

**THE RENEWED ROLE OF PRODUCER ORGANIZATIONS IN  
ENHANCING SUSTAINABLE AGRICULTURAL AND FOOD  
SYSTEMS UNDER THE EU COMMON MARKET  
ORGANISATION**

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**Abstract**

This article delves into the role of producer organizations within the framework of the European Union's Common Market Organization (CMO) as part of the Common Agricultural Policy (CAP). By reducing administrative burdens and fostering environmental sustainability, producer organizations are positioned as key players in achieving the CAP's objectives. Furthermore, the article explores how CMO provisions interact with EU competition law, particularly under Articles 209, 210, and the newly introduced 210bis, which allow for collective bargaining and sustainability initiatives. This analysis underscores the vital role of producer organizations in ensuring a fair, resilient, and sustainable agricultural sector within the European Union.

**Indice Contributo**

THE RENEWED ROLE OF PRODUCER ORGANIZATIONS IN  
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UNDER THE EU COMMON MARKET ORGANISATION ..... 1  
Abstract..... 1

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Keywords.....	2
1. Common Market Organization: a brief introduction.....	2
2. Empowering Agricultural Producer Organizations: Strategic Initiatives and EU Legal Frameworks. ....	5
3. The Role of Producer Organizations in Enhancing Environmental Sustainability and Innovation. ....	8
4. The Competition Rules: Vertical and Horizontal Initiatives for Sustainability. 10	
5. Concluding remarks.....	12

## **Keywords**

Producer organizations - Common Agricultural Policy - Common Market Organization - Sustainability - Farm to Fork.

### **1. Common Market Organization: a brief introduction.**

The Common Market Organization (CMO) is a regulatory instrument of European origin that contributes—explicitly recognized in Article 40 of the Treaty on the Functioning of the European Union (TFEU)—to implementing the measures necessary to achieve the objectives of the Common Agricultural Policy (CAP) as defined in Article 39 of the TFEU.<sup>1</sup> This is particularly done through price regulations, subsidies for both production and distribution of various products, systems for stockpiling and carryover, and common mechanisms for import or export stabilization. The TFEU outlines the fundamental principles of CMO regulation and defines the "forms" that the common organization can take depending on the agricultural sector in question.<sup>2</sup> These forms include common rules on competition,

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<sup>1</sup> Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 [2013] OJ L 347.

<sup>2</sup> See A Saba, 'L'OCM unica' in F Albisinni and L Costato (eds), *Trattato breve di diritto agrario italiano e dell'unione europea* (Cedam 2023).

mandatory coordination of various national market organizations, and a European market organization.<sup>3</sup>

Based on these premises, starting in 1962, the then European Economic Community began regulating the European agricultural market by organizing it product by product and removing the authority of individual states to intervene in the production governed by the various common organizations.<sup>4</sup> Historically, common organizations were characterized by price regulation, with the primary aim of regulating product marketing and thereby controlling and standardizing the market.<sup>5</sup> This approach involved differentiated interventions designed for each sector.<sup>6</sup> Today, only the so-called institutional price regulation, specifically the intervention price, partially remains. Since the MacSharry reform of 1992, the European Community undertook a substantial revision of its price policy to comply with the new international regulatory framework established by the Marrakesh Agreement on the World Trade Organization.<sup>7</sup>

From the creation of sector-specific CMOs, introduced for individual products or groups of products and expanded to a total of twenty-one, the adoption of Regulation (EC) No. 1234/2007 (the so-called single CMO regulation) marked the first reorganization of the complex set of rules related to various agricultural sectors into a single legislative act through an effort of unification and simplification.<sup>8</sup> This reorganization was not merely formal but also substantive, involving a systemic restructuring of the texts that resulted in a comprehensive rewrite of the European

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<sup>3</sup> See F Adornato, 'Agricoltura, politiche agricole e istituzioni comunitarie nel Trattato di Lisbona: un equilibrio mobile' (2010) *Rivista di diritto agrario* I, 266; F Albisinni, 'Istituzioni e regole dell'agricoltura dopo Lisbona' (2010) *Rivista di diritto agrario*, I, 210; D Bianchi, 'La Pac «camaleontica» alla luce del Trattato di Lisbona' (2009) *Rivista di diritto agrario* I, 592.

<sup>4</sup> See L Costato, 'Trattato istitutivo della Comunità europea e l'organizzazione del mercato dei prodotti agricoli' in F Albisinni and L Costato (eds), *Trattato breve di diritto agrario italiano e dell'unione europea* (Cedam 2023).

<sup>5</sup> See J Blockx and J Vandenberg, 'Rebalancing commercial relations along the food supply chain: the agricultural exemption from EU competition law after Regulation 1308/ 2013' [2014] *European Competition Journal* 387.

<sup>6</sup> See D Gadbin, 'L"OCM unique": le déclin de la régulation publique des marchés' [2014] *Revue de Droit Rural* 423.

<sup>7</sup> See P Borghi, *L'agricoltura e il Trattato di Marrakech. Prodotti agricoli e alimentari nel commercio internazionale* (Giuffré 2004).

<sup>8</sup> See L Costato, 'Lo sviluppo della Politica Agricola Comune' in F Albisinni and L Costato (eds), *Trattato breve di diritto agrario italiano e dell'unione europea* (Cedam 2023).

model for agricultural market governance.<sup>9</sup> As the Court of Justice has repeatedly observed (notably in the joined cases C-90/1963 and C-91/1963), the CMO represents the set of provisions and legal instruments used by competent authorities to control and normalize the agricultural market. Over time, and as further confirmed by the latest reform introduced by Regulation (EU) 2021/2117, the CMO has evolved into a tool for broadly regulating the agricultural sector.<sup>10</sup> Through it, the European legislator has established a comprehensive regulatory system, whose contents, initially focused on support measures and trade, have extended to the production and consumption of agricultural products.

Considering that the CAP must refine its responses to emerging challenges and opportunities at international, Union, national, regional, local, and corporate levels (recital 2, Regulation (EU) 2021/2117), the CMO is part of the effort to simplify the governance of the CAP to help achieve the Union's objectives and significantly reduce administrative burdens. Furthermore, in a context of increasing climate vulnerability, exacerbated by the recent pandemic crisis,<sup>11</sup> the CMO is expected to contribute to building a fair, healthy, and environmentally respectful agri-food system. It should also strengthen the position of the agricultural entrepreneur within the supply chain,<sup>12</sup>

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<sup>9</sup> See F Albisinni, *Strumentario di diritto alimentare europeo* (Giuffr  2016).

<sup>10</sup> Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union [2021] OJ L 435.

<sup>11</sup> The reference is to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system [2020] COM/2020/381 final. The Farm to Fork Strategy is central to the Green Deal, addressing the comprehensive challenges of sustainable food systems and acknowledging the interconnectedness of healthy people, societies, and the planet. This strategy is also key to the Commission's efforts to achieve the United Nations' Sustainable Development Goals (SDGs). In the wake of the COVID-19 pandemic and the economic downturn, the Communication recognizes that it is crucial that all citizens and value chain operators, both within the EU and globally, benefit from a just transition. Shifting to a sustainable food system can yield environmental, health, and social benefits, create economic opportunities, and ensure that the recovery from the crisis sets us on a sustainable path. Ensuring a sustainable livelihood for primary producers, who continue to lag behind in terms of income, is essential for the success of both the recovery and the transition.

<sup>12</sup> See I Canfora, 'Le pratiche commerciali sleali alla luce della corte di giustizia dell'UE' in P Fimiani and D Colucci (eds), *Le pratiche commerciali sleali e gli illeciti agroalimentari* (Giuffr  2024).

by encouraging the adoption of sustainable production methods and fostering opportunities for both horizontal and vertical cooperation.<sup>13</sup>

According to the Commission's Communication Farm to Fork, to support farmers in the transition to sustainable agricultural and food systems in the EU, the Commission plans to clarify competition rules for collective initiatives that promote sustainability in supply chains. This will help farmers strengthen their position in the supply chain and capture a fair share of the added value from sustainable production by encouraging cooperation within the common market organizations for agricultural products. This article aims to analyse the role of producer organizations within the framework of the European Union's Common Market Organization (CMO) and their significance in achieving the CAP's objectives. Furthermore, the article explores how CMO provisions interact with EU competition law, particularly under Articles 209, 210, and the newly introduced 210a. This analysis highlights the vital role of producer organizations in ensuring a fair, resilient, and sustainable agricultural sector within the European Union.

## **2. Empowering Agricultural Producer Organizations: Strategic Initiatives and EU**

### **Legal Frameworks.**

The enhancement of tools for organizing, coordinating, and managing agricultural supply by the producers themselves represents one of the strategic actions pursued by the European Commission to promote greater equity in the distribution of bargaining power within the agri-food chain and enhancing sustainability in the agricultural and food systems.<sup>14</sup> Recently, these strategic actions have been incorporated into the Communication on the European Green Deal,<sup>15</sup> and the "Farm

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<sup>13</sup> See A Germanò, *Manuale di diritto agrario* (Giappichelli 2022). On the issue of short supply chain, see I Canfora, 'Is the Short Food Supply Chain an Efficient Solution for Sustainability in Food Market?' (2016) *Agriculture and Agricultural Science Procedia* 8, 402.

<sup>14</sup> See A Jannarelli, *Profili del sistema agroalimentare e agroindustriale. I rapporti contrattuali nella filiera agroalimentare* (Cacucci 2018).

<sup>15</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal [2019] COM/2019/640 final.

to Fork" Strategy.<sup>16</sup> Producer organizations have been a key focus in the Common Market Organization (CMO) reform processes, wherein the experience of organizations in the fruit and vegetable sector has progressively extended to the recognition of organizations across the entire spectrum of agricultural production.<sup>17</sup>

The regulation, particularly as interpreted through Article 152 of Regulation (EU) No. 1308/2013, identifies producer organizations as key players in the agricultural and food systems in the EU.<sup>18</sup> These organizations are capable of ensuring the planning of agricultural production and its alignment with market demand,<sup>19</sup> optimizing production costs, and concentrating supply, including through direct marketing.<sup>20</sup> Additionally, producer organizations promote and provide technical assistance, manage mutual funds, and offer necessary support for futures markets and insurance systems. The structure of Article 152, which outlines the specific objectives of producer organizations, references applicable environmental and animal welfare regulations. In response, these organizations optimize production costs and investment profitability, and they provide technical assistance, such as employing environmentally friendly cultivation practices and production techniques. To achieve these goals, producer organizations can jointly engage in activities such as processing, distribution, packaging, labeling, or promotion.<sup>21</sup> They can also collectively undertake quality control, use of equipment or storage facilities, waste management directly

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<sup>16</sup> In connection to the Communication from the Commission, A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system (COM/2020/381 final), see P. Lattanzi, 'Il "New Green Deal", la PAC 2021-27 e la sostenibilità nelle produzioni alimentari' in P. Borghi, I. Canfora, A. Di Lauro, L. Russo (eds), *Trattato di diritto alimentare italiano e dell'Unione europea* (Giuffrè 2021).

<sup>17</sup> See L. Costato and L. Russo, *Corso di diritto agrario italiano e dell'Unione europea* (Giuffrè 2019), p. 166.

<sup>18</sup> For a general overview, see A. Suchon, 'The legal and economic aspects of associations of agricultural producers in selected countries of the world' (Adam Mickiewicz University Law Books No. 14, 2020).

<sup>19</sup> See also I. Canfora, 'Raggiungere un equilibrio nella filiera agroalimentare. Strumenti di governo del mercato e regole contrattuali', in L. Scaffardi and V. Zeno-Zencovich (eds), *Cibo e diritto. Una prospettiva comparata* (Romat-ePress 2020).

<sup>20</sup> See I. Canfora, 'Organizzazioni dei produttori agricoli' in *Digesto delle discipline privatistiche, sez. civ.* (Giuffrè 2018). On the issue of the relations between producers organizations and professional organizations representative of farmers, see I. Canfora, 'Le Organizzazioni di produttori agricoli tra funzioni di mercato e composizione interna. Riflessioni a margine della sentenza della Corte di giustizia nel caso Saint-Luis Sucre' [2023] *Diritto Agroalimentare* 3.

<sup>21</sup> See N. Ferrucci and G. Strambi, 'Organizzazione dei produttori, organizzazioni interprofessionali e organizzazione di operatori (artt. 122-124)' (2009) *Il Regolamento unico sull'organizzazione comune dei mercati agricoli (reg. Ce n. 1234/2007), Le Nuove Leggi civili commentate*, I, 133.

related to production,<sup>22</sup> procurement of production means, or any service activity consistent with one of their specific objectives.

For recognition, which is granted by Member States, a producer organization must be a clearly defined legal entity. Besides meeting the objectives and activities outlined in Article 152, it must include a minimum number of members or aggregate a minimum volume or value of marketable production in the area where it operates. Each Member State, based on the characteristics of agricultural activity within its territory, establishes the minimum requirement regarding the number of members, volume, or value of marketable production in accordance with Article 154. This provision should not prevent the recognition of small-scale producer organizations.<sup>23</sup> Furthermore, Article 152 stipulates that when applying for recognition, producer organizations must provide sufficient guarantees of proper conduct of their activities in terms of duration, efficiency, and support for their members through human, material, and technical resources, and, if necessary, concentration of supply. Article 153, which deserves special attention, details the minimum requirements that producer organizations must comply with in drafting their bylaws. It sets out the minimum obligations that each organization must impose on its members, such as the requirement for a farm producing a specific product to belong to only one producer organization, except in cases where two separate production units are located in different geographical areas. The 2021 reform introduced (Article 153, paragraph 2bis) the possibility for producer organizations to request recognition in multiple agricultural sectors, provided they can meet the conditions for each sector in which they seek recognition.

Among the specific objectives outlined in Article 157, interbranch organisations aim to enhance knowledge and transparency in production and the market.<sup>24</sup> This can be achieved through the publication of relevant statistical data related to production costs and prices, and by providing the necessary information and conducting research to innovate, streamline, improve, and guide production. Additionally, interbranch

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<sup>22</sup> See L Costantino, *La problematica degli sprechi nella filiera agroalimentare. Profili introduttivi* (Cacucci 2018).

<sup>23</sup> See N Coutrelis, *EU competition law as applied in the agriculture sector, From agricultural to food law* (Wageningen Academic 2014).

<sup>24</sup> See L Paoloni, 'Le regole interprofessionali per il funzionamento della filiera' in P Borghi, I Canfora, A Di Lauro, L Russo (eds), *Trattato di diritto alimentare italiano e dell'Unione europea* (Giuffrè 2024).

organisations can draft standard contracts for the sale of agricultural products, ensuring they are compatible with the need to maintain fair competitive conditions and avoid market distortions.

### **3. The Role of Producer Organizations in Enhancing Environmental Sustainability and Innovation.**

The 2021 reform, introduced by Regulation 2021/2117, recognizes that producer organizations and their associations can play a crucial role in consolidating supply and improving marketing. According to preambular paragraph 50, the producer organisations should also help plan and align production with demand, optimize production costs, stabilize producer prices, conduct research, promote best practices, and provide technical assistance.<sup>25</sup> Additionally, they manage by-products and risk management tools available to their members, thereby strengthening producers' positions within the food supply chain. Interbranch organisations can also be instrumental by facilitating dialogue among various stakeholders in the supply chain and promoting best practices and market transparency.

To contribute to the achievement of the European Union's environmental objectives, the Regulation 2021/2117 should allow Member States to recognize producer organizations that pursue specific goals related to the management and valorization of by-products, residual flows, and waste. This recognition is particularly important for protecting the environment and promoting circularity. Additionally, Member States should recognize producer organizations that manage mutual funds across various sectors. Consequently, Regulation 2021/2117 expands the current list of objectives for producer organizations as outlined in Article 152 of Regulation (EU) No 1308/2013. For greater transparency within producer organizations, their statutes should allow members to democratically control the organization's accounts and budgets. This transparency ensures accountability and trust among members, which is crucial for the effective functioning of these organizations. Moreover, to facilitate commercial transactions conducted by producer organizations, the statutes should permit members to have direct contact with buyers. However, such direct contact

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<sup>25</sup> See G Pisciotta Tosini, 'Impresa agricola e sistema agroalimentare', in G Pisciotta Tosini (ed) *Lezioni di diritto agrario contemporaneo* (Giappichelli 2023).

should not undermine the organization's role in consolidating supply and marketing products. The producer organization must retain exclusive discretion over the essential elements of a sale, ensuring that the organization can effectively perform its market functions. This expanded recognition and enhanced transparency will empower producer organizations to contribute more significantly to environmental sustainability and economic stability. By managing by-products and waste efficiently, these organizations can promote a circular economy, reduce environmental impact, and foster sustainable agricultural practices. Furthermore, the democratic control of finances and direct engagement with buyers will strengthen the organizational structure and market presence of producer organizations, ensuring they remain resilient and adaptive to market demands.

To ensure the sustainable development of production and thereby provide a fair standard of living for farmers, it is essential to strengthen their contractual power against downstream operators.<sup>26</sup> This enhancement aims for a more equitable distribution of added value along the supply chain. To achieve these Common Agricultural Policy (CAP) objectives, recognized producer organizations should be allowed to negotiate supply contract terms, including prices, within quantitative limits, for the production of some or all of their members.<sup>27</sup> These organizations must pursue one or more of the following goals: concentrating supply, marketing their members' production, and optimizing production costs. The pursuit of these objectives should lead to the integration of activities, likely generating significant efficiency gains, thereby ensuring that the overall activities of the producer organization contribute to achieving the objectives of Article 39 of the Treaty on the Functioning of the European Union (TFEU). This can be achieved provided that the producer organization undertakes certain specific activities that are significant in terms of the volume of production concerned, as well as the cost of production and marketing. By engaging in these activities, producer organizations can consolidate their efforts, reduce costs, and enhance their market presence, leading to improved bargaining power and a fairer share of the value created within the supply chain. This

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<sup>26</sup> T Verdonk, 'Planting the Seeds of Market Power: Digital Agriculture, Farmers' Autonomy, and the Role of Competition Policy' in L Reins (ed), *Regulating New Technologies in Uncertain Times* (Information Technology and Law Series, Asser Press 2019).

<sup>27</sup> See I Canfora, 'Cessione dei prodotti tramite le organizzazioni di produttori', in P Borghi, I Canfora, A Di Lauro, L Russo (eds), *Trattato di diritto alimentare italiano e dell'Unione europea* (Giuffrè 2024).

integration and enhanced contractual capacity will enable producers to better navigate market challenges, secure more stable incomes, and contribute to the overarching goals of sustainable agricultural development and economic resilience in the European Union.

#### **4. The Competition Rules: Vertical and Horizontal Initiatives for Sustainability.**

With the revision of the Common Market Organization (CMO), initiated in 2013 and now reformed by Regulation (EU) 2021/2117, the protection of producers' bargaining power within the agri-food supply chain has been reinforced.<sup>28</sup> This revision highlights the ongoing complexity of reconciling the common organization of the agricultural products market with the protection of competition within the single market.<sup>29</sup> Historically, the use of traditional tools of individual CMOs has been significantly limited to addressing crisis situations.<sup>30</sup> The current regulatory framework of the CMO now entrusts market regulation to key instruments represented by producer organizations, interbranch organisations, and contractual agreements.<sup>31</sup>

Under Articles 209 and 210, recognized producer organizations and interbranch organisations are permitted to plan production and negotiate contracts regarding the supply of agricultural products, thereby derogating from the application of Article 101, paragraph 1, TFEU,<sup>32</sup> which prohibits commercial practices among Member States that impede, restrict, or distort competition.<sup>33</sup> This derogation is connected to the provisions of Article 101, paragraph 3, TFEU, which acknowledges the non-

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<sup>28</sup> See A Jannarelli, 'Gli accordi di sostenibilità nell'art. 210 bis del reg. 1308 del 2013 ed il relativo progetto di comunicazione della Commissione europea' [2023] *Diritto Agroalimentare*, 3.

<sup>29</sup> See A Jannarelli, *Profili giuridici del sistema agro-alimentare e agro-industriale. Soggetti e concorrenza* (Cacucci 2018); and, A Jannarelli, 'Mercato e concorrenza nella nuova PAC: un cantiere aperto su un futuro incerto' (2021) *Rivista di diritto agrario* IV, 453.

<sup>30</sup> See P Chauve, 'Agriculture, Food and Competition Law: Moving the Borders' [2014] *Journal of European Competition Law & Practice* 309.

<sup>31</sup> See M Gioia, 'Le organizzazioni dei produttori e le loro associazioni' in F Albisinni and L Costato (eds), *Trattato breve di diritto agrario italiano e dell'unione europea* (Cedam 2023).

<sup>32</sup> See A Jannarelli, 'Gli Accordi di sostenibilità' in P Borghi, I Canfora, A Di Lauro, L Russo (eds), *Trattato di diritto alimentare italiano e dell'Unione europea* (Giuffrè 2024).

<sup>33</sup> See M Mauro, 'Prime riflessioni a margine della novella dell'art. 210 bis del reg. (UE) n. 1308/2013, introdotto dal reg. (UE) n. 2021/2117' [2023] *Diritto Agroalimentare* 3.

applicability of competition rules to agreements, decisions, or practices that contribute to improving the production or distribution of products or promoting technical or economic progress.<sup>34</sup> In this context, although restrictive effects on competition may be present, the actions of producer organizations and interbranch organisations are recognized for their potential to provide superior economic benefits, necessary for achieving the objectives of the Common Agricultural Policy, as outlined in Article 39 TFEU.<sup>35</sup>

The activities for which Article 101, paragraph 1, TFEU does not apply can be carried out as long as the products of the members of the recognized organization are placed on the market. This can occur regardless of whether there is a transfer of ownership of the agricultural products from the producers to the producer organization and whether the negotiated price is the same for the aggregated production of all members or only some of them.<sup>36</sup>

To ensure effective use of the negotiation tools under Articles 209 and 210, as well as for simplification and reduction of administrative burdens, it is not necessary for organizations to request a prior decision from the Commission regarding the inapplicability of the competition rules stipulated in Article 101, paragraph 1, TFEU. However, upon request, the Commission can provide an opinion on the compatibility of these agreements, decisions, and practices with competition rules, reserving the right to modify its opinion in the future—either on its initiative or at the request of a Member State—if the necessary conditions for the inapplicability of competition rules are no longer met. According to Regulation (EU) No. 1308/2013, agreements, decisions, and practices that can cause market segmentation within the Union, harm the proper functioning of market organization, create competition distortions that are not necessary to achieve the objectives of the Common Agricultural Policy (CAP), or lead to the fixing of prices or quotas, are considered incompatible with Union regulations in any case.

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<sup>34</sup> See J Malinauskaite, *Competition Law and Sustainability: EU and National Perspectives*, *Journal of European Competition Law & Practice*, 2022, 13, 5, 336–348.

<sup>35</sup> See R Inderst and S Thomas, ‘Legal Design in Sustainable Antitrust’ (2023) 19 *Journal of Competition Law & Economics* 4.

<sup>36</sup> See I Canfora, ‘The «fair price» in agri-food chain’, in AM Mancalione and R Torino (eds), *Agri-Food Market Regulation and Contractual Relationships in the Light of Directive (EU) 2019/633* (RomaTrE-press 2023).

Article 210*bis*, introduced as part of the CMO reform by Regulation (EU) 2021/2117, complements the framework of rules on the application of competition law to agriculture. It specifically establishes the inapplicability of Article 101, paragraph 1, TFEU to sustainability standards within vertical and horizontal initiatives.<sup>37</sup> The objectives achievable through these sustainability standards—always stricter than those required by Union or national mandatory provisions—are outlined in Article 210*bis*, particularly in paragraph 3. The first objective concerns the overall sustainability of the agri-food system, which includes, for instance, mitigating and adapting to the effects of climate change, sustainable use of water and soil, landscape protection, transition to a circular economy, and the protection of biodiversity and ecosystems. The second objective addresses the production of agricultural products through practices that reduce pesticide use, manage the risks associated with their use, and limit the threat of antimicrobial resistance in agricultural production. The third and final objective pertains to the health and welfare of animals.

Similar to the provisions regarding the derogation regime applicable to enterprises discussed in the previous paragraph, Article 210*bis* does not require a prior decision from the European Commission concerning the admissibility of the sustainability standard. However, starting from December 8, 2023, producers can request the Commission's opinion on the compatibility of agreed-upon agreements, decisions, and practices. It is important to note that Article 210*bis* allows for intervention by the national competition authority, which can decide, in particular cases, that an initiative—whether horizontal or vertical in the agri-food supply chain—must be halted to prevent the exclusion of competition or compromise the objectives of the Common Agricultural Policy.

## **5. Concluding remarks.**

The Common Market Organization (CMO) remains a key legal instrument within the framework of the European Union's Common Agricultural Policy (CAP). Over its extensive history, the CMO has evolved significantly from its initial focus on price

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<sup>37</sup> See RP Baayen, *Sustainability agreements in agriculture: Horizontal and vertical agreements in agriculture for the benefit of nature, the environment, the climate, animal welfare and the earning capacity of farmers* (Wageningen Environmental Research, 2023, No. 3239).

regulation to a comprehensive governance model addressing the entire agricultural market. This evolution has been characterized by efforts to unify and simplify the regulatory framework, particularly through the adoption of the single CMO regulation, culminating in the current Regulation (EU) No. 1308/2013 and its subsequent amendments, such as Regulation (EU) 2021/2117.

The strategic enhancement of agricultural producer organizations underscores the EU's commitment to fostering greater equity in the distribution of bargaining power and promote economic, social and environmental sustainability in the agricultural and food. Producer organizations, as delineated in Article 152 of Regulation (EU) No. 1308/2013, are instrumental in this endeavor, with their roles extending beyond mere production planning to include environmental sustainability and innovation in agricultural practices. The regulatory framework emphasizes transparency, democratic control, and the facilitation of direct market engagements, which collectively aim to bolster the effectiveness and market presence of these organizations.

In addition to producer organizations, the recognition and role of interbranch organisations, as provided for under Article 157, are crucial. These organizations enhance market knowledge, foster innovation, and ensure the equitable functioning of the market through standard contracts and best practices. The focus on sustainability within the CMO framework is particularly notable, aligning with broader EU environmental objectives and promoting a circular economy.

The intersection of CMO regulations with competition law, particularly through Articles 209 and 210, introduces a nuanced approach to market regulation. These provisions allow recognized organizations to plan production and negotiate contracts, thus fostering greater economic benefits while ensuring adherence to CAP objectives. The introduction of Article 210bis further reinforces the commitment to sustainability by exempting certain vertical and horizontal initiatives from the stringent application of competition rules, provided they contribute to overarching sustainability goals.

The ongoing reforms and strategic initiatives within the CMO framework reflect a dynamic approach to agricultural market regulation in the EU. By continually adapting to emerging challenges and opportunities, the CMO plays a critical role in shaping a resilient, fair, and sustainable agri-food system. The focus on reducing administrative burdens, enhancing producer power, and promoting environmental sustainability

ensures that the CMO remains a vital tool in achieving the objectives of the CAP and the broader goals of the European Union.

In conclusion, the CMO, through its evolving regulatory mechanisms and strategic initiatives, continues to provide a robust framework for the governance of the European agricultural market. The emphasis on producer empowerment, market transparency, and sustainability highlights the EU's commitment to creating a fair and resilient agricultural sector. As the CMO adapts to future challenges, it will undoubtedly remain a cornerstone of the CAP, ensuring the stability and sustainability of the European agricultural landscape.