

The EU fruit and vegetable sector

Main features, challenges and prospects

SUMMARY

Fruit and vegetables accounted for approximately 14 % of the total value of the EU's agricultural production in 2018. This is a fundamental sector for many EU Member States, especially those where it is particularly well developed, such as in the Mediterranean region and in some northern and eastern European countries. Moreover, all EU Member States produce at least a few types of fruit and vegetables.

Apples and tomatoes are the main products of the richly diversified produce of the EU's fruit and vegetable farms. Mostly small-sized with relatively high labour input, these farms earn incomes ranging from average (for fruit specialists) to very high (for horticulture specialists, including also flower and ornamental plant production). EU trade in fruit and vegetables is characterised by the predominance of internal over external flows, where the EU is traditionally a net importer.

To strengthen the resilience of both the fruit and vegetable sector and its operators, and to boost the consumption of their produce, the EU has in place a comprehensive support system, especially through the regulatory framework for the common organisation of the markets in agricultural products. Rules on producer organisations and their operational programmes, crisis management and marketing standards, help the functioning of the sector, with additional support from the EU school fruit and vegetables scheme, as well as from the EU promotion and quality policies, income support and rural development measures, valid for all agricultural sectors.

Recently passed EU legislation has already brought in important adjustments for the fruit and vegetable sector and no further major policy changes are currently anticipated. It will be its capacity to overcome its structural vulnerability and weak organisation, adopt innovation and respond to consumer needs that will shape its future.



In this Briefing

- Facts and figures about the fruit and vegetable sector
- The EU policy framework
- Challenges and perspectives
- Advisory committees
- Stakeholders
- European Parliament

Facts and figures about the fruit and vegetable sector

Fruit and vegetables are key European Union (EU) agricultural products, with an annual output value of over [€57 billion](#) in 2018, of which about 60 % is accounted for by vegetables and nearly 40 % by fruit. The sector's output represents one quarter of the value of the EU's total crop output and 14 % of the overall agricultural output value, with a 30 % increase in ten years. In [2017](#), vegetable harvested production was almost twice as big as that for fruit, although fruit groves outnumbered fresh vegetable acres by about one million hectares (ha). Even though fruit and vegetable growers are geographically concentrated, products such as cabbages, tomatoes, carrots and apples are cultivated [all over the EU](#) (see Table 1).

Is the tomato a fruit or a vegetable?

The classification of fruit and vegetables can be based on various approaches — botanical, agronomical, culinary — thus resulting in different definitions. For example, the tomato is botanically a fruit, but it is commonly considered a vegetable from both the agronomical and the culinary points of view.

The facts and figures presented in this briefing follow [Eurostat's definitions](#) based on the farm management and agronomical practices, according to which the term 'fresh vegetable' refers to annual (or, rarely, biennial) horticultural crops, and the term 'fruit' refers to perennial crops.

Following this approach, tomatoes are included in the main statistical aggregate of vegetables, as well as melons, water melons and strawberries, which are commonly considered and consumed as fruit.

Main EU fruit and vegetable products

Table 1 – EU main fruit and vegetables (thousand tonnes) and country shares over 10 % (average 2015-17)

| | Cabbages | Tomatoes | Watermelons | Peppers | Carrots | Onions | Apples | Pears | Peaches | Oranges |
|-----------------|----------|----------|-------------|---------|---------|--------|--------|-------|---------|---------|
| EU-28 | 3.7 | 17.7 | 3.1 | 2.6 | 5.5 | 6.5 | 11.8 | 2.4 | 2.8 | 6.2 |
| Belgium | | | | | | | | 14 % | | |
| Germany | 16 % | | | | 12 % | | | | | |
| Greece | | | 20 % | | | | | | 24 % | 15 % |
| Spain | | 29 % | 35 % | 46 % | | 20 % | | 15 % | 35 % | 54 % |
| France | | | | | 10 % | | 16 % | | | |
| Italy | | 34 % | 17 % | | | | 19 % | 31 % | 32 % | 26 % |
| The Netherlands | | | | 14 % | 11 % | 24 % | | 14 % | | |
| Poland | 26 % | | | | 14 % | 10 % | 26 % | | | |
| Romania | 17 % | | 15 % | | | | | | | |
| United Kingdom | | | | | 14 % | | | | | |

Data source: Eurostat, [Crop production in EU standard humidity](#), 2017.

Apples have been the main fruit produce in the EU, both in terms of output [value](#) (about one fifth of overall fruit production) and [volume](#) of harvested production (29 % of total fruit production) over the past few years, followed by oranges, peaches and pears (between 8 and 9 % of output value each,

and 18 %, 9 % and 7 % of volume of production respectively). Nuts cover about one third of all [fruit groves](#), followed by apples (16 %) and oranges (9 %), with 'Golden Delicious' apples and 'navel oranges' being respectively the [main varieties](#). Regarding vegetables, tomatoes generated about [20 %](#) of the overall vegetable output value over the last ten years. With more than one quarter of the overall volume of vegetable production and 11 % of the vegetable area, tomatoes were by far the main EU vegetable production in [2017](#), followed by onions and carrots (with about 10 % of the total volume of vegetable production each), and cabbages, watermelons and lettuces (about 5 % each).

A close-up of fruit and vegetable specialist farms

Although fruit and vegetables are also grown in farms that are not specialised in these types of farming (for instance, only half of over 3.8 million EU farms growing permanent crops were specialised in permanent crops in [2016](#)), a close-up of fruit and vegetable specialist farms¹ can provide an overview of the main features of this farming activity. Horticulture data presented herein include the production of flowers and ornamental plants besides edible vegetables.

Slightly less than 200 000 horticulture specialist farms and about 540 000 fruit and citrus specialist farms represented [7 %](#) of the 10.5 million agricultural holdings operating in the EU in 2016. This relatively low share at EU level covers different situations in the Member States, where their shares vary from negligible (such as in Ireland, Denmark, Luxembourg and the United Kingdom) to very substantial (such as in Malta and the Netherlands for horticulture, with respectively, 17 % and 13 % of all farms, or in Cyprus, Spain and Portugal for fruit, with respectively 25 %, 16 % and 11 %).

The large majority of these specialist farmers cultivate only a few hectares (ha) of agricultural area each. If a threshold is set at 5 ha of cultivated area, more than three quarters of these farms fall below this threshold, with an overall cultivated area that only reaches 23 % and 19 % of the total areas cropped with respectively fruit or horticultural products (see Table 2).

Table 2 – Share of EU farms specialised in fruit or horticultural products and their agricultural area by farm size in hectares (ha) in 2016

| | Below 5 ha | | From 5 to less than 20 ha | | From 20 to less than 100 ha | | 100 ha or over | |
|------------------|------------|------|---------------------------|------|-----------------------------|------|----------------|------|
| | Farms | Area | Farms | Area | Farms | Area | Farms | Area |
| Fruit and citrus | 76 % | 23 % | 20 % | 34 % | 4 % | 27 % | 0.4 % | 15 % |
| Horticulture | 77 % | 19 % | 18 % | 27 % | 5 % | 31 % | 1 % | 21 % |

Data source: Eurostat, [Farm indicators by agricultural area size](#), 2016.

Replicating the wide differences in farm structures existing in the whole of the EU's agricultural sector, the agricultural area of fruit specialist farms averaged only less than 2 ha in Cyprus, Malta and Romania, while it exceeded 20 ha in Belgium, Denmark and the United Kingdom in [2016](#) (the EU average was 5 ha). For horticulture, with an EU average of 6 ha, values varied from less than 2 ha in Bulgaria and Romania to more than 20 ha in Denmark, Ireland, Slovakia, Sweden and the UK.

Horticulture and fruit production represented altogether 9 % of all agricultural [full-time equivalent](#) jobs in 2016, albeit only 7 % of all farms and 2 % of all agricultural area, mainly due to the more labour intensive horticultural sector. Non-family and seasonal workers are more numerous in farms specialised in fruit and citrus or horticulture than in other farming specialisations, representing over one third of all EU non-family labour force working on farm on a non-regular basis [2013](#) (with higher percentages for the Netherlands, Spain and Poland, among others). Yet, the data could underestimate the number of people working in these farms, be it for statistical reasons (e.g., the unaccountability of workforce in non-surveyed very small producing units) or other causes (e.g., the seasonality of certain products could increase the practice of [undeclared work](#)).

Horticulture specialists attain an almost three times [higher average farm income](#) than the farming sector altogether. This gap narrows for farm income per labour unit, as highlighted in a 2018 European Commission [report on farm economics](#), due to the high paid labour intensity in this type of farming. As for fruit specialists, their average [farm income](#) and farm income per labour unit are in line with the average of the whole agricultural sector.

EU trade in fruit and vegetables

One characteristic of the EU trade in fruit and vegetables is the predominance of [internal flows](#) over extra-EU trade, due to product perishability, but also to the variety of the EU's produce. In 2017, except for nuts, bananas and other tropical fruit, intra-EU trade registered a much [bigger value](#) than trade in fruit and vegetables with non-EU countries. Among the [most traded](#) (in terms of value) products, Spain was leader for citrus fruit, Italy for apples and the Netherlands for tomatoes and strawberries and other berries, with Germany being the main importing country for these products.

Another feature is that the EU is traditionally a [net importer](#) in international trade. In 2017, while the value of the EU's [exports](#) to non-EU countries of (fresh, chilled and dried) fruit and vegetables totalled €7 billion (15 % of all primary food commodities export value and 5 % of agri-food export value), [imports](#) from non-EU countries totalled €26.8 billion (one third of all primary food commodities import value and 23 % of agri-food import value). Tropical fruit, nuts and spices [ranked first](#) among the most important agri-food imported products in 2017, with other types of fresh and dried fruit ranking fifth. The top three countries of origin of these imports were the US, Costa Rica and Colombia for tropical fruit, nuts and spices, and South Africa, Chile and Turkey for other types of fresh and dried fruit, while over [70 %](#) of imported oranges came from South Africa or Egypt.

The EU policy framework

A combination of measures aiming to strengthen the resilience of both the EU's fruit and vegetable sector and its operators, and to boost the consumption of their produce, constitute the backbone of EU's support for one of the key sectors in EU agriculture. The legal basis for the main support schemes is [Regulation \(EU\) No 1308/2013](#) (CMO Regulation) on a common organisation of the markets in agricultural products.² This sets out rules on producer organisations and their operational programmes, on crisis management and on marketing standards for trade in fruit and vegetables, among others. EU expenditures for market interventions under the CMO Regulation amounted to €2.7 billion in [2018](#), of which €865 million for the fruit and vegetable market, second only to the expenditures for the market of the products of the wine sector (€968 million).

Producer and interbranch organisations

The EU favours the recognition by a Member State of producer and interbranch organisations, and of associations of producer organisations, in the fruit and vegetable sector, with the aim to strengthen producers' position in the market. Producer organisations applying for such recognition must be legal entities formed on the initiative of the producers and that pursue a specific objective, such as concentrating the supply of products, providing technical assistance to their members, contributing to a sustainable use of natural resources, etc. Associations of producer organisations are formed on the initiative of recognised producer organisations to carry out any of their activities and functions. Interbranch organisations are constituted on the initiative of producer organisations (or associations of producer organisations) and include representatives of economic activities linked to producing and processing or trading/distributing of products in one or more sectors. In the interest of their members and of consumers, interbranch organisations pursue specific aims, such as improving knowledge and transparency of production and the market, developing methods and instruments for improving product quality, etc.

Besides EU support in the form of contributions to finance their operations (see below), a number of EU rules help [these organisations](#) to accomplish their tasks. They include:

- Both the producer organisations and their members shall fulfil certain requirements (from the organisation statute to membership duties) in order to avoid penalties or even the withdrawal of the recognition.
- Fruit and vegetable producers who are members of a producer organisation shall market their full production via this producer organisation.
- Producer organisations and associations of producer organisations in the fruit and vegetable sector shall be considered to be acting in the name and on behalf of their members in economic matters within their terms of reference.
- If an organisation represents at least 60 % of the volume of production, trade or processing of the concerned product in a given production area and, in the case of producer organisations, more than 50 % of the producers concerned, the Member State may, on request, make that organisation's agreements binding on non-member operators acting in the economic area. Non-member operators may have to pay a financial contribution to the organisation to cover costs incurred in pursuing activities from which they have benefited.
- Contractual relations for the delivery of fruit and vegetables by a producer to a processor may require a written contract upon decision by the Member State. However, following a modification brought in by the agricultural section of the 2017 ['Omnibus' Regulation](#), producers and their organisations may require a written contract for any delivery of products to a processor or distributor, even if the Member State does not make use of this possibility (with exceptions for micro-, small- or medium-sized purchase enterprises and cooperatives of which the producer is a member).
- As regards [competition rules](#) applying to undertakings, the prohibition of agreements does not apply to agreements, decisions and concerted practices of producer organisations or their associations that concern the production or sale of agricultural products or the use of joint facilities for the storage, treatment or processing of agricultural products. To qualify for this derogation, the producer organisation, or its association, must integrate at least one activity of the producer members, genuinely exercise the activity, concentrate supply and place products of its members on the market. In the 2017 [Endives judgment](#), the European Court of Justice clarified which practices can escape the prohibition of agreements, decisions and concerted practices. The fruit and vegetable sector has been a pioneer in applying derogations to certain EU competition rules, as explained in a 2018 [study](#) on possible options to improve the EU food value chain.

Operational funds and programmes

Producer organisations and their associations can set up operational funds to finance their operational programmes approved by Member States. Besides members' financial contributions, operational funds may be granted EU financial assistance up to:

- 50 % of the expenditures of the operational programme, increased to 60 % in cases of programmes that favour interbranch or transnational operations, organic production, mergers, etc., or 100 % for programmes on coaching other organisations or on free distribution of market withdrawals to charities, penal institutions, schools, etc., in the context of the crisis prevention and management measures (see next paragraph);
- 4.1 % of the value of the marketed production of each producer organisation or of their association, increased by a few decimal points if the amount in excess of 4.1 % is used solely for crisis prevention and management measures.

Operational programmes are established for a duration of minimum three to maximum five years, to pursue at least two of the objectives of the organisation or of other objectives that range from boosting products' commercial value to crisis prevention and management. Special attention is placed on the inclusion of environmental actions in the operational programmes and on safeguards to protect the environment in case of investments that increase environmental pressure. Member States must put in place a national framework for these [environmental actions](#), to be integrated in

a national strategy for sustainable operational programmes that includes an analysis of the situation, priorities, objectives and performance indicators, as well as the assessment of operational programmes and reporting obligations for producer organisations.

Exceptional measures and crisis management

The Commission can take exceptional measures to address serious market disturbance caused by significant price rises or falls or other events and circumstances significantly disturbing or threatening to disturb the market (also upon a request from EU Member States).

In the context of the above-mentioned operational programmes, fruit and vegetable growers can receive EU funds for a wide range of [actions and activities](#) for crisis prevention and management:

- investing into a more efficient management of the volumes placed on the market;
- training and exchange of best practices;
- promotion and communication;
- support for the administrative costs of setting up mutual funds and financial contributions to replenish mutual funds;
- orchard replanting after mandatory grubbing up for health or phytosanitary reasons;
- market withdrawal, with 100 % funding in case of free distribution to EU charitable and public service bodies, for quantities up to 5 % of the producer organisation's total marketed volume;
- green harvesting (i.e., total harvesting of unripe non-marketable products) or non-harvesting (i.e., termination of the current production cycle where the product is well developed and is of sound, fair and marketable quality) of fruit and vegetables;
- support for harvest insurance for beneficiaries who undertake necessary risk prevention measures;
- coaching of other producers or producer groups.

Up to one third of the expenditure under the operational programme can finance these measures (which, in 2015, received [€50 million](#) in EU funds). Crisis prevention and management actions can also be financed by loans taken by producer organisations and are eligible for EU support.

Exceptional measures can also be financed by the reserve for crises in the agricultural sector, set out in Article 25 of [Regulation \(EU\) No 1306/2013](#). In the case of serious crises, special support packages can be set up, including both financial and budget-neutral measures, as in the case of the temporary exceptional support for products affected by the [Russian ban on imports](#) since 2014, which has benefited EU producers in [12](#) EU Member States, receiving €522 million in EU [assistance](#) until 2018.

Marketing standards and trade

As stated in EU legislation, EU marketing standards for fruit and vegetables address consumers and producers' expectations in terms of product quality and production and marketing conditions.

'Products of the fruit and vegetables sector which are intended to be sold fresh to the consumer may only be marketed if they are sound, fair and of marketable quality and if the country of origin is indicated' (Article 76 of [Regulation \(EU\) No 1308/2013](#)).

Over the years, EU marketing standards have been the subject of heated [discussions](#) between detractors, who pointed the finger at an allegedly over-bureaucratic approach and even at non-existent rules on imperfectly-shaped fruit and vegetables, and defenders, who claimed that standardisation policy creates benefits for the market. In 2009, the EU reduced the number of marketing standards for fruit and vegetables,³ setting out a few general marketing standards for all fresh products (such as the marking of origin of produce and minimum quality and maturity requirements that exclude products unfit for consumption). It also limited the application of specific marketing standards to the following ten products only (instead of [36](#) in the previous legislation), based on their relevance in terms of trade value: apples; citrus fruit; kiwifruit; lettuces, curled leaved and broad-leaved endives; peaches and nectarines; pears; strawberries; sweet peppers; table grapes;

tomatoes. For these products, detailed provisions exist on quality class (Classes 'Extra', I or II, except for lettuces, curled leaved and broad-leaved endives, for which only Classes I and II exist), size, tolerance level, presentation and marking, in order for them to be supplied fresh to the consumer. Conformity to the [standards](#) of the United Nations Economic Commission for Europe ([UNECE](#)) is considered as conforming to the EU general marketing standard.

National authorities and inspection bodies carry out conformity checks on fruit and vegetables at all marketing stages based on risk assessment, including for traded production. For the latter, EU Member States certify conformity of exports to, and check conformity of imports from, third countries before those goods enter the EU customs territory (or verify the effectiveness and quality of the pre-export checks carried out by [approved](#) third country inspection bodies). EU Member States have to set up a database on traders, i.e., natural or legal persons who display, offer for sale, sell or market fruit and vegetables subject to marketing standards, both within and outside the EU.

Trade with third countries of fresh or processed fruit and vegetable products is governed by the EU agricultural trade policy, which includes notably:

- international [trading arrangements](#) between the EU and third countries;
- import and export licences issued by the EU Member States;
- import duties under the [Union Customs Code](#) or World Trade Organization ([WTO](#)) [special safeguard provisions](#) (to prevent or counteract adverse effects on the EU market of import prices or volumes);
- tariff quotas for release into free circulation of agricultural products into the EU or third country territory;
- suspension of processing and inward processing arrangements that disturb or are liable to disturb the EU market.

EU school fruit and vegetable scheme

The EU aid scheme for the supply of fruit and vegetables (and milk, following the [2016 reform](#) that [amended](#) existing rules) in educational establishments intends to improve both the distribution of agricultural products and children's eating habits. The scheme runs on the basis of multiannual national, or regional, implementation [strategies](#), which also include accompanying educational measures, such as activities for connecting children with local agriculture or combating food waste.

The EU aid – a maximum of €150 million per school year – for the distribution of fruit and vegetables, is allocated to requesting Member States, taking into account their number of six- to ten-year-old children and the degree of development of their regions. All Member States except Sweden and the United Kingdom have received EU funds for the fruit and vegetable scheme for the [2017-2018 and 2018-2019](#) school years. A 2015 Commission [evaluation](#) of the scheme concluded that the continuous declining consumption of fruit and vegetables and modern consumption trends make the rationale behind the creation of the school schemes still relevant. In the school year [2016/2017](#), the fruit and vegetable scheme provided over 12 million children in 24 participating countries with more than 74 000 tonnes of fruit and vegetables, mostly fresh.

Promotion and quality policies

EU-funded promotion campaigns for EU farm products have been helping fruit and vegetable producers to sell their products through a variety of instruments for many years. As of 2015, a new [EU promotion policy](#) provides funds for information and promotion initiatives in the EU Member States and in countries outside the EU, with an increasing annual budget allocation that will reach €200 million in 2020 (see Figure 1). Based on an EU-level strategy implemented through [yearly work programmes](#), the EU promotion campaigns aim to encourage the opening up of new markets in regions with potential for growth and raise consumer awareness of the efforts made by EU farmers, including in the adoption of high product standards and quality schemes.

Data from a 2018 Commission [report](#) suggest a positive result for the fruit and vegetable sector in the first implementation years of the new promotion policy, with 14 programmes absorbing 30 % of the 2016 budget, 8 programmes absorbing 13 % of the 2017 budget and 17 programmes selected for 2018, absorbing 31 % of the budget. Additional resources have also been allocated to fruit and vegetables by multi programmes (i.e., a programme with at least two proposing organisations from at least two EU Member States or one or more EU level organisations), with almost 19 % of the budget allocated for the promotion of fruit and vegetables by 2017 multi programmes.

[EU quality schemes](#) protect the names of products with unique characteristics, linked to their geographical origin as well as traditional know-how. They help consumers to trust and distinguish quality products and producers to better market their products. Depending on how much of the raw materials come from the area, or how much of the production process takes place in the specific region, or the way the product is made or its composition, agri-food products can be granted one of the quality logos: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) or Traditional Speciality Guaranteed (TSG). These are recognised and protected, both on the EU market and in trade negotiations with non-EU countries (see Figure 1).

Fruit and vegetables are among the [most often](#) registered products. They have been granted either the PDO or the PGI, with [registrations](#) going back as far as 1996, such as for the French PGI [apples and pears from Savoie](#) or the PDO [San Marzano tomatoes](#) from the southern Italian area of Agro Sarnese-Nocerino. Others are more recent, such as the PGI [Greek artichoke from the Nauplie region](#) in the Peloponnese or the PGI local variety of [garlic from the Polish Małopolskie](#) province, registered in 2018. An Italian [report on quality products](#) listed two types of apples (PGI Mela Alto Adige and PDO Mela Val di Non) among the 15 Italian food quality products with the highest value of production in 2017. A 2013 study on assessing the added value of EU quality products [noted](#) that besides higher gross margins, producers of quality products can benefit from other elements, such as improved visibility and access to new markets or a better access to promotion and other support measures.

Organic food products are widely perceived as being of better quality and safer than other food products.⁴ EU legislation on organic farming, dating from 2007, has been updated several times and should be finally replaced by a [new legislative framework](#) in 2021, with the aim of boosting the sector. With the same objective, in the framework of the rural development policy 2014-2020, EU Member States allocated more than €6.3 billion to supporting farmers or groups of farmers who convert to or maintain organic farming practices and methods.

Organic farming has been constantly [growing](#) in the EU over the past years. This trend is evident in the evolution of agricultural land being converted to organic [fruit](#) and [vegetable](#) production, although the overall share of [total agricultural land](#) farmed with fruit or vegetables remains marginal. However, conversion to organic has been faster in some cases, such as for apples in France, where the organic crop area [doubled in five years](#), or for citrus fruit in Italy, where the organic area reached the highest share of the total citrus fruit area among the world countries surveyed in 2017.⁵

Direct payments and rural development

Direct payments are the main type of EU-funded support for the farming sector. Together with the CMO regulation measures, they constitute the 'first pillar' of the common agricultural policy (CAP). Following successive policy reforms, [EU direct payments](#) have been decoupled from production to

Figure 1 – Visual identity for EU promotion campaigns and quality labels



Source: European Commission's webpages on [promotion campaigns](#), [quality policy](#) and [organic farming](#).

become an income support measure that helps stabilise farm revenues. Since they are granted per hectare (according to economic, environmental and administrative criteria) for fruit and vegetable growers generally farming small agricultural areas, this type of support is less important than for farmers specialising in other productions, as shown in Table 3. A simplified system of direct payments is set up for small farmers, with an annual payment of up to €1 250.

Table 3 – Decoupled payments in different farm specialisations (average of yearly averages 2012-2016)

| Farm specialisation | Orchards / fruits | Horticulture | Cereals, oilseeds and protein crops | Mixed crops | Mixed crops and livestock |
|---------------------|-------------------|--------------|-------------------------------------|-------------|---------------------------|
| Average income | 2 241 | 1 084 | 14 613 | 4 637 | 6 557 |

Data source: EU [farm accountancy data network](#), 2012-2016.

The [EU rural development policy](#) is the CAP's 'second pillar'. Its measures aim at achieving the balanced territorial development of rural economies, including those characterised by difficult production conditions, and at sustaining the EU farming sector with interventions as diverse as agricultural restructuring, the management of natural resources, innovation and economic diversification. Although rural development measures do not specifically target fruit and vegetable growers, they nonetheless address key issues both for the sector, such as enhancing farm viability and competitiveness or promoting food chain organisation, and for the economic development of the rural areas in which fruit and vegetable growers operate their business. Moreover, EU Member States can activate [risk management](#) tools via their rural development programmes to help farmers confront price volatility on agricultural markets.

Challenges and perspectives

The future legal framework

The ongoing preparation of the EU's post-2020 [multiannual financial framework](#) envisages an overall reduced CAP budget, which could also affect EU action in the fruit and vegetable sector. In this context, on 1 June 2018, the Commission published a set of sector-specific acts laying down the legislative framework for the 2021–2027 CAP. These included an [amending regulation](#) on the common organisation of the agricultural markets and on EU quality schemes, among others. Since many provisions concerning the fruit and vegetable market were largely amended by the already mentioned 2017 '[Omnibus](#)' Regulation, the most relevant change this proposal would bring is the integration of sectorial programmes in the proposed national [CAP strategic plans](#), including compulsory operational programmes for the fruit and vegetable sector. As for the EU quality schemes, proposed amendments aim at simplifying the system and making it more attractive to farmers and more understandable for consumers. Finally, the reform of the [CAP financial rules](#) would impact the functioning of the reserve to be used for market crises.

Positive effects on EU farmers are expected from the adoption of a directive on unfair trading practices ([UTPs](#)) in business-to-business relationships in the food supply chain. By providing a list of prohibited UTPs (such as late order cancellation or payment for perishable food products), this act aims to introducing a minimum harmonised standard of protection across the EU for anyone (i.e., producers, cooperatives or producers' organisations, retailers, food processors, wholesalers) with a turnover of up to [€350 million](#).

Cooperation and market organisation

Agriculture is one of the EU's economic sectors where cooperatives have a [strong market presence](#). The level of organisation in the EU's agricultural market is a key issue for the mainly small-sized farms in the sector. A 2018 Commission [report](#) counted more than 1 700 recognised producer

organisations and 60 associations of producer organisations in the EU fruit and vegetable sector, which covered 50 % of marketable production. Moreover, a 2016 [study](#) identified 123 interbranch organisations in the EU as of June 2016, 12 of which in the fruit and vegetable sector, mostly in Spain and France and outnumbered only by those in the wine sector. Finally, although only a minority of farmers is involved in short food supply chains and local food systems (e.g., direct sales or producer/consumer partnerships), fruit and vegetables are the [main](#) products traded in this way.

The rate of organisation of fruit and vegetable growers in the various types of producer groups has [greatly improved](#) in all regions of the EU (although with noticeable differences). However, concentration in the food chain is still [higher](#) in the processing industry and retail sectors than in the agricultural sector. With their mainly fresh and perishable products, subject to uncertainties like weather conditions and seasonal harvests, fruit and vegetable growers face the bargaining power of a number of intermediaries and suppliers in largely retail-led product chains. As noted in a [study](#) on support for farmers' cooperatives, consumers buy most of their fruit and vegetables in supermarkets, while food retail companies and their group purchasing organisations have large market power, including over the wholesale companies that supply supermarkets. This reinforces the significance of the forthcoming legislation on UTPs.

Research and innovation

Besides their contribution towards achieving greater productivity growth, research and innovation are increasingly considered the only possible answer to the many demands that fall on the agricultural sector, from preserving the environment while healthily feeding a growing world's population, to enhancing conditions of rural territories and their communities. Many evaluations reveal this multidimensional impact of investments in [agricultural research and innovation](#). Various types of innovation can improve fruit and vegetable farming, such as technological and digital solutions to help reduce the use of resources (e.g., less water use thanks to [precision agriculture](#)), organisational improvements to enhance farmers' role in the food chain (e.g., better logistics), agronomical research to improve products (e.g., nature-based solutions), alternative methods of production (e.g., vertical farming, hydroponics and aquaponics), to mention just a few.

An increased EU budget is expected for agriculture-related topics in the next EU research and innovation framework programme [Horizon Europe](#). However, as stressed by the Commission's [communication](#) on the future of food and farming, a key aspect is the knowledge transfer from research to farming and a more even distribution of the uptake of innovation among farms of different sizes and throughout the EU. This is why the EU has engaged in an agriculture [innovation strategy](#) based on multi-participant projects, knowledge-sharing and networking. Greater involvement of the food chain actors, including producer organisations, could also provide an added boost.

Economic prospects

The EU's fruit and vegetable sector comprises a wide variety of products distributed through very different supply chains. Yet, producers face many common challenges. Weather conditions can significantly impact on seasonal harvests, determining both the quantity and quality of marketed produce. Product freshness and perishability limit the capacity to adapt to a demand that is generally more constant than the supply. Price volatility (such as during past [market crises](#)) can heavily affect producers. Together with the capacity of the sector to overcome its structural vulnerability and weak role in the food chain, these traits will continue to influence the EU's fruit and vegetable economy.

As for fruit and vegetable consumption, wide differences across the EU suggest margins for improvement in several EU countries, also driven by health motivations. Even though [two thirds](#) of EU citizens ate at least one portion of fruit and vegetables a day in 2014, many countries were still far below this average. The 2017 [average EU consumption](#) of 353 grams of fresh fruit and vegetables per capita a day remains still below the minimum [WHO recommendation](#) of 400 grams a day.

As for market developments for the main fruit and vegetable products, the Commission's [short-term](#) analysis indicates a recovery in apple production in 2018-2019. As the EU producing regions are differently affected by weather conditions or plant diseases and pests, different trends can be observed at country level for pears, [citrus fruit](#) and [tomatoes](#) in the short term. In the long run, the Commission's [outlook](#) for the EU's fruit and vegetable markets shows a stabilisation for apple and tomato production and a slight decline in peach and nectarine production by 2030. The drivers of this evolution would be consumers' preferences for ready- and easy-to-eat products, restructuring and replacing of old orchards, a mix of reduced area, increased yields and extended production seasons, as well as market evolution for processed products. World production and international trade would play an important role as well, also considering the expected withdrawal from the EU of the United Kingdom – currently a [net importer](#) of EU fruit and vegetables.

Advisory committees

In the context of the ongoing CAP reform process, the European Economic and Social Committee ([EESC](#)), while welcoming the role attributed to the CAP in promoting healthier food products, such as fruit and vegetables, and the efforts to strengthen farmers' position in the food supply chain, has called for further 'stepping up [of] market regulation to ensure better incomes' and 'providing more realistic and worthwhile market support when required', such as in case of price fluctuations.

The European Committee of the Regions ([CoR](#)) has put forward specific proposals for the future CAP, such as the possibility of including measures to preserve the diversity of genetic resources of fruit and vegetables in the CAP strategic plans, the establishment of European market observatories for each sector, and the definition of a strategy to cope with market disturbance and crises.

Stakeholders

Copa and Cogeca, representing respectively European farmers and European agri-cooperatives, while expressing their overall support for current CAP measures for the fruit and vegetable sector, have [put forward](#) a number of specific proposals to improve EU support schemes. These include increasing co-financing rates and supporting programmes in regions with a lower level of organisations. Meanwhile, Freshfel Europe, representing the fresh fruit and vegetable supply chain at EU level, has [called](#) for existing CAP instruments governing the fruit and vegetable sector not to be discontinued and their attractiveness further enhanced, and it has [stressed](#) the role of fruit and vegetables in pursuing a triple win for the EU on economy, environment and health dimensions.

The international panel of experts on sustainable food systems (IPES-Food) has put forward specific [reform proposals](#) for EU food policy that stem from the idea of creating mutual support among the EU's sectoral policies. For example, CAP-coupled payments could provide support for production beneficial for the environment, such as in the fruit and vegetables sector; value-added tax (VAT) exemption for fruit and vegetables could help fight unhealthy eating habits. The EU scheme for the distribution of fruit and vegetables and milk in schools (see above) is quoted as the only measure that explicitly links agricultural policy with dietary goals, thus with another policy area.

While sector representatives have regretted on several occasions the lack of an EU market observatory for fruit and vegetables ([announced](#) by the Commission for the end of 2019), some of them participate in the [civil dialogue group](#) on horticulture, olives and spirits, a consultative body ensuring stakeholder connections with the Commission and contributing to monitoring the market.

European Parliament

Over the years, Parliament has played an important role in defining measures aimed at supporting the EU's fruit and vegetable farmers. This has involved both identifying gaps in the fruit and vegetable regime and negotiating with Council and Commission the current EU legislative framework. In the past years, Parliament has [stressed](#) the importance of promoting the fruit and vegetable sector, enabling it to compete better in the global marketplace and eliminating the

imbalance between operators and suppliers. As for market crises, Parliament has actively intervened on several occasions, such as by backing the role of insurance in [crisis management](#) in agriculture or by calling for improved CAP tools to reduce [price volatility](#) in agricultural markets.

Among various [issues identified](#) by Parliament, certain weaknesses in the functioning of producer organisations have been successively addressed by EU legislation. In [2016](#) and again in [2017](#), during negotiations on the future directive on UTPs, Parliament [called for](#) EU action to eliminate UTPs, obtaining an extension to the scope of the new rules to cover all actors in the food supply chain. Parliament has always stressed the role of the CMO Regulation within the CAP, putting forward [specific proposals](#). Moreover, in its role as co-legislator on the CMO Regulation reform, it left its mark in favour of the fruit and vegetable sector by [increasing](#) the ceiling for EU financial assistance to producer organisations and associations, and by negotiating the [agricultural provisions](#) of the 'Omnibus' Regulation to take on board proposals in the interest of producers.

MAIN REFERENCES

[The EU fruit and vegetables sector: overview and post-2013 CAP perspectives](#), Policy Department for Structural and Cohesion Policies, European Parliament, April 2011.

[Towards new rules for the EU's fruit and vegetables sector](#), Policy Department for Structural and Cohesion Policies, European Parliament, February 2015.

[The fruit and vegetable sector in the EU – a statistical overview](#), Eurostat, August 2016.

ENDNOTES

¹ Farm specialisation is defined according to the EU typology of agricultural holdings, based on the [standard output](#) of agricultural products.

² Annex I to Regulation (EU) No 1308/2013 lists the products covered by the fruit and vegetable sector (Part IX), the processed fruit and vegetable sector (Part X) and the bananas sector (Part XI).

³ The details of the marketing standards for fruit and vegetables are set out in Annex I to [Commission Implementing Regulation \(EU\) No 543/2011, which repealed Commission Regulation \(EC\) No 1221/2008](#).

⁴ See Eurobarometer survey on [public opinion about the CAP](#) carried out in December 2017.

⁵ See table on organic citrus fruit area by country in 2017 in [The world of organic agriculture](#), FiBL, 2019.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2019.

Photo credits: © Branex / Fotolia.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

