Summary

Market Policy for Fruit and Vegetables
Recommendations for the Common Organisation of the Market for Fruits and Vegetables (COM) after 2013

Frank Bunte
Carin van der Lans
Anita van der Knijff
Ruud van der Meer
Eric Poot

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S.1 Key findings

The Common Organisation of the Market for Fruit and Vegetables (COM) should stimulate the fruit and vegetable horticulture sector to produce crops in a market-oriented fashion and to increase their added value. Horticulturalists should work not only with each other, but also, and primarily, with their buyers.

Growers’ associations should ensure that the common product supply fulfils the wishes of the buyers. Environmental subsidies should focus on measures which can achieve substantial environmental benefits.

Figure S.1 Development of turnover in horticulture (indices, 2000=100)

Source: Eurostat.
S.2 Complementary findings

- The concrete form of the COM policy varies widely from one member state to another, from one growers’ association to another, and sometimes even from one horticulturalist to another.
- There are a lot of opportunities for horticulturalists to receive COM subsidies when setting up operational plans. The administrative burden of the regulation is too great for the Dutch government, because of the need to test individual plans, and also too great for the business world.
- Dutch growers’ associations invest a great deal in the environment, sales, and quality. The resources are primarily invested in fixed assets (packaging machines, etc.). Little is invested in product renewal or market development. There are few Business-to-Business and Business-to-Consumer brands on the market and individual companies or associations do little in the way of promotion.
- It would be possible to achieve a large part of the investments without the COM regulation, but sometimes only at a later time and on a smaller scale. This is particularly true for certain environmental measures.
- Dutch horticulture has a high degree of organisation. The degree to which growers’ associations coordinate activities differs.
- The Dutch fruit and vegetable horticulture sector is developing well in that it is producing more fruit and exporting more fruit and vegetables (see Figure S.1). This is due in part to the growth in transit trade. The fluctuations in price and income in horticulture are relatively large.
- Dutch growers can move production abroad in order to act on the demand for local products in those countries.
- Growers’ associations have almost no influence on growers’ prices.
- The basic level of quality, for instance in terms of food safety and sustainability, is high in the Netherlands.
- In the future, national strategy should focus on product and market development and not on maximising subsidies.
- The regulation should be simplified in order to reduce the administrative burden.

S.3 Methodology

The current COM regulation will be evaluated and adjusted in 2013. The Dutch Ministry of Economic Affairs, Agriculture & Innovation wishes to know
if the new COM regulation and the interpretation of it in the Netherlands will enable the fruit and vegetable horticulture sector to meet future challenges and take advantage of market opportunities. On the basis of existing evaluations and vision documents, the study describes and compares the national strategies of six member states and the economic performance of the fruit and vegetable horticulture sector in those countries in relation to:

- the degree of organisation
- prices, costs, and incomes
- market focus
- sustainability

On the basis of this analysis, points of improvement for the new COM have been drawn up.