

20 YEARS OF THE FRUIT AND VEGETABLE CMO, A TOOL FOR THE DEVELOPMENT OF THE EUROPEAN SECTOR

José María García Álvarez-Coque
Universitat Politècnica de Valencia

AREFLH general assembly, Bologna 23th and 24th of March, 2017

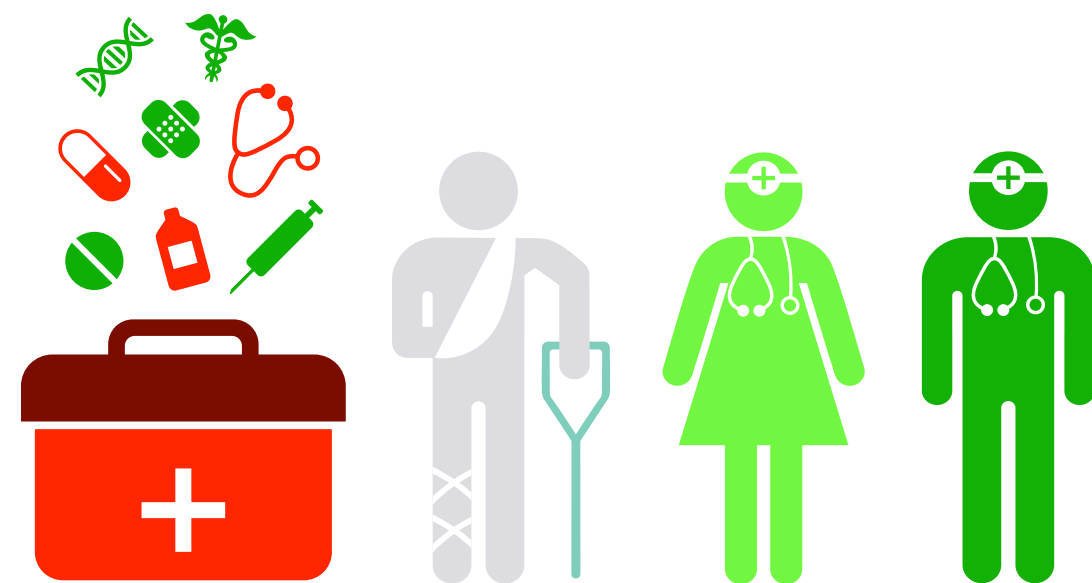


UNIVERSITAT
POLITÈCNICA
DE VALÈNCIA

THE EUROPEAN VALUE ADDED

- ▶ In times of political crisis the CAP must provide an added value to the EU construction.
- ▶ This obliges the CAP to respond to what European citizens demand.

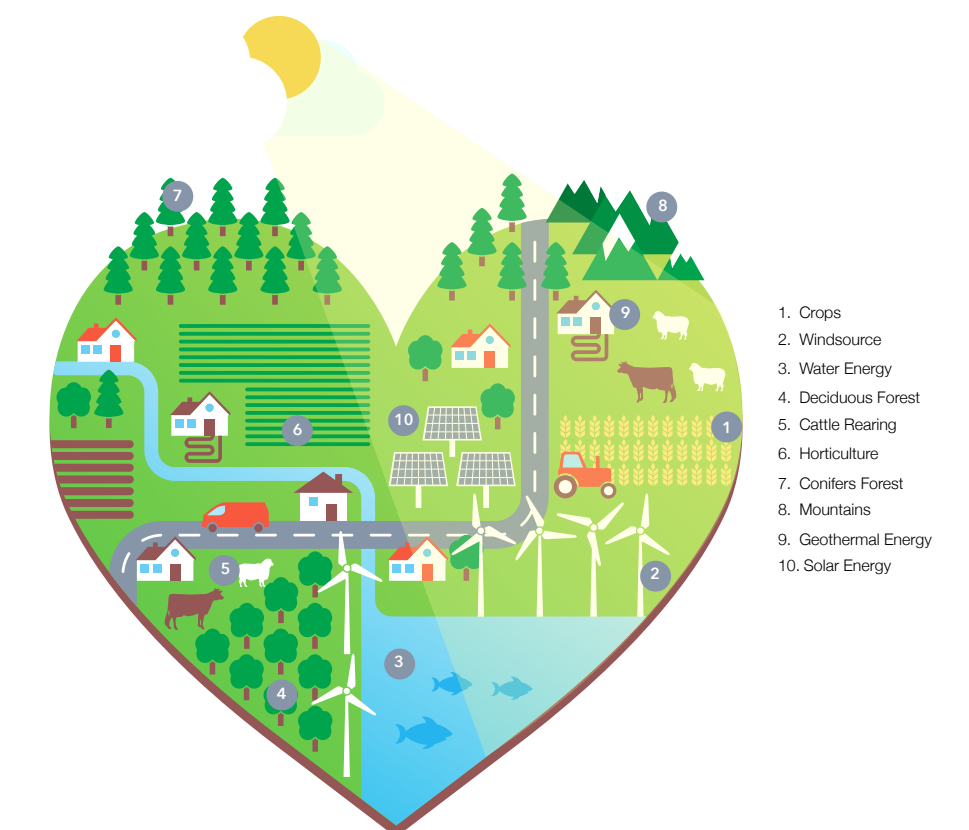
Healthy citizens



Farming systems with communities



Circular approach for water and others resources





BEFORE 1996

Social reputation of the EU FV policies was affected.

Producer Organizations (POs) were mainly encouraged only through accessing intervention tools.

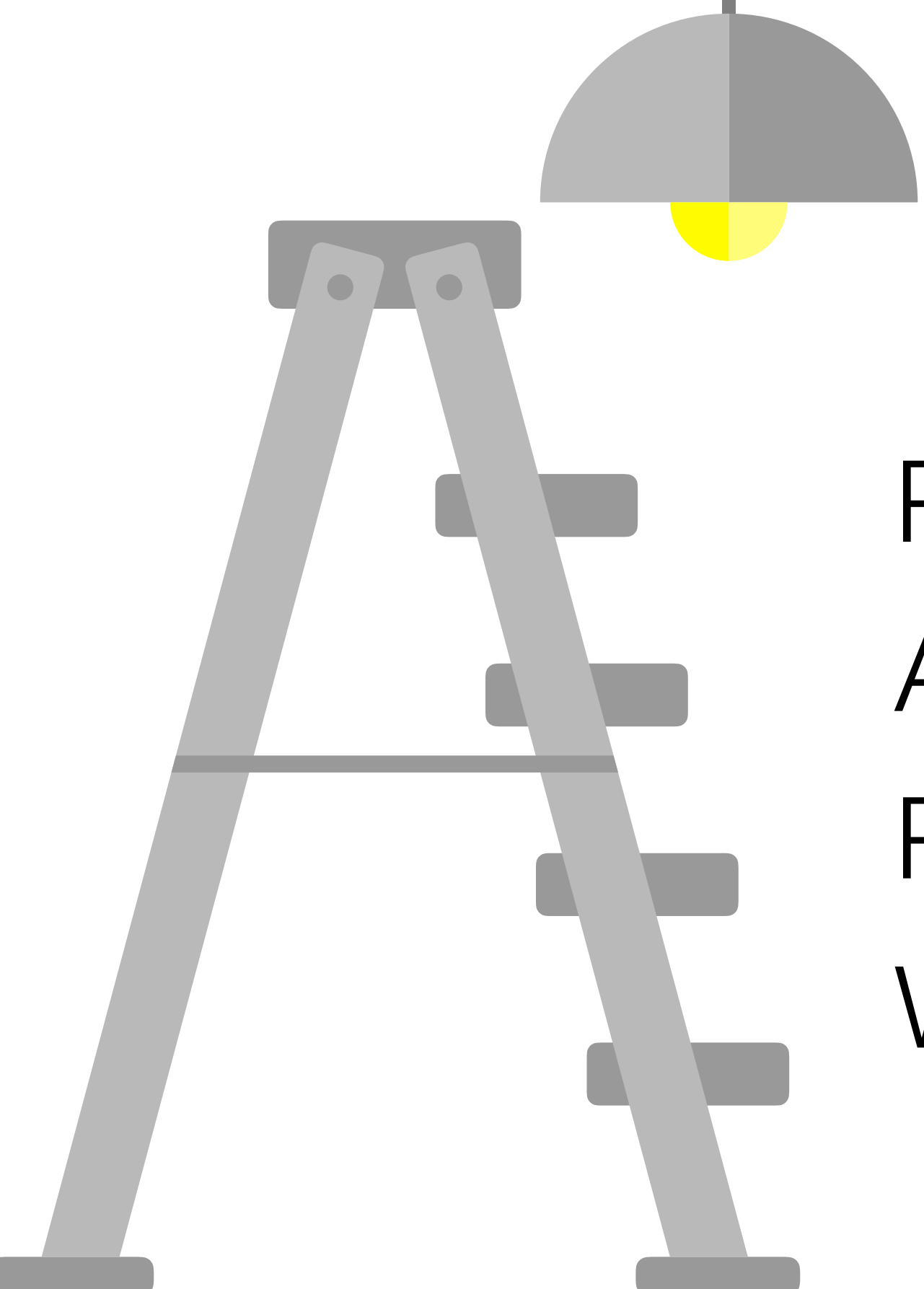
‘Classical’ intervention tools:

- ▶ Export refunds
- ▶ Aids for procesing

1996



WHAT THE CMO CHANGED




POs became a key element of the CMO.
Actions co-financed.
Positive incentives.
Withdrawals within operational funds.

TRADE INSTRUMENTS WERE KEPT WITH SOME CHANGES:



- ▶ Entry prices and safeguard
- ▶ Transitional export refunds
- ▶ A spaghetti bowl of trade agreements



AFTER 10 YEARS ...

A major reform was undertaken...

The Single Payment Scheme was adopted with the decoupling of processing aids.


Environmental measures were strengthened in the Operational Funds.

Exports refunds were suppressed.


Transfer of budget to rural development funds was under discussion.

After 10 years





AFTER 20 YEARS ...



The strategy based on POs is almost consolidated.

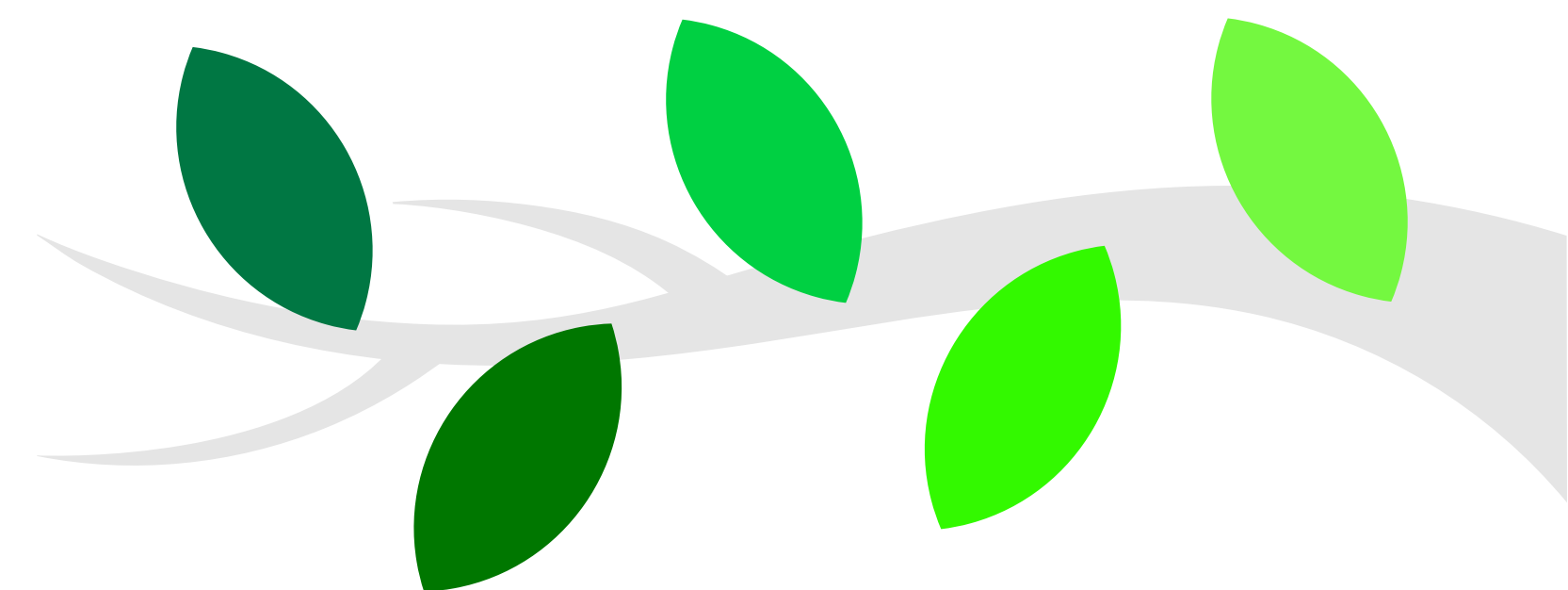
- The CMO can be considered as:
- ▶ A flagship policy to strengthen the producers' position in the value chain.
 - ▶ A policy that does not discourages innovation and it is based on a principle of "co-responsibility".
 - ▶ 1,500 POs, close to 50% of EU production.
 - ▶ A EU budget of 700 million euros per year addressed to help producers to adapt to market and consumers..



THE POs ARE EFFECTIVE BUT THEY COULD BE MORE

Issues:

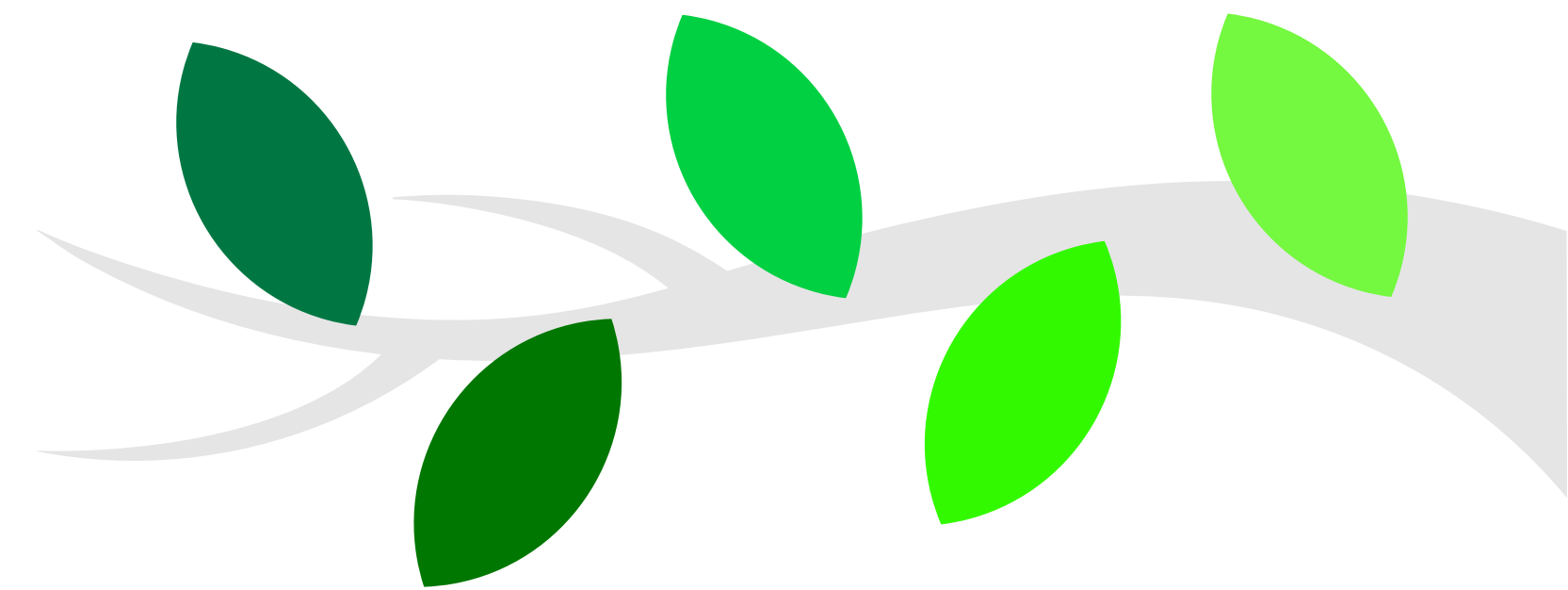
- ▶ Organizational rates and the farmes' position in the value chain.
- ▶ Risk management and the effectiveness of withdrawal compensations.
- ▶ Administrative complexity and simplification.
- ▶ Governance of POs.

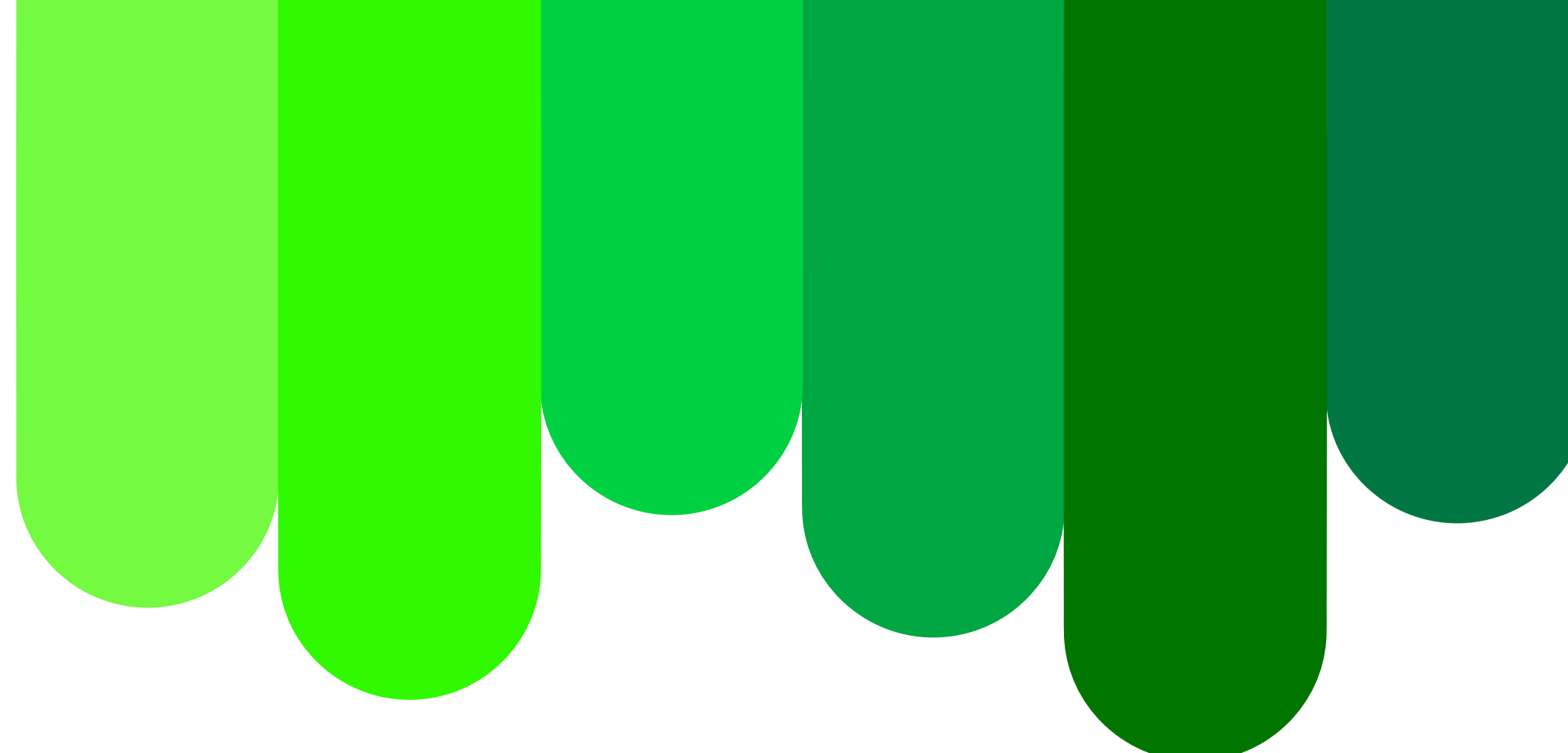




OTHER ISSUES

- ▶ Farm structures and generational renewal.
- ▶ Environmental and climate challenges.
- ▶ Social innovations.
- ▶ Border controls and SPS issues.
- ▶ New generation of trade agreements.
- ▶ Quality and inter-branch organizations.





THANK YOU!

**20 YEARS OF THE FRUIT AND VEGETABLE CMO, A TOOL FOR
THE DEVELOPMENT OF THE EUROPEAN SECTOR**

José María García Álvarez-Coque

Universitat Politècnica de Valencia

AREFLH general assembly, Bologna 23th and 24th of March, 2017



UNIVERSITAT
POLITÈCNICA
DE VALÈNCIA