



# The European Response to Changing Markets

Freshfel and Europatat Annual Event  
Brussels – 2 June 2016

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## Global Challenges for the Fresh Produce and Potato Sectors

- Global economy and development of food markets
- Climate Change and impact on food production
- Sustainable production including organics
- Healthy food, obesity versus food waste
- Food safety, quality and regional origin
- Trade Policy and implementation of trade agreements
- Promotion of agricultural products



## Global Challenges for the Fresh Produce and Potato Sectors– my focus today

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- Trade Policy and implementation of trade agreements
- Promotion of agricultural products

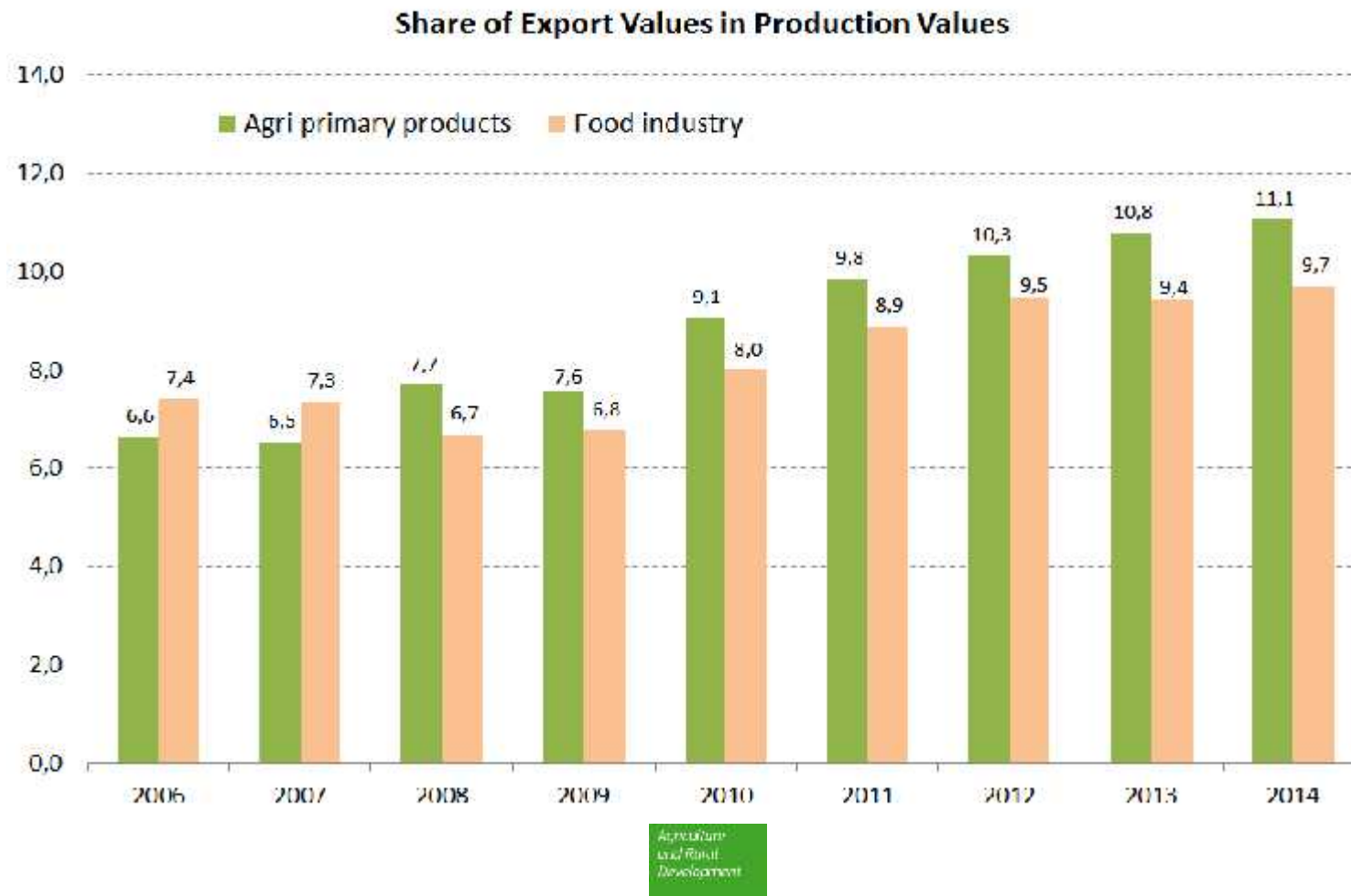


## Development of global food markets

- growing population, income growth, changing habits
  - growing demand for agri-food products, including fresh fruit and vegetables
  - limited potential for increasing production in some regions
  - growing trade to match supply and demand
- importance of functioning trade relations

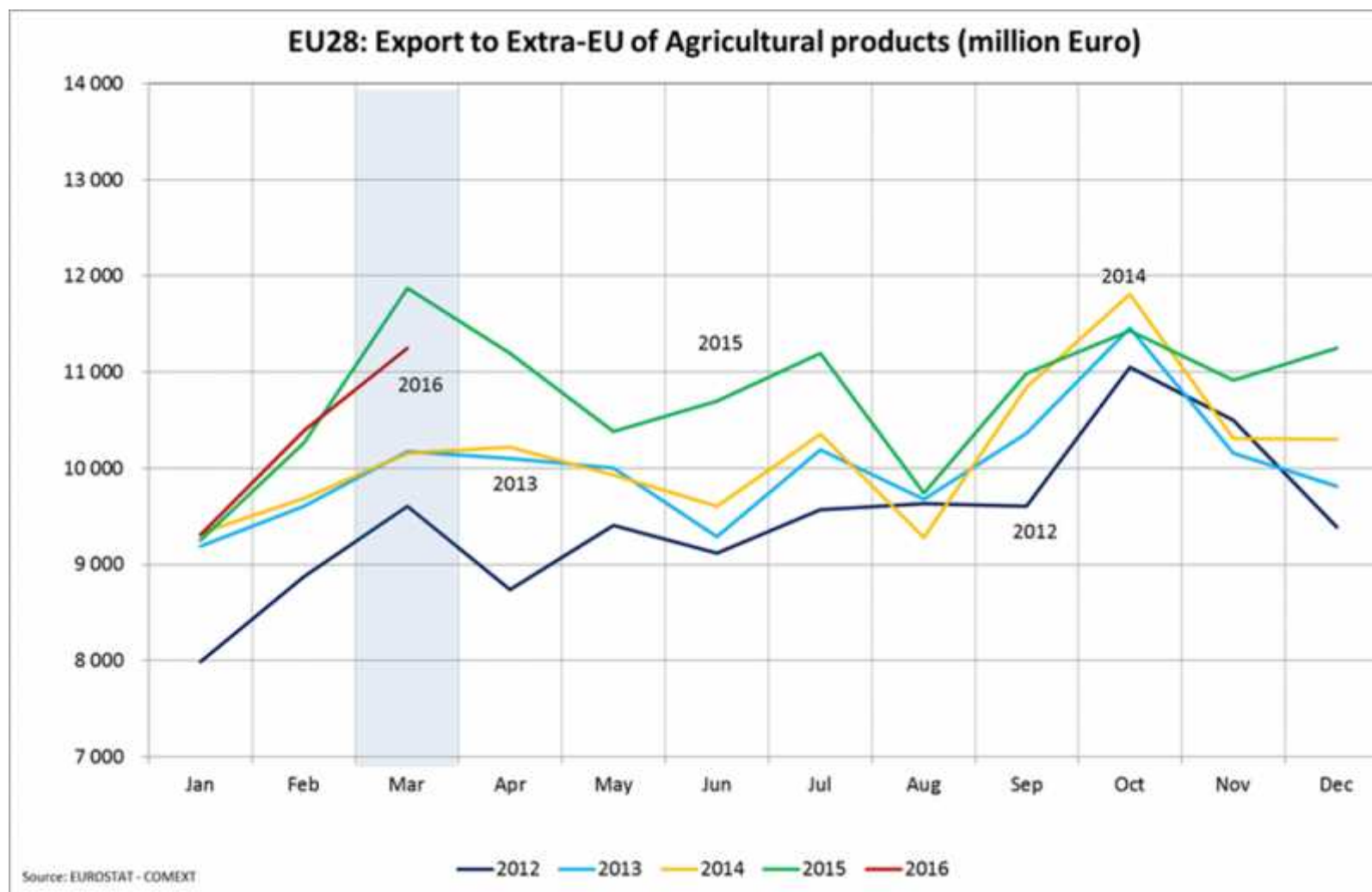


## EU agri-food sector: Increased importance of exports



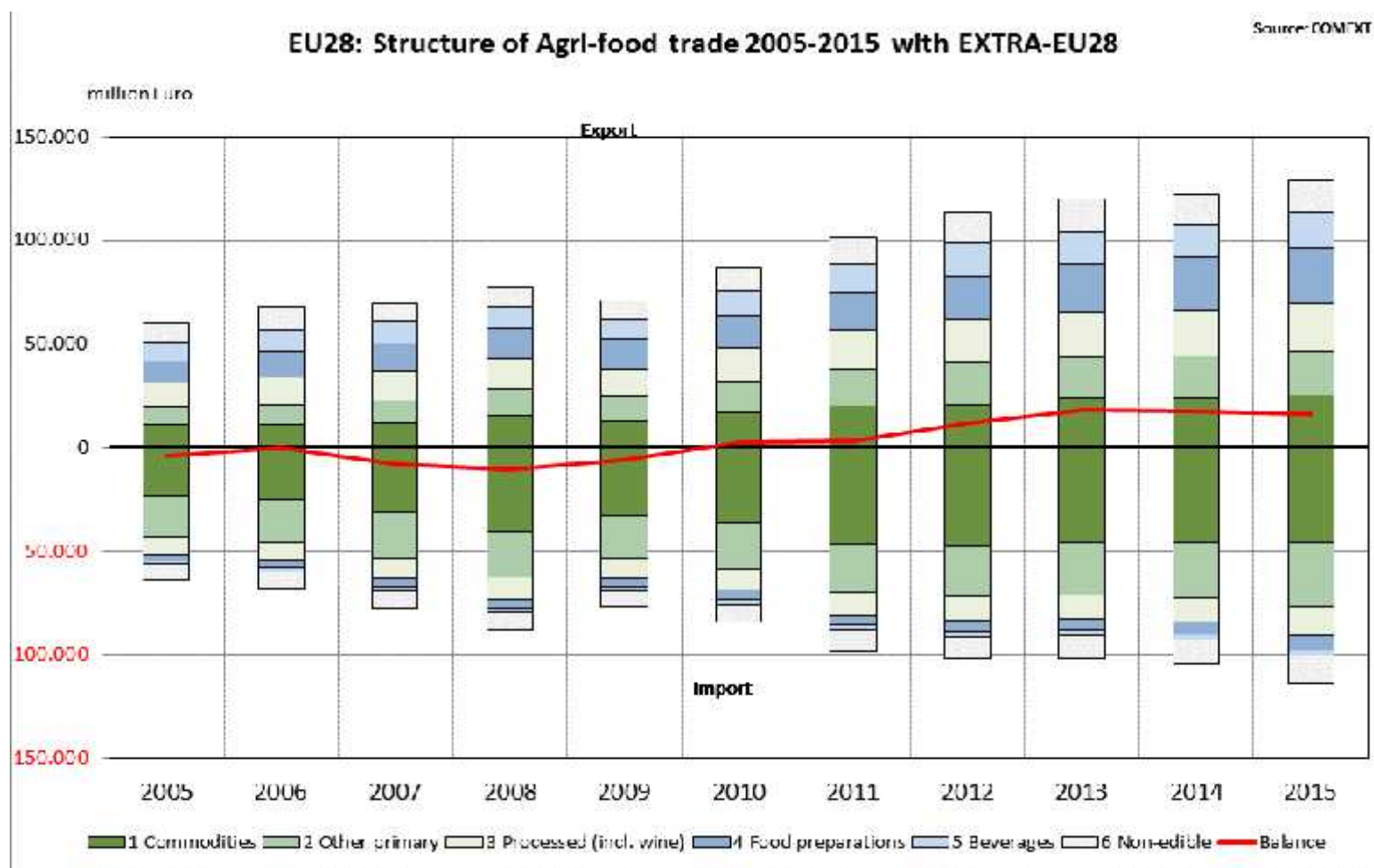


## Monthly development of exports until March 2016



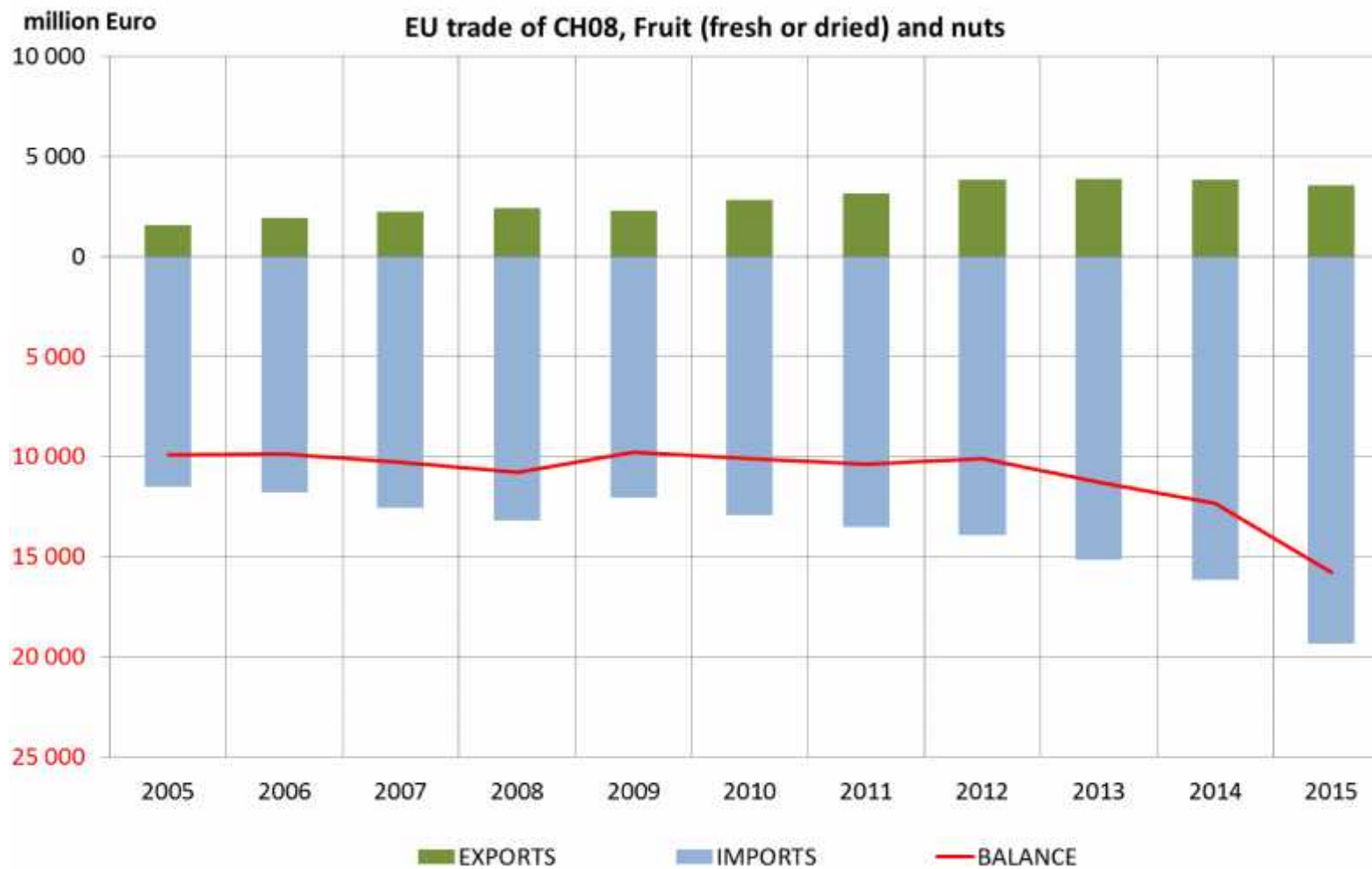


# EU agri-food trade balance





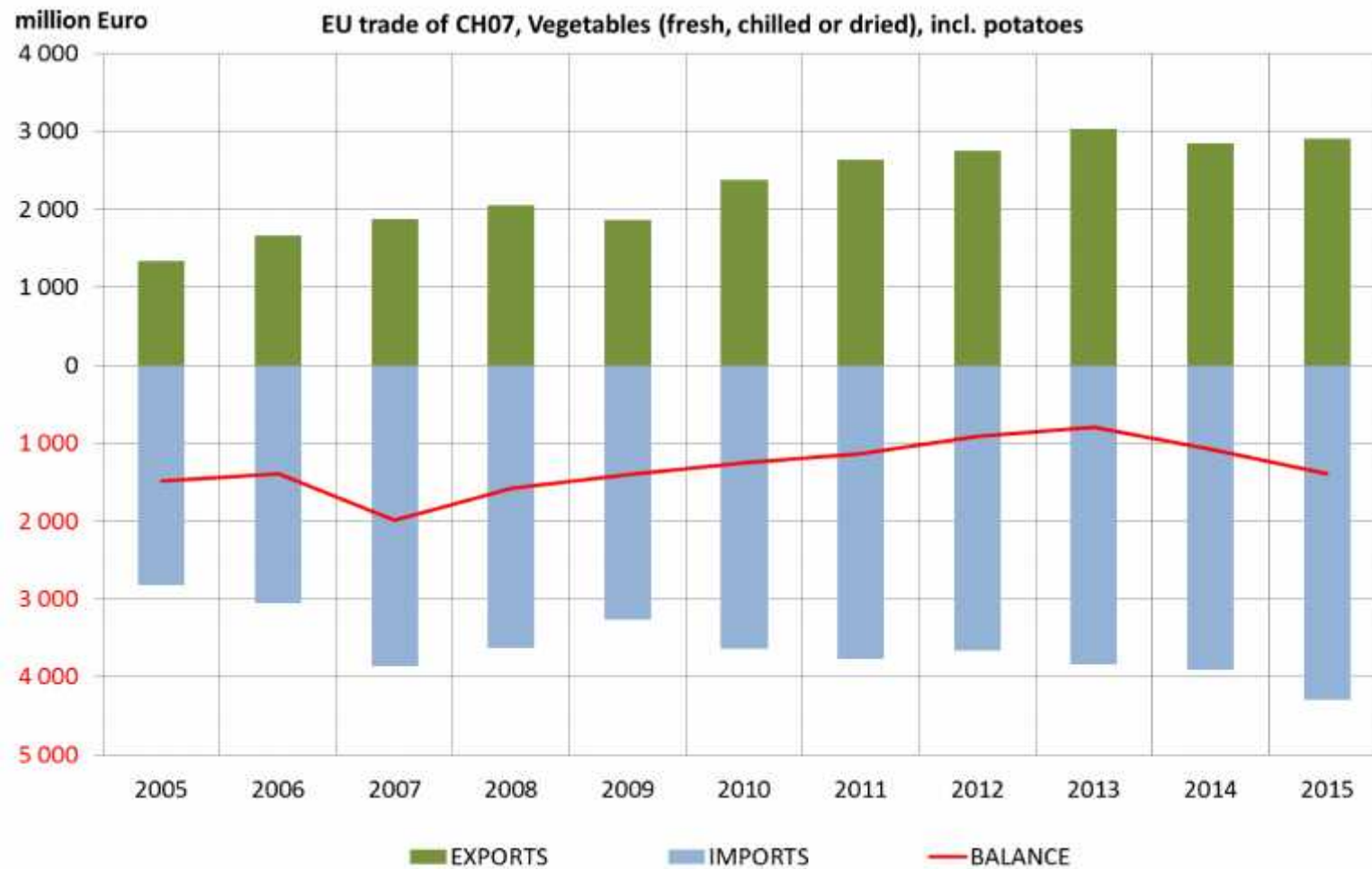
## EU net-imports of fruit and nuts are growing ...







... as well as for vegetables in 2014 and 2015

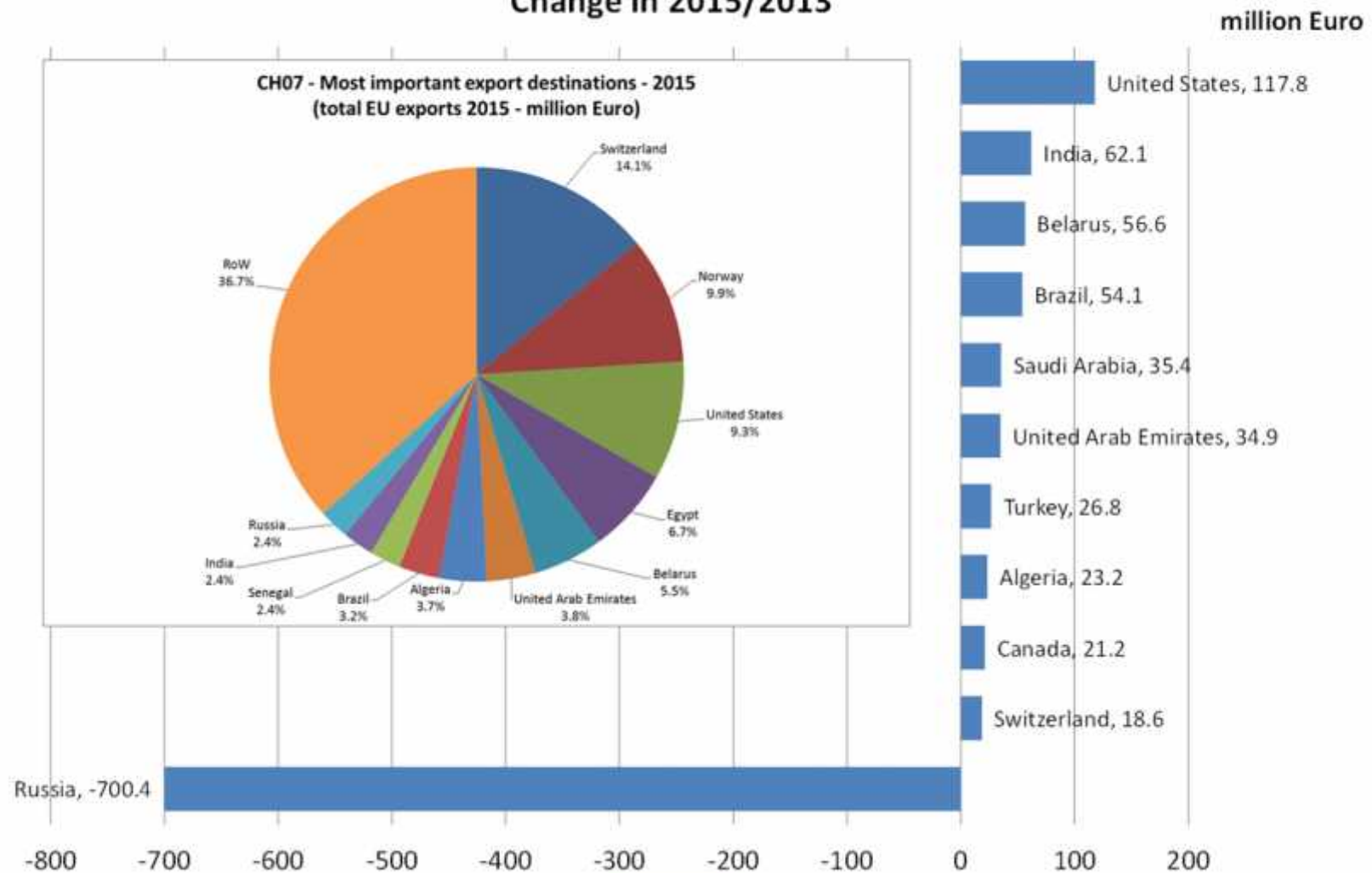




## Impact of the Russian Ban

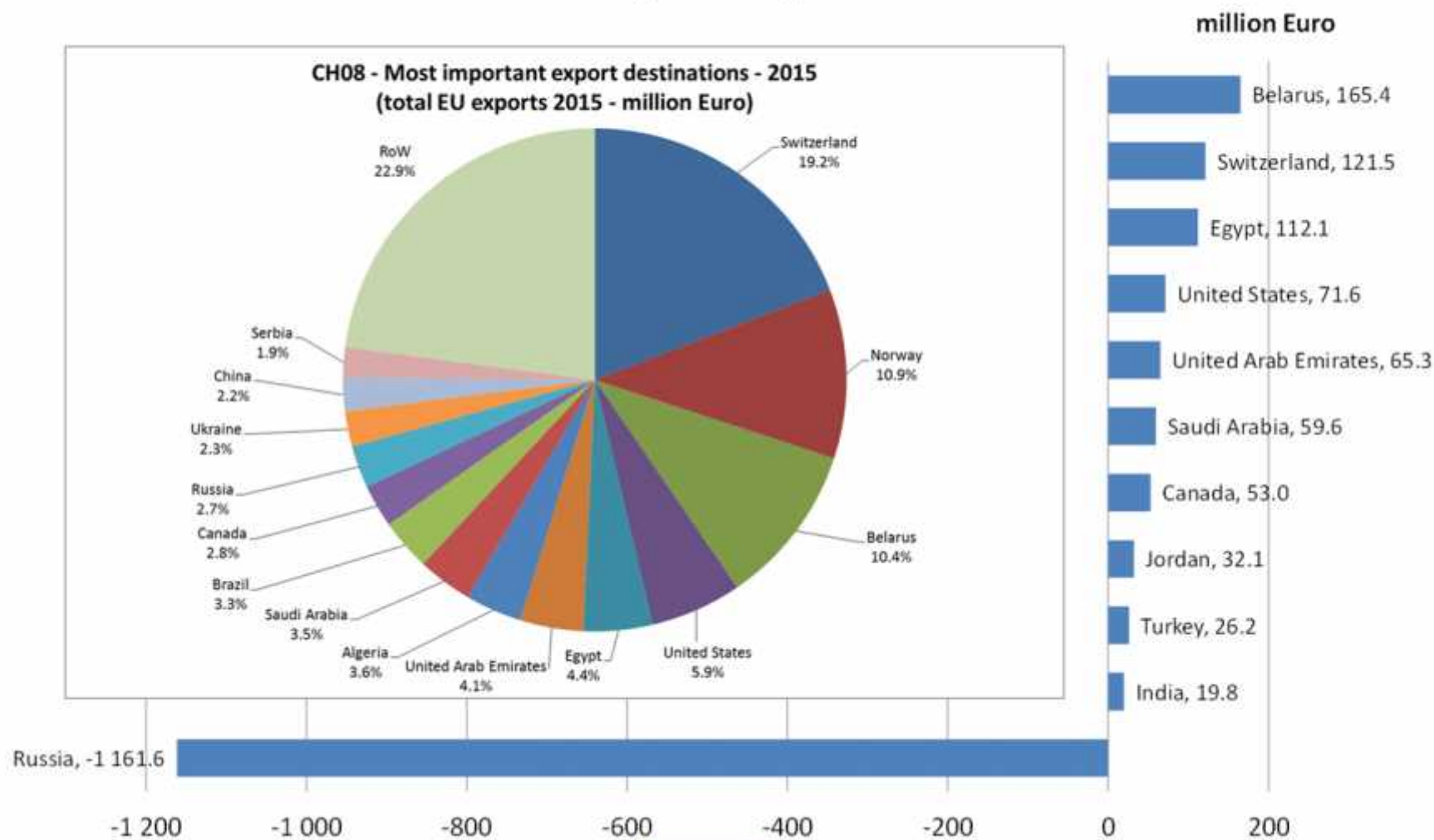
- Comparison of export values 2013 (year before the ban) with 2015 (year after the ban)
- Increasing exports to US, Belarus, Switzerland, Egypt ...
- Better diversification of exports achieved
- But major losses on Russian market not fully compensated

## EU Export of CH07, Vegetables (fresh, chilled or dried), incl. potatoes Change in 2015/2013





## EU Export of CH08, Fruit (fresh or dried) and nuts Change in 2015/2013





## Organics

- The organic sectors is a fast growing pace sector. Demand has grown four fold in the last decade while surfaces have not developed at the same pace. The gap is hence filled by imports.
- This results in loss of opportunities for the EU producers, in risk of limiting both organic market expansion and environmental benefits associated with organic production.
- Necessary to create a solid and harmonised framework which guarantees a fair competition among producers in the different MS and level playing field with third country operators.



## Organics

Where are we: timing

- We are currently advancing in the negotiations with the European Parliament and the Council.
- Seven trilogues have been taking place so far (two under the LU presidency and 5 under the NL one) and further two (or even three) are planned till the end of the Dutch presidency.
- As declared in several occasions Dutch presidency wants an agreement by the end of its mandate.



# Organics

Where are we: content

	COM initial position	Trilogues
Mixed farms	No co-existence of organic and conventional	Opening to mixed farms
Imports	Compliance	Compliance, with derogation for substances.
Pesticides	Automatic decertification	Ongoing discussions but need to harmonise!!
Controls	Everything in the OCR	OCR + Additional rules for organics



## Quality Policy and Regional Origin





## Quality Schemes – benefits

- Increasing interest from consumers in the quality of their food and how it's made
- Quality schemes provide guarantees on the origin, quality and authenticity. Latest Eurobarometer Survey shows an increase in recognition of the PDO logo by consumers (20% recognize the logo).
- The registration offers producers EU wide protection and protection in third countries via trade agreements
- Through quality schemes producers can distinguish their products on the marketplace, hold a stronger position in the food chain and get a better price for 'GI' products

## Quality Schemes – benefits

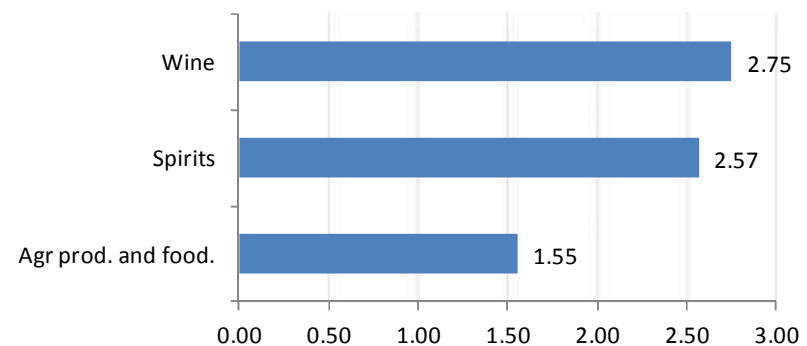
The premium a GI can expect from the market, compared to non-GI products

→ on average, the price of a GI product is 2.23 times the price of a comparable non-GI products



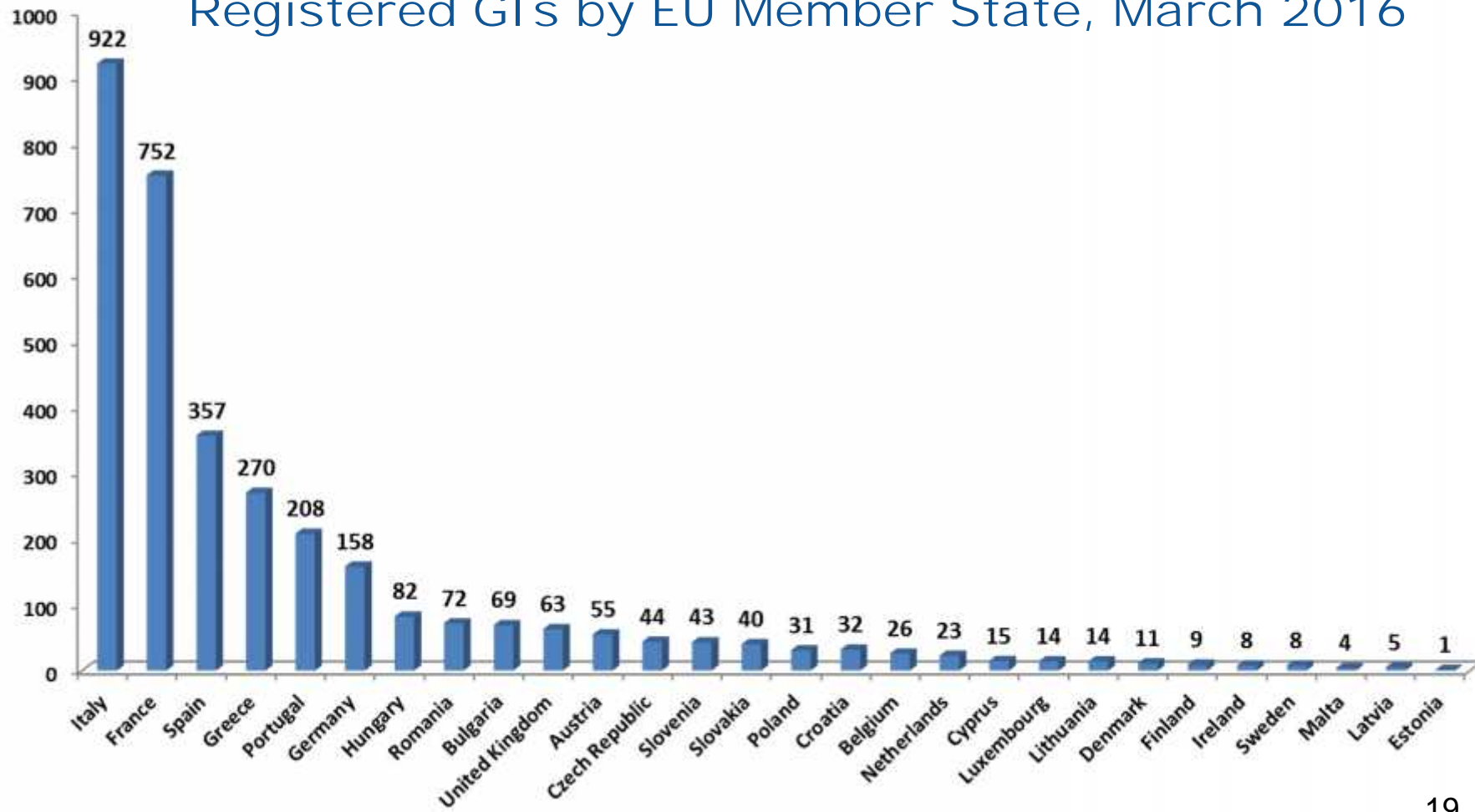
does not reflect value added and profitability of the GI schemes as it does not take into account the additional cost of compliance with GI specifications

Value premium rate in the EU27 by scheme:





## Registered GIs by EU Member State, March 2016





## Registered GIs - Fruit and Vegetable Sector

- 38% of all registered EU food products are fruit and vegetables (including processed) = 360 product names
- Up from 25% in 2010 – growing interest in F+V sector
- Most fruit and vegetables are registered in Italy (108), Spain (62), France (53) and Greece (43)
- Fruit and vegetable GIs are particularly important for Greece (42% of all food GIs), Italy (38%) and for Spain, Austria, Hungary, Netherlands, Croatia, Denmark and Romania (all around 30%)



## Registered GI s – some examples

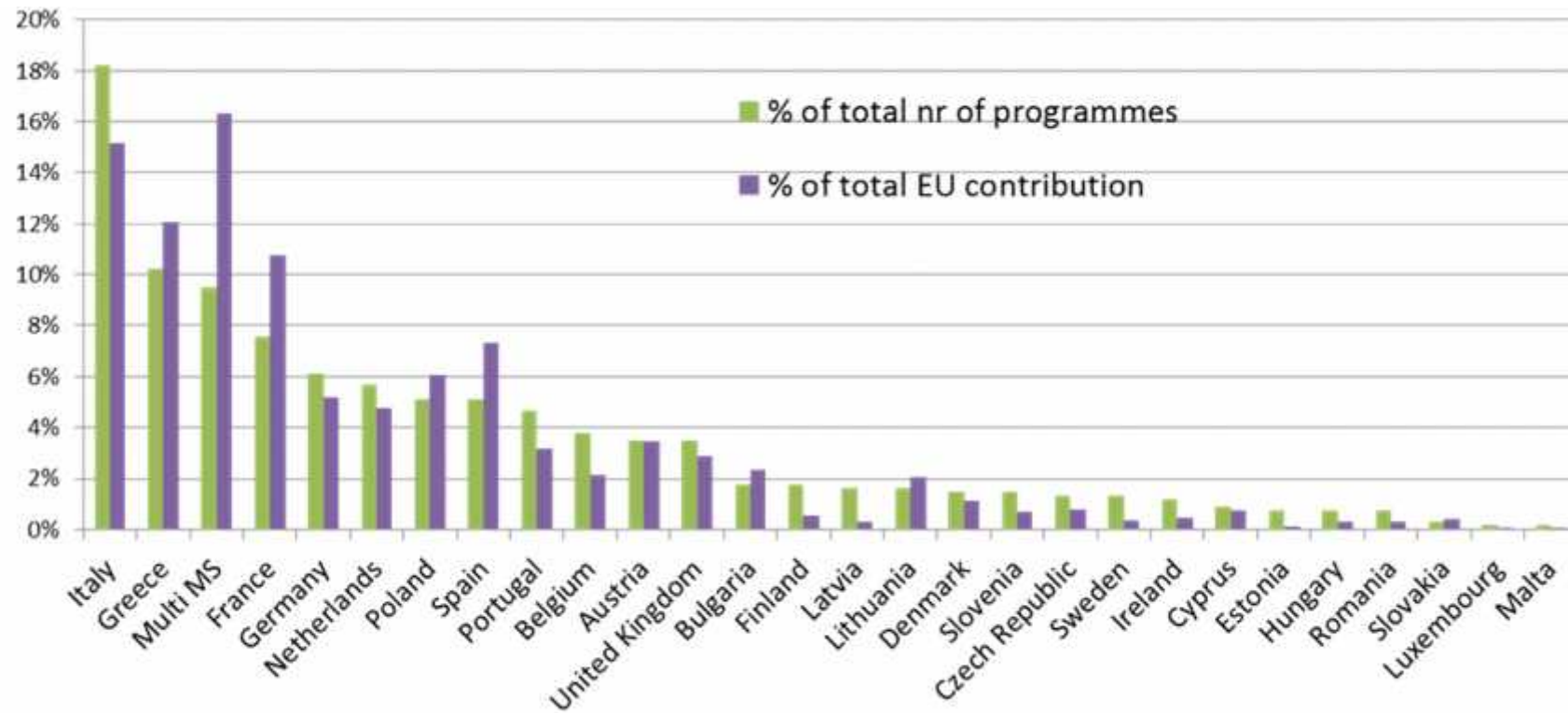
- Jersey Royal Potatoes, UK (1996)
- Kalamata Olives, Greece (1996)
- Lentille verte du Puy, France (2000)
- Citricos Valencianos, Spain (2003)
- Kiwi Latina, Italy (2004)
- Wi nia nadwi lanka (cherries), Poland (2009)
- Szentesi paprika, Hungary (2014)



## Promotion of EU agricultural products



## Adopted promotion programmes 2001-2015 Distribution by Member-States



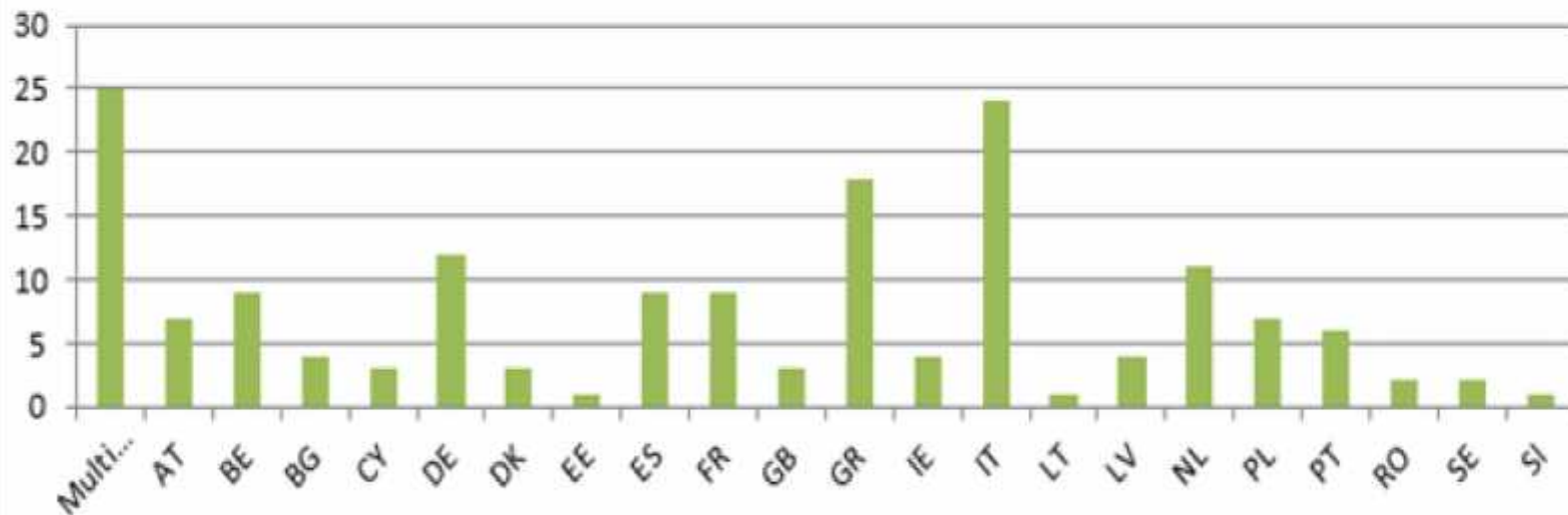


## Fresh fruits and vegetables

- 165 accepted programmes for a total budget of more than 455 million EUR (EU co-financing of more than 228 million EUR).
- More than 70% of these programmes target the internal market.
- 86% of these programmes (139) promoted only Fresh Fruits and Vegetables while the others promoted them in a basket products' approach.
- Repartition by MS: 25 programmes were submitted by several MS (multi programmes); otherwise programmes were mainly submitted by the following MS: IT (24), GR (18), DE (12), NL (11), BE (9), ES (9) and FR (9).



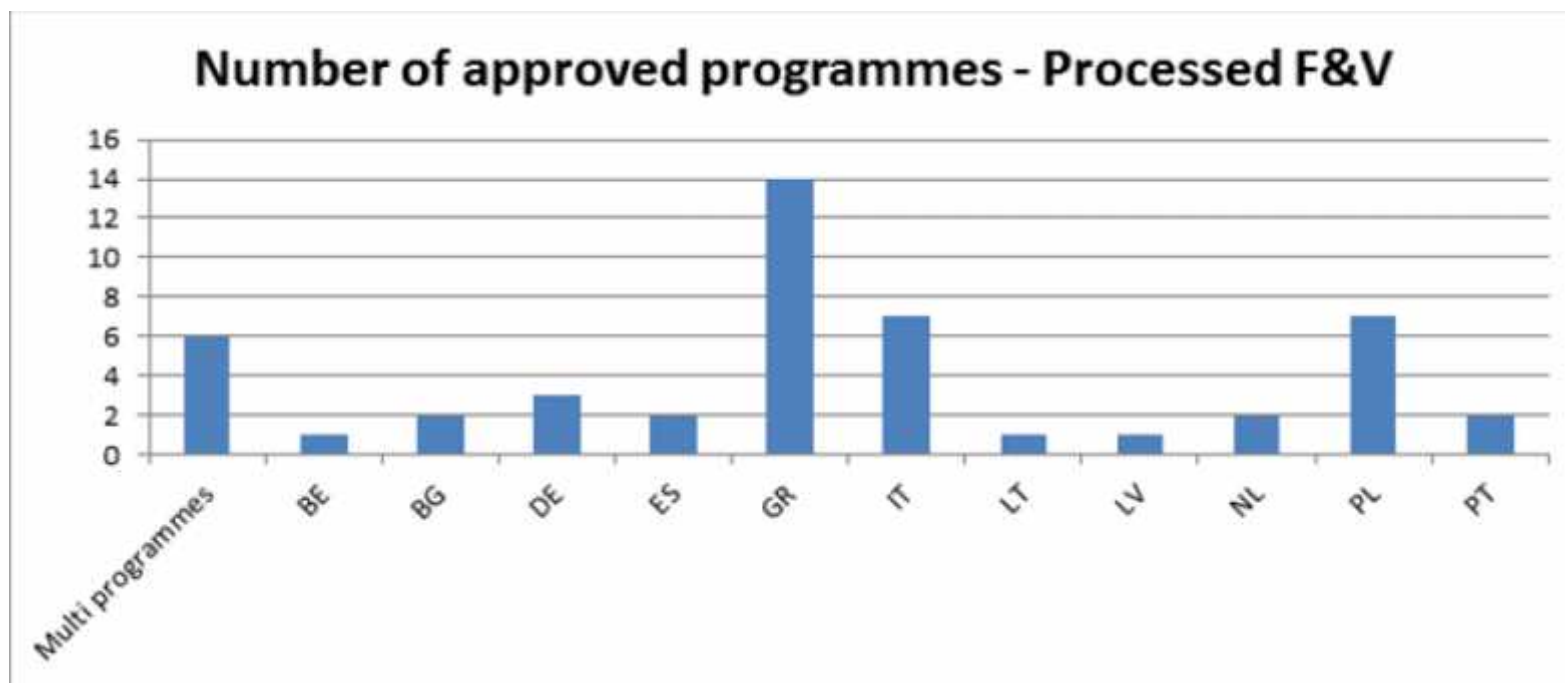
## Number of approved programmes - Fresh F&V





## Processed fruits and vegetables

- 48 accepted programmes for a total budget of more than 126 million EUR (EU co-financing of more than 63 million EUR).
- Less than 50% of these programmes target the internal market.
- 52% of these programmes (25) promoted only Processed Fruits and Vegetables while the others promoted them in a basket products' approach (23% (11) promoted Fresh and Processed F&V together).
- Repartition by MS: 6 programmes were submitted by several MS (multi programmes); otherwise programmes were mainly submitted by GR (14), PL (7) and IT (7).



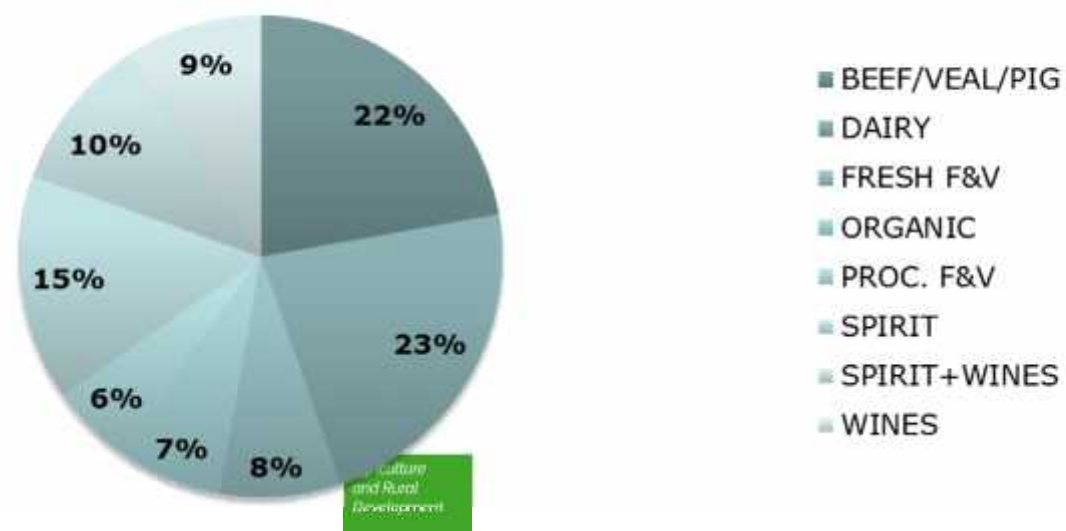


## Current promotion system

### PROMOTION EXPENDITURE PER MARKET TYPE

	EU old scheme	post-reform objective 2016
Internal Market	70%	30%
Third Countries	30%	70%

### PROMOTION EXPENDITURE PER PRODUCT GROUP





## What's new in the reform to meet the objectives?

Targeted on EU  
added value



Align with needs of  
the sector



Greater  
effectiveness

- Clear priorities established annually - work programme
- Increase the promotion campaigns in third-country market
- Enhance the cooperation between operators from different MS through multi programmes
- Incentive EU cofinancing rates

- Enlarge to new beneficiaries
- Wider list of eligible products including processed products
- Recognition of the strategic importance of brands and origin
- Reactive in case of crisis
- Technical support services

- New selection process with gain in time and evaluation exclusively at Commission level through external experts
- End-up of national cofinancing
- Simplification of administrative procedure for Multi-programmes : directly managed by the Commission
- Delegation to an executive agency foreseen

Increased expenditure : up to 200M€

# The Annual Work Programme for 2016

## Indicative repartition of budget for cofinanced programmes

	<b>Amount foreseen</b>
<b>Simple programmes - Internal Market</b>	<b>26 M€</b>
<u>Topic 1*</u> - Information and promotion programmes aiming at increasing the awareness and recognition of Union quality schemes as defined in Article 5(4)a,b and c of Regulation (EU) 1144/2014	10 M€
<u>Topic 2*</u> - Information and promotion programmes aiming at highlighting the specific features of agricultural methods in the Union and the characteristics of European agricultural and food products	7 M€
<u>Topic 3</u> - Information and promotion programmes on milk/dairy, pig meat products or a combination of those two	9 M€
<b>Simple programmes - in Third countries</b>	<b>68 M€</b>
<u>Topic 4*</u> - Information and promotion programmes targeting China, Japan, South Korea and customs territory of Taiwan	12 M€
<u>Topic 5*</u> -Information and promotion programmes targeting USA and/or Canada	12 M€
<u>Topic 6*</u> - Central and South America and the Carribean	7 M€
<u>Topic 7*</u> - South East Asia, meaning Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Vietnam	7 M€
<u>Topic 8*</u> - Africa and Middle East	4,5 M€
<u>Topic 9*</u> - other geographical areas	4,5 M€
<u>Topic 10</u> - Information and promotion programmes on milk/dairy products, pig meat products or a combination of those two targeting any third country	21 M€
<b>Multi programmes</b>	<b>14 M€</b>
<b>Simple programmes - in case of serious market disturbance</b>	<b>3 M€</b>
<i>*These programmes shall not cover milk/dairy products, pig meat products or a combination of those two. They may however cover milk/dairy products, pig meat products or a combination of those two if they are associated with other products.</i>	<b>Total 111 M€</b>



## Commission's own actions: High-Level Missions to 3d countries

Main format: High-Level Visit of Commissioner Hogan accompanied by a group of representatives of EU businesses of the agri-food sector.

### Schedule for 2016

Visit to Colombia and Mexico (7-12 February 2016)

Visit to China and Japan (16-22 April 2016)

Visit to Vietnam and Indonesia (1<sup>st</sup>-2<sup>nd</sup> week of November 2016)





High-Level Missions to 3d countries  
Visit to Colombia and Mexico (7-12 February 2016)







Commission's own actions: High-Level Missions to 3d countries

Visit to Vietnam and Indonesia (November 2016)

High Level Mission of Commissioner Hogan accompanied by top level EU-business representatives.

Mission to take place on the first/second week of November 2016 possibly coinciding with the opening of the SIAL Jakarta Food exhibition.



For further information

Europa web-site:

[http://ec.europa.eu/agriculture/promotion/index\\_en.htm](http://ec.europa.eu/agriculture/promotion/index_en.htm)

Contact:

[AGRI-PROMOTION-BUSINESS-DELEGATION@ec.europa.eu](mailto:AGRI-PROMOTION-BUSINESS-DELEGATION@ec.europa.eu)



Thank you for your attention!

