Specific rules for the fruit and vegetable sector

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The European Parliament adopted a resolution drafted by Isabel **Salinas García** (PSE, ES), and made some amendments to the Commission's proposal. The report was adopted by 526 votes to 95 with 32 abstentions. Parliament pointed out that the fruit and vegetable sector is characterised by market instability, and in the event of price collapses the current system of market withdrawals is of limited effectiveness as a safety net for farmers' incomes. This is due to insufficient payments, excessive bureaucracy, shortcomings in organisation in the production regions, failure to recognise the production potential in order to ensure correct market management, the effect of imports from third countries and the lack of genuine outlets for the products withdrawn. Parliament voted for flexible forms of farm aid tailored to the needs of different types of fruit and vegetables, and the strengthening of producer organisations, as well as the creation of a special crisis fund to boost competitiveness in the fruit and vegetables sector. It also called for greater flexibility in the implementation of decoupling, allowing those countries which so wished to apply total decoupling, while others should have the option of transitional periods or aids per hectare to enable producers in various sectors to adjust to the changes.

Security fund to manage major crises: to enable producer organisations to manage major crises better, Parliament inserted provisions creating a Security Fund, which should be set up by Member States. The Community contribution to the Security Fund may draw on part of the national reserve provided for in Article 42 of Regulation (EC) No 1782/2003, up to an overall maximum of 0.5% of the reference amounts allocated to each Member State under this Regulation. Member States must inform the Commission of their interest in this optional funding possibility. These funds would also be open to producers who were not members of Producer Organisations. MEPs also proposed that a prices monitoring centre be set up, so as to anticipate crises better. Such a price observatory should be capable of providing detailed and objective information on markets and thus facilitate the triggering of action by the Commission in the event of serious crises. In addition, progress should be made in creating a European authority to ensure the transparency of commercial transactions and strict compliance with the rules on competition, in particular by large-scale retailers.

Partial decoupling: Parliament was concerned that the abolition of processing aid which is to accompany the introduction of the single area payment scheme may jeopardise dual-use production (fresh/processed), which applies to such products as citrus fruits, tomatoes, grapes, pears, and plums. It proposed that Member States should have the option of partial decoupling, replacing the single area payment scheme with an area-related aid scheme analogous to that which currently applies to nuts.

Parliament also wanted more flexibility in the way aid is decoupled from production, with transitional periods to allow the sector time to adapt, especially the processed foods sector (tomatoes, citrus fruits, etc.).

Strengthening producer organisations: to strengthen POs against the power of major distributors and to encourage more producers to join these bodies, Parliament is asking for Community co-financing of operational funds to be increased from 50% to 60% in more cases (merging POs, integrated production, etc). It also recommended raising the Community ceiling for aid to the operating funds of producer organisations from 4.1% to 6% of the products marketed. According to MEPs, the POs should also be able, on a voluntary basis, to finance operations to promote the consumption of fruit and vegetables, e.g. through campaigns in schools.

Parliament also voted for more effective controls on imports from non-EU countries by boosting the EU's ability to react to crises caused by floods of imports. A safeguard clause should be introduced, allowing extra duty to be placed on such imports.

Lastly, Parliament called for better quality and labelling standards, stating that, in order better to assist farmers and operators in translating the high quality of their products into higher revenue, the Commission should further investigate the possible introduction of a European quality label.