Andalusia will examine the impact of 'Brexit' on the food industry

The Minister of Agriculture, Fisheries and Rural Development, Carmen Ortiz, announced that his department will conduct a study of the impact of the departure of the United Kingdom of the European Union ('Brexit') on the Andalusian agri-food sector. Ortiz made these remarks at the closing ceremony of the General Assembly of Agri-Food Cooperatives of Andalusia, whose member companies have increased this year its turnover by 19.6% to over 7,600 million euros.

The Minister of Agriculture noted that *the study will take into account the possible impact on various areas such as foreign trade, phytosanitary or veterinary regulations, as well as the budget of the* Common Agricultural Policy (CAP) *and the distribution of aid*. This initiative adds to the agreement of the Governing Council of 28th June to create a working group to analyze and minimize the effects of 'Brexit' in the autonomous community. "The referendum last June 23th marked one of those landmarks that change history," said the minister, although she qualified that "we still do not know how the negotiations will take place or what the consequences will be."

Ortiz has expressed confidence that Andalucía continues to maintain good trade relations with the

country that is the fourth largest agri-food customer. *In 2015, the autonomous region exported food and beverage to the UK worth almost 870 million euros, representing 10% of the Andalusian agri-food sales abroad.* Most of this amount corresponds to fruits and vegetables (622 million euros).

She also stressed that UK is the main customer of Andalusia strawberries and other red fruits (exports worth over 254 million euros in 2015) and Andalusian wine, especially the Jerez. In total, the exportations of wine of the andalusian Autonomous Community to UK last year were over 38 million euros.

Optimistic outlook

Regarding the economic data of the Andalusian agri-food cooperative sector, the billing increase aforementioned is due to better results in the fruit and vegetable sector and the increasing number of companies associated with this entity which in 2015 has added seven new cooperatives and 3,500 partners.

Acording to Carmen Ortiz, the data "provide a dose of optimism" for the sector, like other figures such as those on exports, which have six years to grow to over 8,800 million euros in 2015. This dynamic has remained in the first four months of 2016, in which food and beverages have been marketed outside for over 3,700 million euros, 6.7% more than in January-April 2015. the Minister assessed that "cooperatives Andalusian have joined this trend "because of the 20 Spanish companies that export, 13 are Andalusian.

Andalusian proposal on CAP

Carmen Ortiz has also referred in his speech to the Sectoral Conference between the State and the autonomous communities to be held on Thursday June 30th in Madrid to review the associated CAP subsidies, measures to sectors with social and economic tradition Ailing profitability and at risk of disappearing. *At this meeting will be discussed the Andalusian proposal of coupled aid for olive groves sloping* (a claim which also shares UPA, and why, the day of the meeting, has called a demonstration outside the headquarters of the Ministry of Agriculture, Food and Environment (MAGRAMA)), *for raisins and durum wheat*. Likewise also it suggests the change in the design of existing ones for beets, nuts, goats and cattle milk.

The minister recalled that this year, first of implementation of the reform of the CAP, has been known the final allocation of rights, Andalusia "will suffer between 2014 and 2020 a reduction of 902.5 million euros compared what it has received in the previous period. In his view, the Andalusian proposal for coupled support, *"could alleviate some of this damage for Andalusia".*

Improve the market position

During his speech, the minister emphasized that although direct aid from the CAP are a fundamental network security for agriculture, should not be forgotten that the producer gets most of his rent from the market. For that reason, considers "essential" to continue improving marketing with more intelligent and active strategies, taking advantage offered by new technologies. In this sense, Carmen Ortiz announced that will be provided soon a line of supportand financing for the creation of Operating Groups Innovation, with a budget of almost four million euros, "a measure that allows to group to companies, agents of knowledge and producers, to develop innovative solutions to specific problems", she pointed.

She has also emphasized the ongoing commitment of the Government of Andalusia by the social economy and the cooperative sector, given its ability to better distribute wealth and employment, combating inequality, and also being a model company more committed with society and its environment. A bet that is evident when giving priority consideration to associations in the granting of aid and grants under the Rural Development Plan (RDP), such as those aimed to young farmers, whose call 2016 opened last week with 30 million euros budget; or for the modernization of farms (29.7 million euros); the modernization of industries (37 million euros), or incentives that support the promotion and food quality (more than three million euros).

Source: CAPDER