



Report from the Commission to the European Parliament and the Council on the application of the Union competition rules to the agricultural sector

Deputy-Director General Rudolf Mögele
DDG AGRICULTURE AND RURAL DEVELOPMENT



The agricultural derogations in the CMO

Agricultural derogations can apply either to

- certain entities (e.g. recognised POs/APOs)
- certain sectors (e.g. supply management wine, ham, cheese)
- or to certain situations (crisis prevention, crisis agreements)
- **Nota bene:** the fact that a behaviour is not covered by the CMO derogations, does not mean that it is illegal: Article 101 (3) and competition Block Exemptions apply.





How have the agricultural derogations been used?

Sectoral derogations

- Articles 150, 172 CMO - Supply management PDO and PGI cheese and ham:
 - Only used in Italy and in France in limited number of cases: 8 cheeses in France, 4 in Italy
 - One ham in Italy

- Article 167 CMO – Supply management wine
Wine supply management, Article 167 CMO, has been used regularly, but only in France.





How have the agricultural derogations been used?

Sectoral derogations – Sugar

Article 125 and Regulation 2016/1166 regarding value sharing mechanism

- Value sharing clause has been widely used in the agreements within the Trade or within cooperatives
- in 35 out of 42 agreements.





How have the agricultural derogations been used?

Sectoral derogations - collective negotiations

- Collective negotiations have been used in the milk sector: In 2016, 22.8 million tons were covered by collective negotiations of a recognised PO = 15% of total milk deliveries in the Union.
- COM did not receive any notifications by MS under Articles 169-171 CMO (now deleted) for contractual negotiations in the olive oil, beef/veal and arable crops sector.





How have the agricultural derogations been used?

Crisis prevention and management

- Article 33 CMO: Crisis prevention measures are co-financed by the EU in operational programmes of recognised POs/APOs for fruit and vegetables. In 2016 the total financial assistance amounted to EUR 50 million, rather marginal (=6% of total financial assistance to programmes).
- Article 222 CMO:
 - Has been applied once in the milk crisis
 - Crisis agreements of recognised POs and cooperatives have been authorised by the Commission until April 2017.





How have the agricultural derogations been used?

Derogations referring to specific entities

- Article 209 CMO agreements of farmers or farmers associations
 - No data available,
 - as self-assessment by the farmers and their associations
- Article 210 CMO – interbranch organisations
 - There are 128 recognised IBOs in the Union
 - 2 notifications in 2015 and 2017 under Article 210 CMO
 - Both in France, in the milk sector and for potatoes





Agricultural derogations in the CMO referring to recognised POs APOs

- 3200 recognised POs and APOs in the Union
- But ongoing AGRI study on POs/APOs shows that there are many more non-recognised entities, by a factor at least of 5



FV: 1700 POs and APOs market 50%
of marketable production



Milk: 300 POs and APOs



All other sectors: 1200
POS and APOs

