Towards new rules for the EU's Fruit and Vegetables Sector
(A Northern Member States Perspective)

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Structure of the Presentation

1. Key Conclusions
2. Structure changes in F&V farms in Northern Member States
3. Evolution of Organisation Rate
4. Key Trends among EU Agricultural Cooperatives
5. Experiences with current Scheme
6. Recommendations

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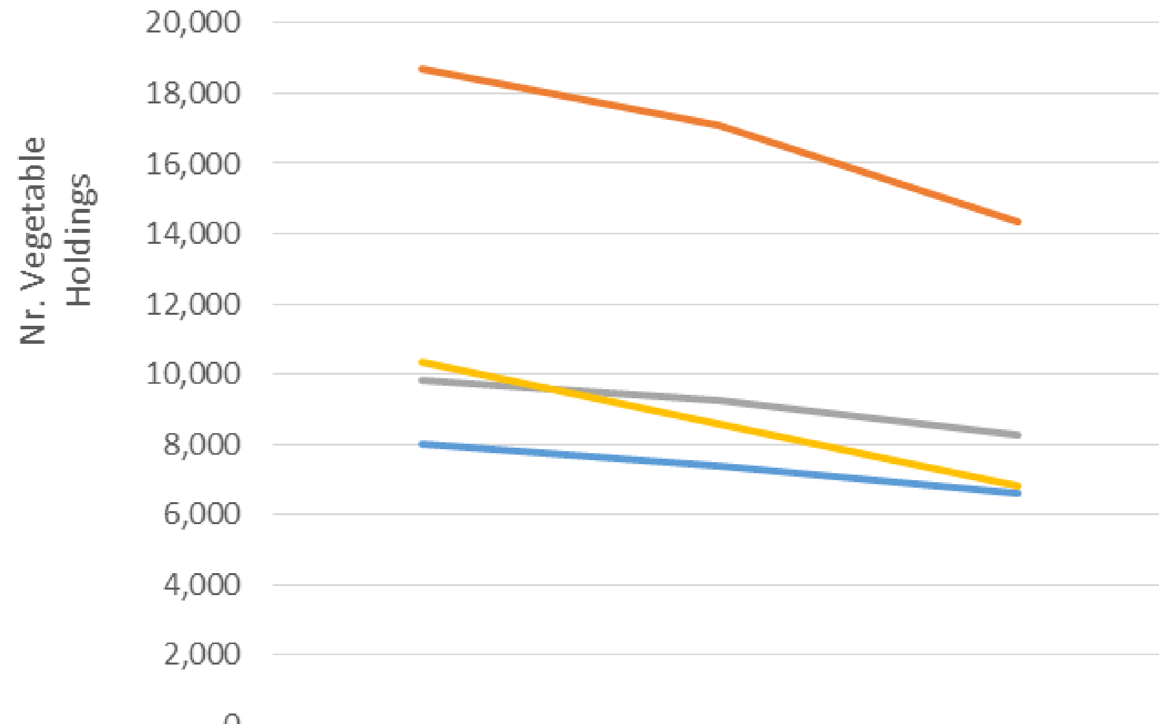
Key Conclusions

- Number of F&V farms is steadily decreasing, while size is increasing
- Organisation rate (in POs) in F&V sector has grown rapidly
- Differences in organisation rate can be explained by differences in development of cooperatives
- No need for new rules
- Desperate need for more legal certainty

Selected EU Northern Countries

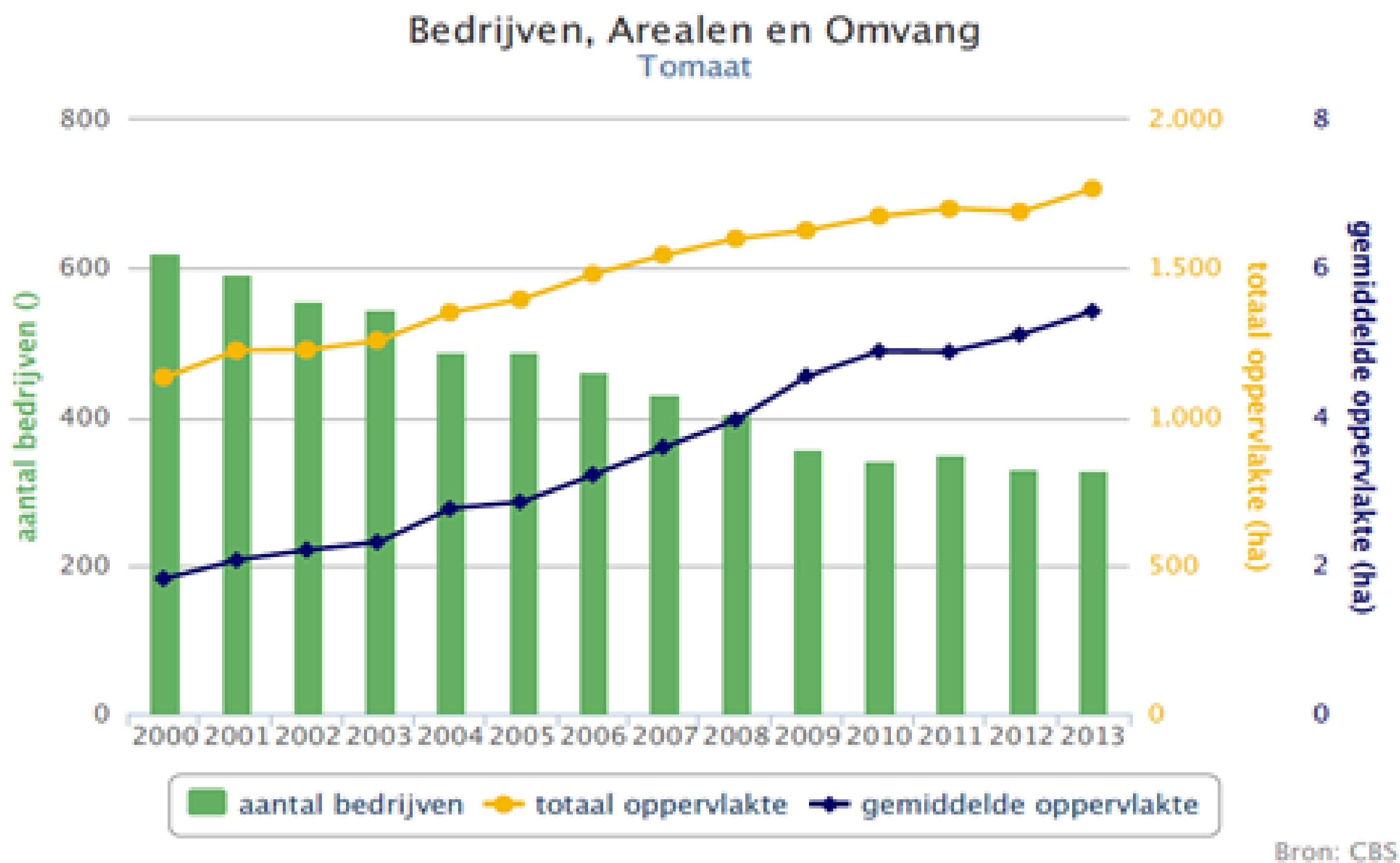
	Vegetables					Fruits	
	Carrots	Onions	Tomatoes	Cucumber	Red Pepper	Apple	Pear
Country	%	%	%	%	%	%	%
Belgium	6,2	1,4	1,7	0,8	1,0	1,9	12,0
Germany	11,3	8,6	0,5	2.7	0,3	6,7	1,6
Netherlands	10,8	22,9	5,7	18,9	13,6	2,6	12,9
Poland	14,2	9,4	5,1	8,6	4,4	25,6	2,9
UK	13,5	6,2	No data	No data	No data	3,3	1,3
Sub-total	**56,0**	**48,4**	**13,0**	**28,3**	**19,3**	**40,2**	**30,7**
Rest of EU	44,0	51,6	87,0	71,7	80,7	59,8	69,3
Total	100%	100%	100%	100%	100%	100%	100%

Number of Vegetable Farms, 2005 - 2010

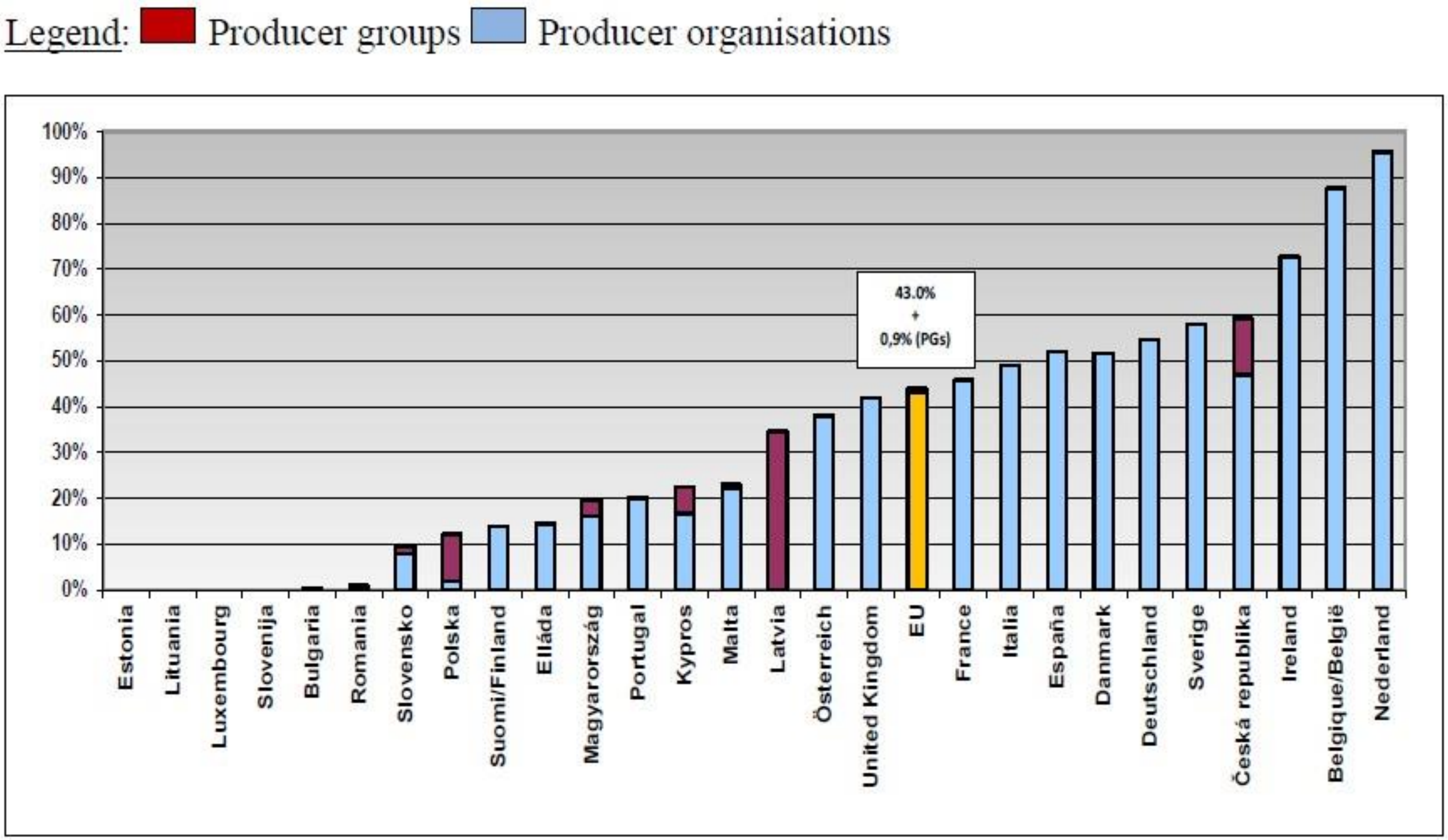


	Veg. 2005	Veg. 2007	Veg. 2010
Belgium	8,020	7,380	6,580
Germany	18,680	17,080	14,330
Netherlands	9,820	9,260	8,290
United Kingdom	10,360	8,600	6,820

Number of farms, total area and size of farms, of tomato in The Netherlands



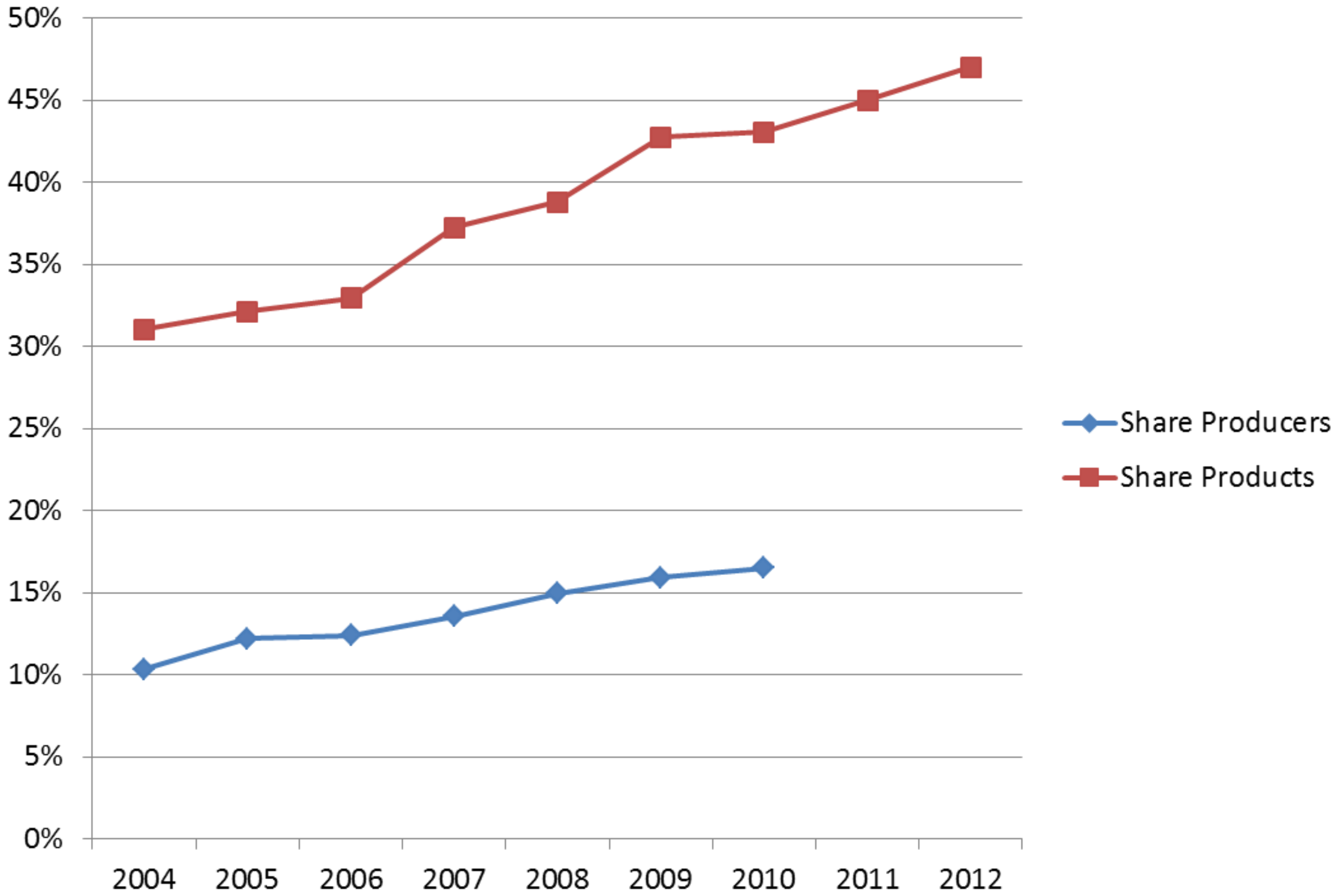
Organisation Rate per MS, 2010



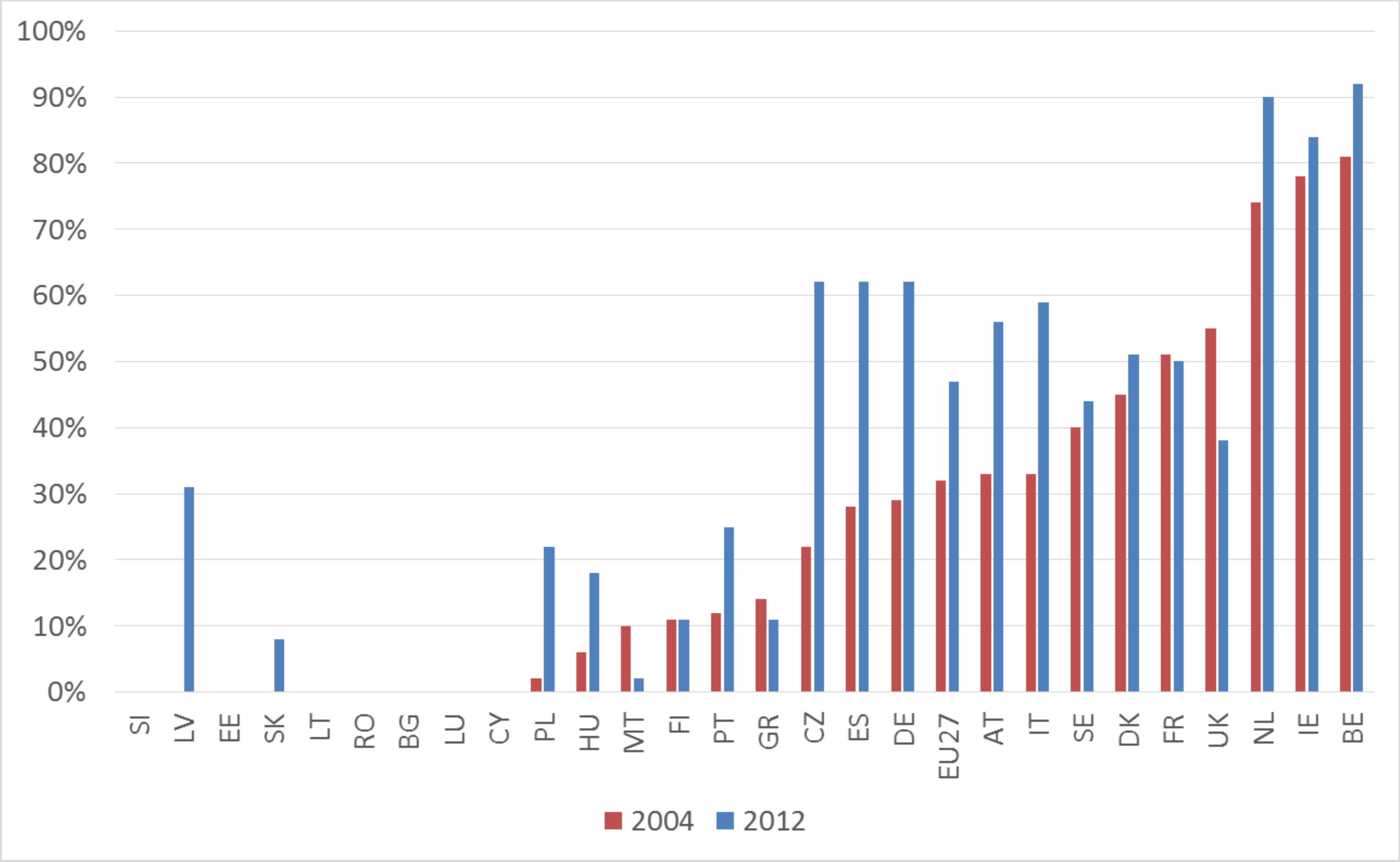
Recognised POs: share of F&V producers and share of F&V production, 2004 – 2010

	2004	2005	2006	2007	2008	2009	2010
Total number of Pos	1.569	1.393	1.432	1.427	1.549	1.638	1.599
Fruit and Vegetables holdings who are members of Pos	397.733	438.456	430.714	454.052	457.833	442.605	411.400
Total number of agricultural holdings with area under Fruit and Vegetable productions	3.841.645	3.591.290	3.470.690	3.350.090	3.063.930	2.777.770	2.491.610
Share of total Fruit and Vegetables producers who are members of Pos (% of total holdings of Fruit and Vegetables)	**10,4%**	**12,2%**	**12,4%**	**13,6%**	**14,9%**	**15,9%**	**16,5%**
Value of the Fruit and Vegetables products marketed by Pos (million euros)	13.886	14.641	15.486	18.087	19.484	19.503	21.261
Total value of Fruit and Vegetables production (million euros)	44.711	45.601	47.013	48.557	50.216	45.625	49.389
Share of the Value of the Fruit and Vegetables products marketed by POs (% of total value of Fruit and Vegetables production)	**31,1%**	**32,1%**	**32,9%**	**37,2%**	**38,8%**	**42,7%**	**43,0%**

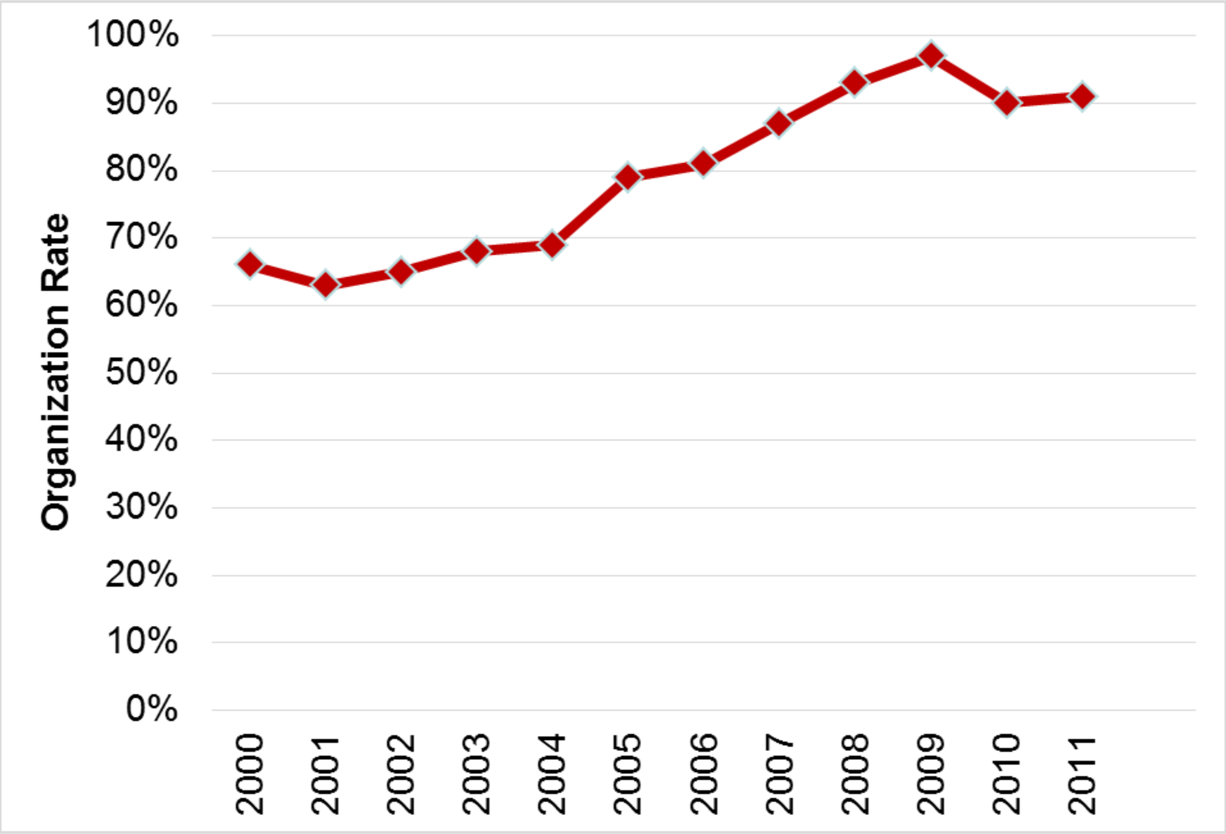
Recognised POs: share of F&V producers and share of F&V production, 2004 - 2012



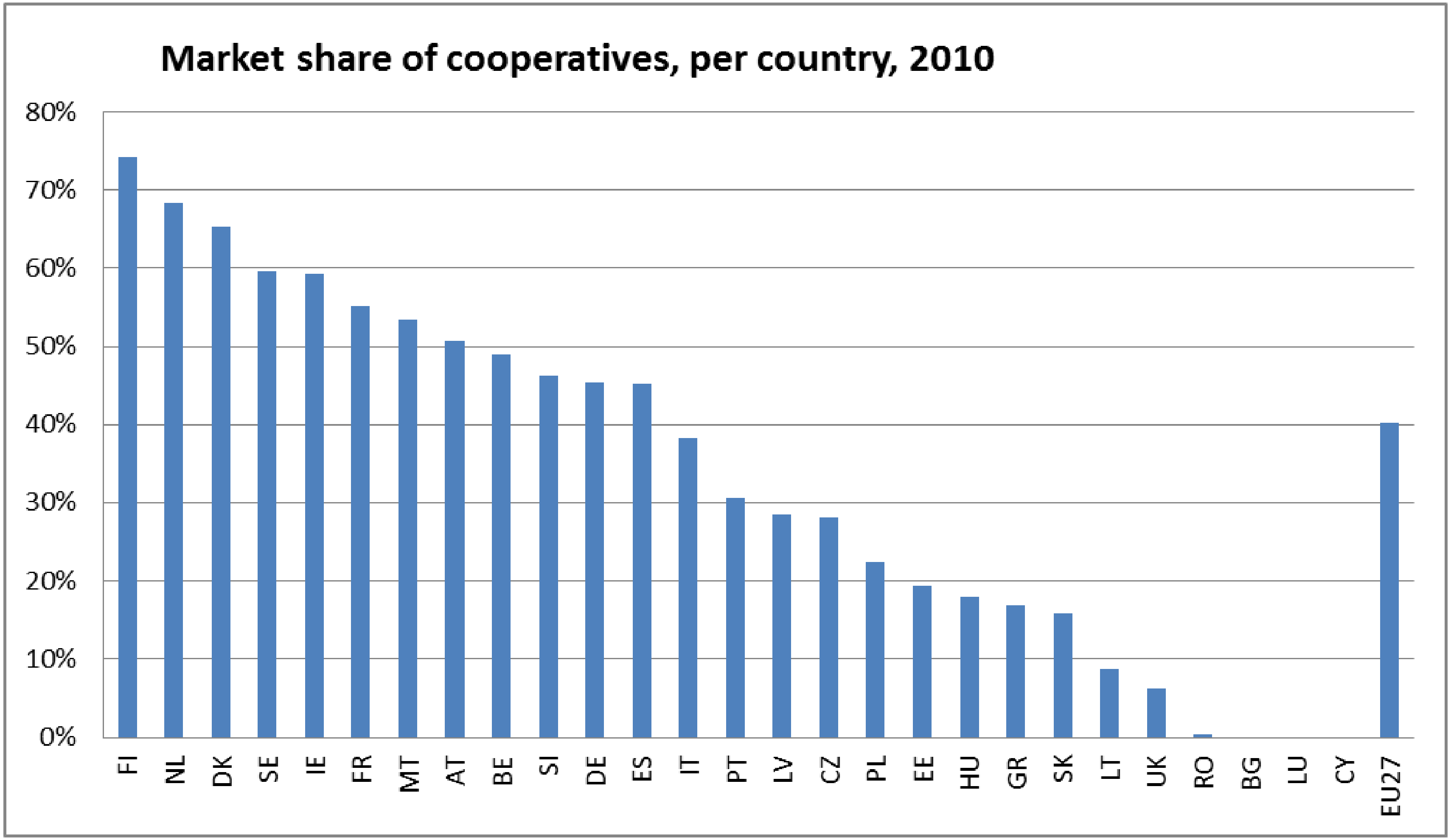
Evolution of organisation rate, VMP/total value F&V, 2004 - 2012



Evolution of organization rate, The Netherlands, 2000-2012



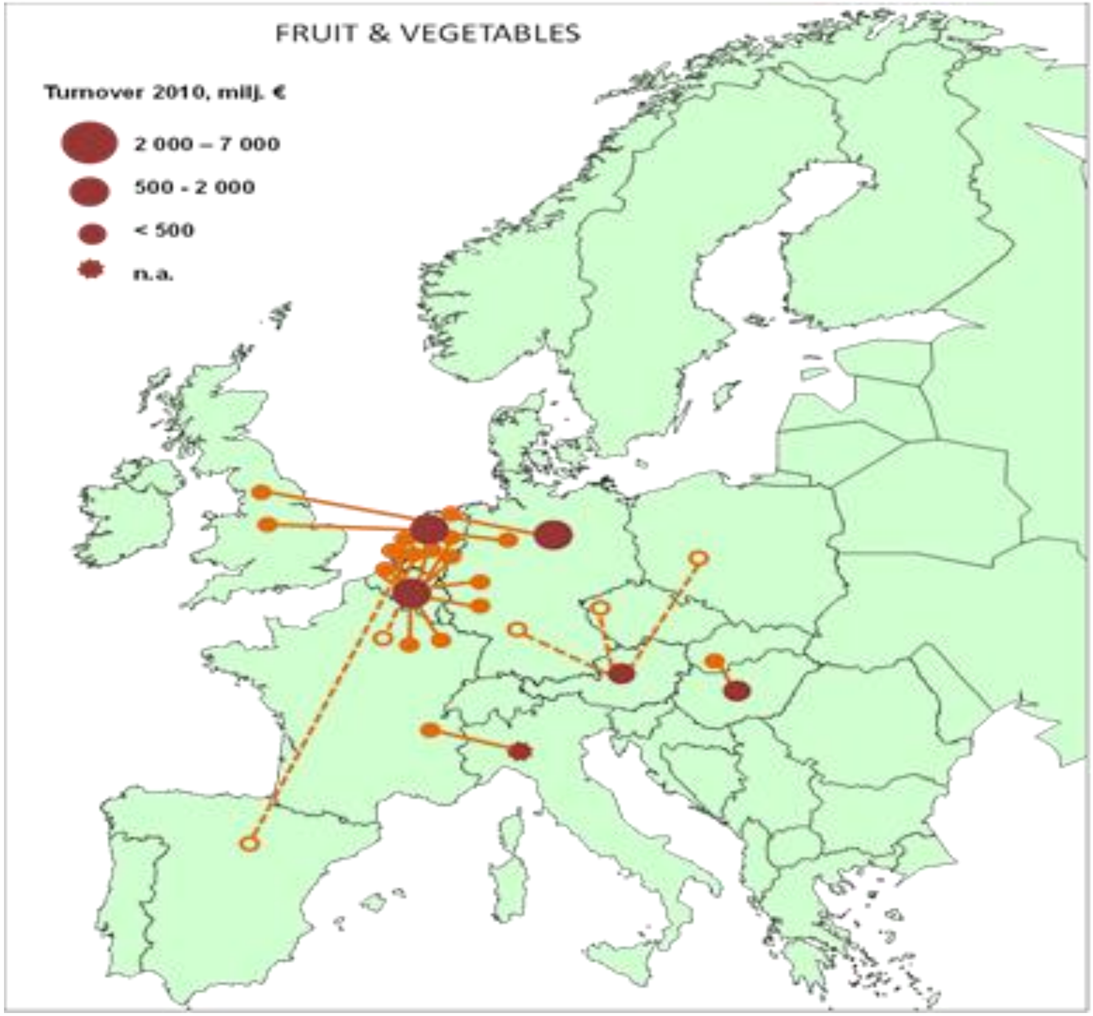
Market share of cooperatives, per MS, 2010
(source: Support for Farmers' Cooperatives project)



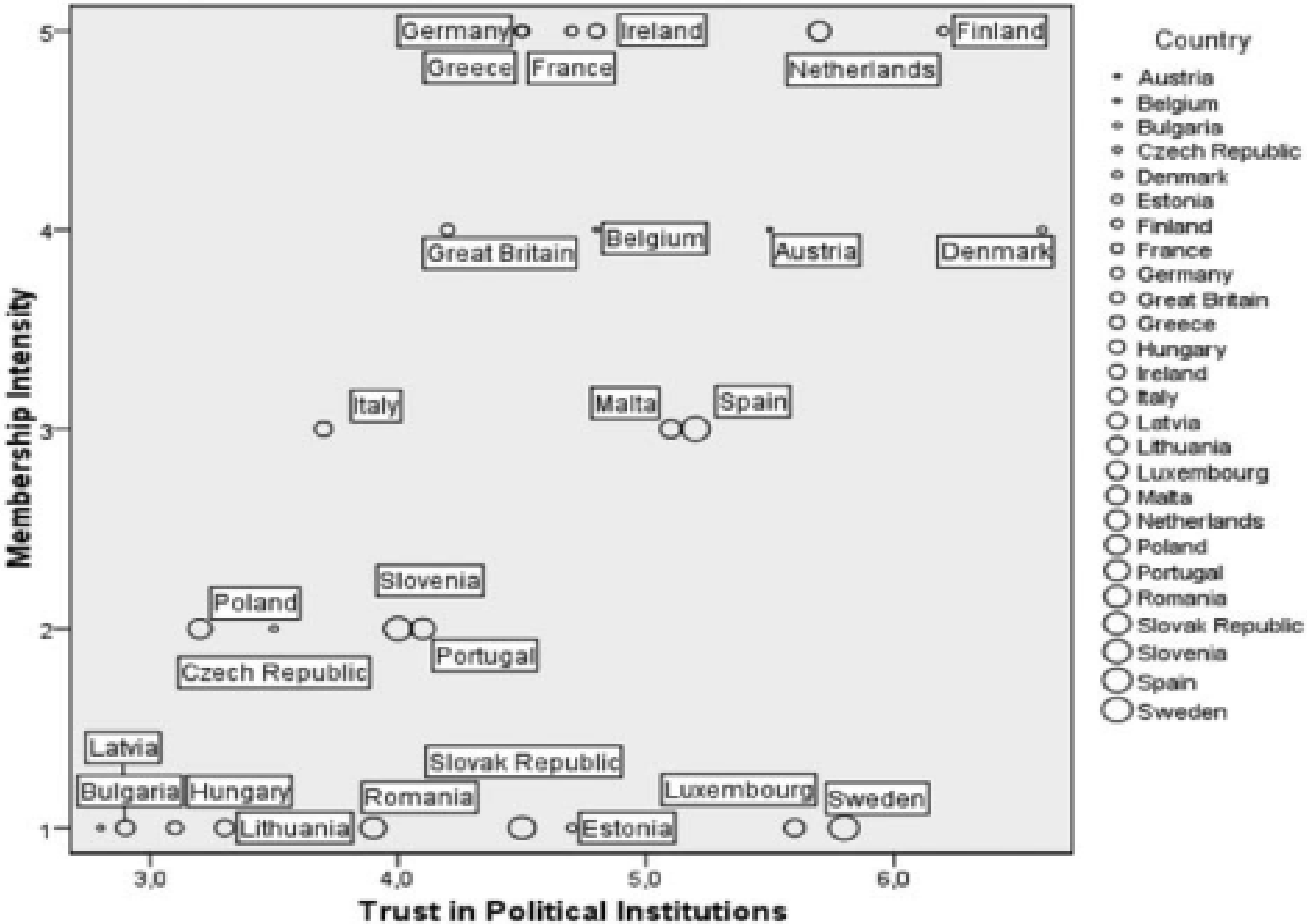
Major Trends Among EU Cooperatives

- Market share of cooperatives is still growing
- Need for bargaining power leads to rapid increase in size
- More attention for vertical integration in suppy chain
- Only few transnational cooperatives (mainly in dairy and F&V)
- Quality of leadership is crucial for good performance
- Flexibility of cooperative legislation is most important enabling policy factor

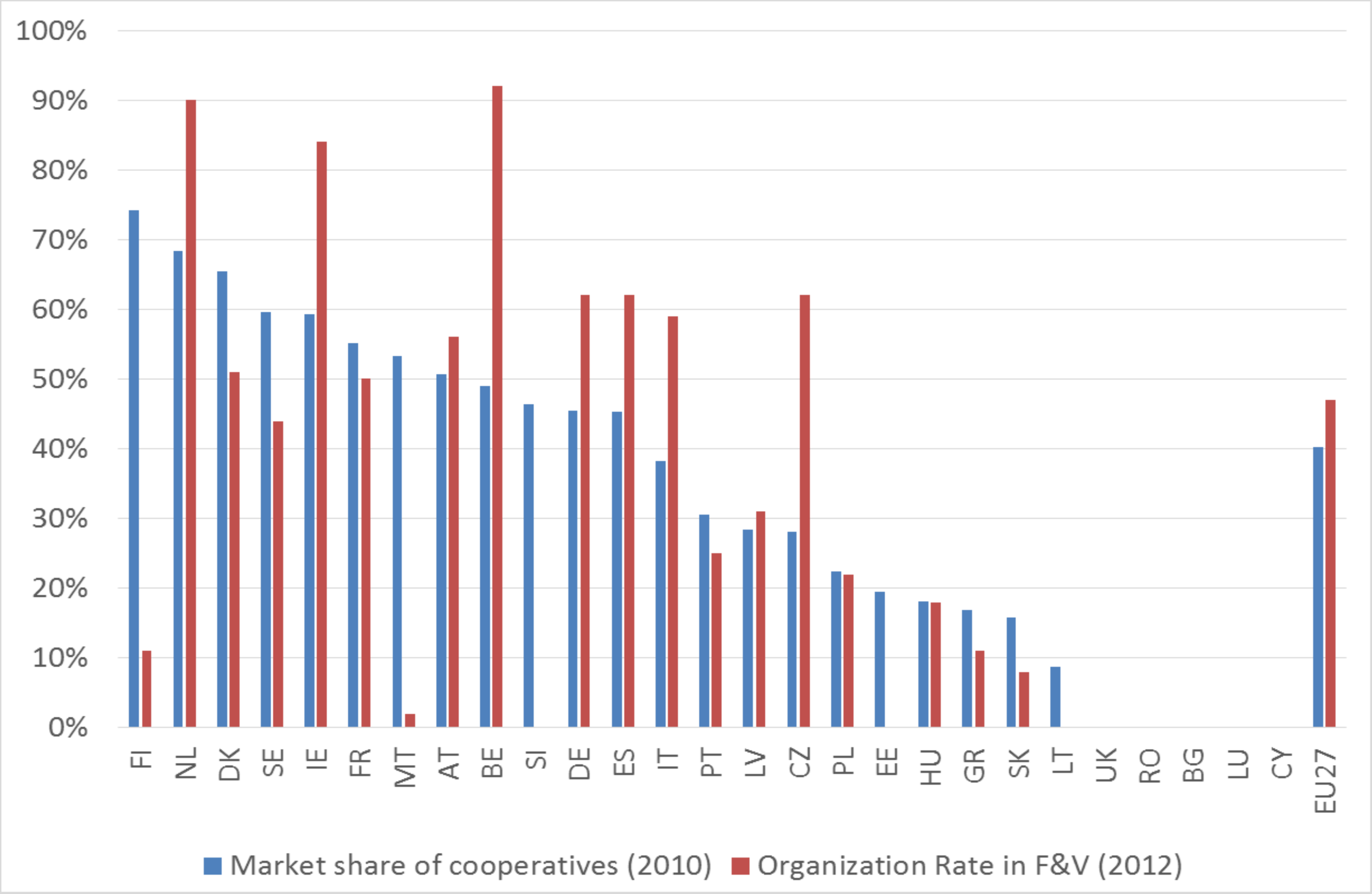
Transnational Cooperatives in F&V



Cooperatives and Trust



Market share of cooperatives and organisation rate of F&V



Experiences with current F&V regime (in Northern Member States)

- Legal uncertainty
- Strict interpretation of outsourcing rules ignores business character of PO and trend towards more vertical integration
- Transnational POs face classical difficulties of internationalizing cooperatives, and pose a risk for recognizing countries
- Environmental measures too detailled, while unclear effect

Recommendations

- Recognize the effectiveness of the Scheme for promoting POs
- No new rules are required
- Need for more legal certainty and more guidance on what is allowed
- Need for simplification, for instance on environmental measures
- More support for innovation, training, technical and organisational assistance (human capital)
- More guidance from Competition authorities at EU and national level