

Collective Actions and Sustainability in the food chain

Gema Carmona and María Coto
ENRD Contact Point

17 March 2022

I. Overview

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III. Some examples of collective actions along the food chain

IV. Reflections

- **European Green Deal.** All policies have to contribute and to do it in a coherent way.
- **Farm to Fork strategy.** Reduction of pesticides, antimicrobials, fertilization; increased of organic farming, improved animal welfare, and enhanced biodiversity.
- **Cooperation, collective action and agreements between actors in the agri-food supply.**
- The **new Common Agricultural Policy (CAP) for the period 2023-2027** aim to reinforce these collective actions in the agri-food chain.
- **Common Organisation of the Markets – CMO:** Regulation n° 1308/2013), amended by the **Regulation (EU) n° 2021/2117 vertical and horizontal initiatives for sustainability (Art 210a)**

The aim is to ensure that the **application of competition law in the food chain** contributes more clearly to meeting **environmental challenges**.

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COLLECTIVE ACTION.... between whom?

- ✓ **Horizontal agreements (HBERs):** between several operators that are or can be potential competitors. E.g.

The HBERs guidelines enumerate following agreements:

- Research and Development Agreements.
- Production Agreements
- Purchasing agreements
- Agreements on Commercialisation
- Standardisation Agreements



PRODUCTION



PRODUCTION



PRODUCTION

- ✓ **Vertical agreements (VBERs):** between operators at different levels along the food chain. E.g.

The VBERs guidelines enumerate following agreements:

- Agreements of minor importance and SMEs.
- Agency agreements.
- Subcontracting agreements.
- Vertical agreements between competitors.
- Associations of retailers.
- Vertical agreements containing provisions on intellectual property rights (IPRs).



PRODUCTION



STORAGE
AND
HANDLING



MARKETING &
DISTRIBUTION

II. What do we mean by collective actions around sustainability?

Collective actions could be promoted by:

- ✓ **Recognized producer organisations** or in the framework of inter-branch organisations.
- ✓ SMEs, cooperatives, research centers, universities, LAGs, NGOs and other entities operating in the food chain sector.



In all cases: the **public administration has a decisive influence** through regulations, guidelines, different programs and initiatives

II. What do we mean by collective actions around sustainability?

COLLECTIVE ACTION.... For what?

- ✓ **Enabling action:** certain actions that can only be addressed in partnership.
- ✓ **Achieving better results and strengthening the achievement of objectives.**
- ✓ **Common strength:** removing barriers or obstacles to the achievement of goals.



Around sustainability
Better achieve environmental objectives under Article 210a

Types of collective action depending on their objectives.

Focused on

- ✓ The improvement **health and environmental conditions of production.**
- ✓ The improvement of **logistics, commercialisation and distribution.**
- ✓ **The promotion of healthy, safe and sustainable food**

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Promoted by Producer Organisations

Producer organisations, such as cooperatives and SMEs can play a key role in the process of ecological transition in the agri-food sector.

Recognised producer organisations (POs) or association's of producer organisations (APOs) can benefit from:

- exceptions from EU competition rules for certain activities-
- access to EU funding within 'operational programmes' in the fruit and vegetables sector. The OP's measures include R&D, and the PO **must include at least two environmental actions or allocate at least 10% of expenditure to them.**

Several examples:

TESLA – TRANSFERING ENERGY SAVE LAID ON AGROINDUSTRY

Italy, Portugal, Spain and France. Improving the accessibility of agro-food cooperative SMEs to energy efficiency assessment and boosting energy efficiency and renewable energies investments in agro-food SMEs

Bialski Owoc, group of 30 recognized FV producers (Poland) improving the quality and health of apples by **reducing residues of plant protection products** using ozone technology (Poland)

Promoted by Inter-Branch Organisations

Inter-branch Organisations

Aims to promote the rationalisation and improvement of production and carrying out research activities on sustainable production and market development.



Key instrument: extension of rules

In cases where a recognised PO, association of POs or IBO operating in a specific economic area of a Member State and being representative of the production, trade or processing of a given product, the Member State concerned may **make binding for a limited period of time some of the agreements, decisions or concerted practices agreed within that organisation on other operators** who do not belong to the organisation or association.

The extension of rules can occur around rules that allow for an improvement of the environment or greater sustainability

Example: Provacuno (Spain) → agreement of beef and veal IBO for compulsory contribution to carry out promotion, communication activities to improve competitiveness and sustainable development.

Consumer demand drives the development of **certifications and labels** → horizontal and vertical agreements

- ✓ **Certificates promoted by distribution**: agreements between producers and distribution, that guarantee responsible farming practices covering food safety, environmental protection, animal welfare, social responsibility and supply chain transparency.
- ✓ **Standardisation agreements** setting technical or quality requirements for products or processes
- ✓ **Quality schemes promoted at EU level**: certificates of Origin as Protected Designation of Origin (PDO) and Protected geographical indication (PGI) or Geographical indication (GI).
- ✓ **Other voluntary certification schemes at national level or run by private operators**
- ✓ **Organic production**

Eg.: C'est qui le patron?! – La marque du consommateur

Crowdsourcing to regain control over their food and create healthy, sustainable, fair-trade products



Other agreements between agri-food chain actors

R&D agreements with universities or research centers to improve the production process in farms and food industries, being more efficient in terms of economic, environmental and social costs.

e.g. Breeding agreements to obtain vegetal varieties with less requirements of water, more resistance to pest and diseases, and adapted to higher temperatures

H2020 and Cooperation under Operational Groups

e.g. DE: Animal welfare and animal health in the ecological pig farming

IT: Development of env. sustainable cultivation model, spread of old vineyard varieties, within Colli Bolognesi area

ES: GO Cereza, for the improvement of the competitiveness of the cherry sector in the N. Mountains of Extremadura

Information exchange It can be an exchange of raw and unorganised digital content that will need processing in order to make it useful (raw data), pre-processed data, etc. It includes physical information sharing and data sharing between actual or potential competitor

e.g. Smart Farming on rural farms demonstrating its benefit in the wider agri-food community and co-creating new food products and services (**Ireland**) → Embedding information generated from use of on-farm sensors into diverse value chains to support collaboration among the actors and enhance sustainability performance.



Other agreements between agri-food chain actors

- ✓ **Food hubs:** physical or virtual spaces, working as **connecting the dots between producers and consumers** of food in local and regional food systems.
- ✓ **Short distribution channels.**
- ✓ **Public food procurement:** sustainability agreements with local entities to supply local products in public places.
- ✓ **Other agreements link to digitisation of logistics** and distribution; **sharing transport**, etc.

The Estonian Food 2015-2020 programme is providing practical support to the rural development objective of fostering a competitive agri-food supply chains in the country.

18 different food sector organisations **come together** to devise a plan to boost Estonian produce. A series of projects are being targeted at: **the Estonian market; export markets; and school children.**

Building a food ecosystem LAG Pays de Condruces
Belgium

Included establishing an incubator for market gardeners, the setting up of local canteens offering organic, local food.

They opened a `food hub` and a network of incubators.

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- Demonstrate the **benefits when those are difficult to quantify**; demonstrate **efficiency gains**.
- How about users having a fair share of benefits, when **benefits are intangible**?
- When the increase of the price for the consumer does not compensate the reduction of the impact for those consumers, but **they affect society as a whole**.
- **Willingness to pay for sustainability standards** that go beyond legal requirements; internalising costs vs. increasing price.
- **Initiatives aiming to improve animal welfare** do not have a direct positive impact on consumers; how can users be allowed a fair share of the benefits achieved?
- **Balance price distortion with environmental impacts**: to what extent relaxing competence rules (affecting price) for environmental benefits.

- For **small producers**-> possibility to access research or new technology through collective action.
- **Vertical cooperation producers-retailers** to give visibility to more sustainable products, getting the **message across to the consumer**, influencing willingness to pay.
- **Vertical cooperation producers-industry** can facilitate access to varieties or methods which are better for the environment and have Royalties.
- **Explicit incorporation in Regulation (EU) 2021/2117** could facilitate the process and reinforce collective action around sustainability in the agri-food chain.

Thank you for your attention