

Shining a light on sectoral interventions in the fruit and vegetables sector

POLICY INSIGHTS

Sectoral interventions are part of the <u>Common Agricultural</u> <u>Policy</u> (CAP) funding system and these financial aid packages are implemented through the national <u>CAP Strategic Plans</u> (CSPs). Over several decades <u>Europe's fruit and vegetables</u> <u>sector</u> has shown how successful CAP sectoral support helps from a policy perspective. The knowhow gained in this sector can now be transferred through the CSPs to support other agri-food sectors such as hops, olive oil, cereals and animal products, among others.

As part of providing an economically sustainable and fairer <u>CAP</u>, the CSPs implement sectoral interventions to help the positioning of EU farmers. A look at <u>figures from the Member States' initial set of CSPs</u> shows the range of sectoral interventions available around rural Europe using CAP funds.

CSPs covering 24 EU countries with recognised **producer organisations** (POs) offer sectoral interventions. Each PO prepares an operational programme (OP) that specifies funding plans for how CSP sectoral interventions will be applied in practice by the PO's proposed activities.

Examples of recognised POs from the EU CAP Network's good practice database

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A cooperative of fruit producers implementing an OP uses CAP sectoral support to convert to new, more resilient and competitive citrus varieties. The PO also receives support to help market its products as well as add value to them.

Cooperativa del Campo de Navaconcejo

A cooperative of small fruit producers in a mountainous area implementing an OP to improve its position in the value chain by standardising production processes and providing high environmental standards to help boost possibilities for product commercialisation. These funding opportunities for fruit and vegetable POs have been appreciated by the sector over previous <u>periods of CAP</u> <u>programming</u> since 1996. Thus, a lot of useful experience and intelligence is available today to help optimise opportunities offered by the CAP for sectoral interventions. <u>Chapter III of the CSP</u> <u>regulation</u> provides legal certainty for these types of interventions.



Opportunities for sectoral interventions prioritise support to agri-food POs to strengthen the sustainability and resilience of European food systems. The flexibility that is possible in implementing these interventions can help food producers gain from higher selling prices at origin, as well as more advantageous conditions via collective bargaining, additional resources, improved stability and/or specialisation. <u>Derogations in competition policy</u> are also granted within the EU's framework of CSP sectoral interventions. Further benefits of encouraging PO cooperation include a positive impact on <u>improving agricultural skills</u> and rural development in general.

Sharing sectoral insights

Lessons learned from good practices in Europe's fruit and vegetables sector can be applied to use CSP sectoral interventions successfully in other sectors. Sharing and exchanging this knowledge through networking can help boost business profits and improve processes for all POs and producer members involved in CSP sectoral interventions. This helps contribute to key EU and international policy goals for the environment and health.

Good practices in using sectoral interventions mirrors good practice among POs implementing their OPs. This has been highlighted by the EU in a <u>study on the best ways for POs to be formed, carry</u> <u>out their activities and be supported</u> as well as a <u>handbook on</u> <u>establishing an OP to support a PO</u>. Valuable information in these documents is designed to build the competitiveness of POs and to achieve EU policy goals. For instance, OPs can help contribute to the European Green Deal through positive outcomes for EU<u>nutrition</u> and <u>nature</u>.

Numerous health benefits from the fruit and vegetables sectoral interventions can result in improving supplies of affordable fresh products in sustainable ways. This can include actions and activities aimed at raising consumer awareness about the importance of healthy diets (see <u>CSP regulation Article 47(1)(b)</u> and (f)). Furthermore, these CSP sectoral interventions can provide aid for crisis prevention and help co-finance risk management initiatives.

Transforming sustainability

The promotion of sustainable consumption patterns is integral for the CSPs, and sectoral interventions have been instrumental in enabling the EU's fruit and vegetables sector to manage its large environmental ambition. This is a particularly fertile area where experience from the fruit and vegetables interventions can be transferred to value chains for other agricultural sectors. Precision approaches, pesticide alternatives, carbon sequestration, organics, food waste, and research and innovation on packaging are among the sustainability skillsets that fruit and vegetables POs are able to develop via OPs.

Packaging is particularly pertinent for the fruit and vegetable sector, which has been identified as a potential source of <u>unnecessary</u> <u>single-use packaging</u>. National laws are increasing controls on such packaging, and fruit and vegetable POs are at the forefront of transforming the sustainability of EU agri-food systems – and their experience has wider policy relevance. <u>Copa-Cogeca</u> calculates that moving to cardboard from plastic doubles or triples the price of packaging, which can be reflected in the final price for consumers. This may risk making healthy fresh produce less affordable or easily available. POs are using sectoral interventions to develop solutions for these packaging challenges by balancing important environmental priorities with similarly ambitious goals from producers and consumers.

Sectoral interventions in the fruit and vegetables sector are also at the vanguard of promoting agri-food sustainability. Aspects of organic food production have been enhanced by POs through the OPs, such as advantageous options for innovation funding that supports research and development, which can also feed directly into the <u>EU's organic action plan</u>. POs can further use sectoral interventions for promoting <u>EU quality labels</u>.

Numerous useful opportunities exist for CSP sectoral interventions to help better position EU farmers and their partners along value chains, while simultaneously generating health and environmental benefits for EU citizens. Greater networking of the experience and expertise built by fruit and vegetable POs remains highly beneficial for the POs in other EU agri-food sectors that can now access co-funding from CSP sectoral interventions.

