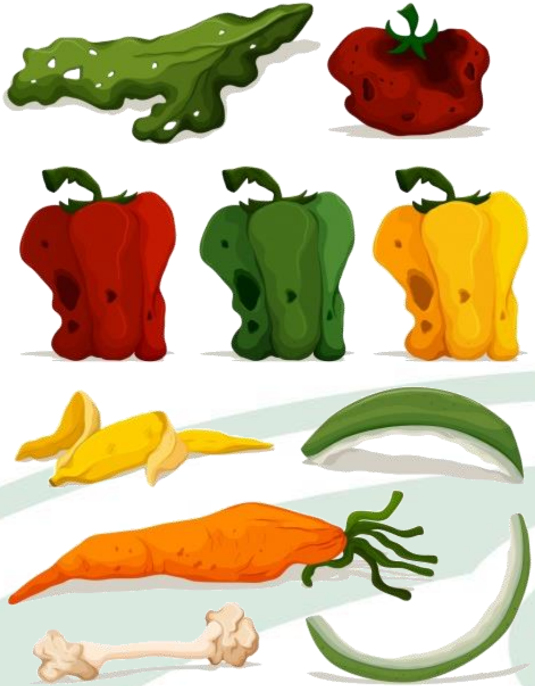


What affects final prices?

- **Diversity** of the category (“recognizability”)

- Multiple reasons for **market fluctuations: climatic** conditions (affecting both the consumption and volume offered)**,** market **crisis, quality,** impact of negative **media campaigns** (…”fakenews”), **other products’ prices, imports…**

- Relation in the **supply chain,** number of **intermediaries,** offer’s **concentration level**



What affects final prices?

In the end, **all Exworks prices** provided by the produce sector are the result of the prices paid by retailing to the producer

- **Sector** has “pending subjects”

- **Administration** can help:
  - ✓ *Maintaining a community aid scheme, within the CAP, based on the Ops of the F&V Pos, as a way* ***to improve the concentration and valorization of the offer***
  - ✓ *Future UE Directive on the* ***regulation of the food chain and against abusive practices***

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The lowest possible prices as a sales claim: Italy

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The lowest possible prices as a sales claim: Poland

1 Zloty = €0.23

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U.K.: the iceberg lettuce “issue”

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The“domino effect” in the food chain

Can a company like Anecoop affect the prices of F&V?

Product	% Prod. Share/Spain	Level of influence
ORANGES	12%	NO, NEVER

Product	% Prod. Share/Spain	Level of influence
MANDARINS	8%	NO, NEVER

Product	% Prod. Share/Spain	Level of influence
WATERMELON	19%	????

Product	% Prod. Share/Spain	Level of influence
PERSIMMON	45%	????

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Some proposals

- European Commission Initiative of Market Observatories: Milk, sugar, cereals good examples. We have market information of 4 products (citrus, stone fruit, apples and pears and tomatoes). Lack of information of the rest of FV.
- Reference Production prices have to be Producers Organizations prices which include production costs.
- Fresh and processed products information.
- Sometimes lack of Members States price information to EC which doesn't allow to have a constant information. Mandatory?.
- To promote bigger (economic) POs and PO Associations. Big OPs can promote more transparency and prices information. They are the references for the prices information.
- *Lack of reciprocity of the Free Trade Agreements (Imports EU competence but exports are ME competence via export protocols): lack of market information in 3rd Countries*

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Some proposals

- Coordination of Members States prices Observatory between themselves and with European Commission is crucial.
- Lack of prices information of the last step of the food chain.
- Processed products:
    - EU support schemes for processed products use to provide good information about stocks, production, prices. When these schemes were transferred to direct payments, sector and public administration lost this good information. We need to recuperate it. How?
    - Different situations: some fresh/processed products are different (tomato), other are related (citrus, apples, stone fruits...) so both market information are needed to follow the market.
    - Industries linked/owned by farmers (and bigger better is) have a positive effect in the market transparency and prices information: e.g: CONSERVITALIA, AGRIAL, AGRICONSA, INDULLEIDA.

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Conclusions

- It is difficult for producers to intervene in the setting of prices for fresh produce
- The huge diversity of products, varieties, packaging, quality and certification result in high market diversification
- The imbalance between the production and distribution segment is huge
- *Lack of reciprocity of the Free Trade Agreements (Imports EU competence but export ME competences via export protocols): lack of market information in 3rd Countries*
- There are significant contradictions between the EU free market regulations:
    - Market transparency requirement from DG AGRI
    - True free market approach from DG COMP
- Role of Members States Prices Observatories
- Promoting EU Observatories (with resources)
- Fresh /processed situation
- Promoting big POs and industries linked with farmers.
- EU regulation promoting fair food chain and fighting seeling below costs is needed.

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Thank you