Nut sector: quality and marketing improvement plans (Regulation (EEC) No 1035/72), specific aid for hazelnuts

2001/0275(CNS) - 22/11/2001 - Legislative proposal

PURPOSE: To extend financing to Community producers of certain nuts and locust beans and for specific aid for hazelnuts. CONTENT: Whilst the US and Turkey remain world leaders in nut production, the EU remains the top consumer of nuts and a net importer. The Community as a whole produces a mere 20% of world production, with Spain and Italy the main producing countries. EU nut production is characterised by low competitiveness and low margins. Indeed, 70% of the Community nut production can be defined as being cultivated in less-favoured areas with poor/marginal growing conditions often in remote mountainous or hilly areas without irrigation. EU legislation governing nut production is defined in Regulation No 1035/72. It covers five products: almonds, hazelnuts, walnuts, pistachios and locust beans. Title IIa of this Regulation approves specific financing measures for quality and marketing improvement plans. Improvement plans are financed 55% by public aid and 45% by producer organisations, known as POs. Improvement plans are limited to 10 years. In spite of such ten yearly improvement plans, EU nut production remains globally uncompetitive and is particularly vulnerable to imports from the US and Turkey. Indeed, the Commission suggests that in "less-favoured regions" nut production is "chronically non-competitive". At the same time however, the Commission recognises that many farmer's incomes are dependant on the production of nuts. Furthermore, the cultivation of nut trees plays a vital environmental role in these areas, such a preventing soil erosion and acting as fire breaks. As such nut production, though uncompetitive, plays a significant role within the context of rural society. Taking such factors into account, the Commission proposes: - That producer organisations whose plans contain areas which expire in 2001 (originally starting in 1990 or 1991) may request continued financing of nut areas for a further period of up to one year. - That continued financing be requested only until 15/6/02 latest, in order to fall within the 2002 budget. - That public aid be limited at most to those areas receiving aid in their final year of the plan and to maximum of EUR 541,20 per hectare, the Community contribution will be limited to a maximum of 75%. - That specific aid for hazelnuts be granted for one marketing year for those producer organisations not benefiting from the first point.