

Basic information	
<b>2007/0012(CNS)</b> CNS - Consultation procedure Regulation	Procedure completed
Specific rules for the fruit and vegetable sector  <b>Subject</b> 3.10.06.01 Fruit, citrus fruits 3.10.06.02 Vegetables	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>AGRI</b> Agriculture and Rural Development		SALINAS GARCÍA María Isabel (PSE)	05/10/2004
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>INTA</b> International Trade		GLATTFELDER Béla (PPE-DE)	28/02/2007
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Agriculture and Fisheries		2806	2007-06-11
	Agriculture and Fisheries		2819	2007-09-26
	Agriculture and Fisheries		2793	2007-04-16
	Agriculture and Fisheries		2777	2007-01-29
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Agriculture and Rural Development		FISCHER BOEL Mariann	

Key events			
Date	Event	Reference	Summary
24/01/2007	Legislative proposal published	COM(2007)0017 	Summary
29/01/2007	Debate in Council		Summary
13/03/2007	Committee referral announced in Parliament		
16/04/2007	Debate in Council		Summary

08/05/2007	Vote in committee		
14/05/2007	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0183/2007</a>	
06/06/2007	Debate in Parliament		
07/06/2007	Decision by Parliament	<a href="#">T6-0232/2007</a>	<a href="#">Summary</a>
07/06/2007	Results of vote in Parliament		
26/09/2007	Act adopted by Council after consultation of Parliament		
26/09/2007	End of procedure in Parliament		
17/10/2007	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2007/0012(CNS)
<b>Procedure type</b>	CNS - Consultation procedure
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
<b>Legal basis</b>	EC Treaty (after Amsterdam) EC 036 EC Treaty (after Amsterdam) EC 037
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	AGRI/6/45275

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE384.530</a>	02/03/2007	
Committee opinion	<a href="#">INTA</a>	<a href="#">PE386.639</a>	08/05/2007	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0183/2007</a>	14/05/2007	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0232/2007</a>	07/06/2007	<a href="#">Summary</a>
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2007)0017</a> 	24/01/2007	<a href="#">Summary</a>	
Document attached to the procedure	<a href="#">SEC(2007)0074</a> 	24/01/2007		
Document attached to the procedure	<a href="#">SEC(2007)0075</a> 	24/01/2007		

## Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES0802/2007</a>	30/05/2007	

## Additional information

Source	Document	Date
National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	

## Final act

<a href="#">Corrigendum to final act 32007R1182R(01)</a> <a href="#">OJ L 307 18.11.2008, p. 0022</a>	<a href="#">Summary</a>
<a href="#">Regulation 2007/1182</a> <a href="#">OJ L 273 17.10.2007, p. 0001</a>	<a href="#">Summary</a>

# Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 11/06/2007

The Council reached unanimous political agreement on a reform of the fruit and vegetables sector, on the basis of an overall compromise drawn up by the Presidency in agreement with the Commission.

The Commission made several statements either to clarify certain interpretations of the compromise or to undertake future actions, such as the possibility of introducing a school fruit scheme to help fight against obesity amongst European children or to continue to ensure an adequate level of phytosanitary protection for Community fruit and vegetable production.

# Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 24/01/2007 - Legislative proposal

**PURPOSE:** laying down specific rules as regards the fruit and vegetable sector to bring it into line with other sectors under the Common Agricultural Policy (CAP) which have already been reformed.

**PROPOSED ACT:** Council Regulation.

**CONTENT:** over the last ten years, the fruit and vegetable sector has faced strong pressure from the highly concentrated retail and discount chains, which play a major role in setting the price, and from imported products, which are taking a growing share of the market thanks to improved quality and relatively low prices. Since the last reform in 1996, Producer Organisations (POs) and their so-called Operational Programmes have been key elements in grouping supply and are effective in helping producers to face up to the retail sector. However, a high proportion of producers in some Member States still prefer not to participate.

The current common market organisation (CMO) is also based partly on providing support to producers on the basis of the quantity of produce delivered to the processing industry, aid directly to processors and aid to the producer, via the PO, in some cases based on land area. These systems, which are not in line with the rest of the reformed CAP, cover tomatoes, citrus fruit, pears, nectarines, peaches, dried figs, prunes and dried grapes. The reform includes measures to improve POs' attractiveness. On the other hand, the current CMO for processed fruit and vegetables products is based on principles which for other common market organisations have been substantially reformed.

The current system, essentially providing support to quantities of products is no more in line with the CAP. The reform proposes the inclusion of fruit and vegetables' area in the single payment scheme and in the single area payment scheme. The shifting from production support to direct aid to producers by introducing a system of decoupled income support for each farm will contribute to promote a more marketed oriented and sustainable agriculture.

The present reform proposal includes measures for crises management, to increase promotion of fruit and vegetables, and to maintain the environment.

The identified objectives of this reform are to:

- improve EU fruit and vegetables' competitiveness and market orientation or, in other words to contribute to achieving sustainable production that is competitive both on internal and external markets,
- reduce fluctuations in fruit and vegetables producers' income resulting from crises,
- increase consumption of fruit and vegetables in the EU,
- continue the efforts made by the sector to maintain and protect the environment,
- simplify and where possible reduce the administrative burden for all concerned.

More specifically, the following reforms are proposed:

**Producer Organisations:** POs will gain greater flexibility and their rules will be simplified. Producers will be free to join different POs for each product. There will be additional support (60 percent Community co-financing rather than of 50 percent) in areas where production marketed via POs is less than 20 percent, and in the new Member States, to encourage the creation of POs. There will be extra support for mergers of POs and associations of POs. Extra support to POs operating in a trans-national scheme or on an inter-branch basis will continue. Member States and POs will develop Operational Programmes based on a national strategy. The budget for POs is currently around €700 million.

**Crisis Management:** this will be organised through Producer Organisations (50 percent financed by the Community budget). Tools will include green harvesting/non-harvesting, promotion and communication tools in times of crisis, training, harvest insurance, and financing of the administrative costs of setting up mutual funds. Withdrawals can be carried out by POs with 50 percent co-financing. Withdrawals for free distribution to schools, children's holiday camps, hospitals, charitable organisations, old people's homes and penal institutions will be 100 percent paid by the Community up to a limit of 5 percent of the quantity of marketed production of each PO.

**Inclusion of fruit and vegetables in the Single Payment Scheme:** land covered by fruit and vegetables will be eligible for payment entitlements under the decoupled aid scheme which applies in other farm sectors. All existing support for processed F&V will be decoupled and the national budgetary ceilings for the SPS will be increased. Member States will be allowed to establish reference amounts and choose which farmers will be eligible for new entitlements based on a representative period. The total amount that will be transferred to the SPS is around €800 million.

**Environmental measures:** The inclusion of F&V in the SPS means that Cross Compliance will be compulsory for those farmers receiving direct payments. In addition, each Operational Programme must spend at least 20 percent of expenditure on environmental measures. There will be a 60 percent Community co-financing rate for organic production in each Operational Programme.

**Promotion:** The World Health Organisation recommends consumption of 400g per day of F&V. Currently, only Greece and Italy reach this level. POs will be able to include promotion of F&V consumption in their operational programmes. Community co-financing will be increased to 60 percent if the promotion of F&V is targeted towards school-age children and adolescents. Market withdrawals can be distributed for free to charitable organisations, schools and children's holiday camps.

**Trade with third countries:** Given that world trade talks are still ongoing, the proposal does not touch on the current legal framework on external trade. However, it is proposed that export refunds be abolished.

**Simplification:** The abolition of the processing aids will contribute significantly to simplification, as will the new rules on POs and the abolition of export refunds. Simplification will be further enhanced by harmonising the basic principles relating to marketing standards for all agricultural products, including F&V.

## Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 16/04/2007

The Council held a policy debate on fruit and vegetables, on the basis of a Presidency questionnaire (8204/07) focusing on two of the key issues identified, which covered the examination of the proposal, namely the proposed decoupling of the processing aid for fruit and vegetables and the inclusion of crisis management tools within the Operational Programmes of the Producer Organisations.

The Council noted the support of a large majority of delegations for the principle of decoupling of the processing aid. However, several delegations felt that decoupling would have to be phased in or partial for certain sensitive products such as citrus, tomatoes, soft fruits and prunes.

The proposed introduction of crisis-management tools in the sector was welcomed by many delegations. While many delegations endorsed the integration of crisis management into the POs' operational programmes, several considered that crisis-management measures should be accessible to all producers and not restricted to members of POs.

The Council invited the preparatory bodies to continue the examination of the proposal, with a view to seeking agreement in Council in June.

Commissioner Fischer Boel reiterated the Commission's readiness to cooperate with the Presidency to reach an agreement. She said she was prepared to examine suggestions for transitional arrangements as long as these did not dilute the ultimate goal of full decoupling.

The proposal is intended to improve the attractiveness of Producer Organisations (POs) and to simplify their rules. The budget for POs is currently around EUR 700 million. It also proposes that crisis-management tools be organised through Producer Organisations (50% co-financed by the Community budget). The proposed crisis-management tools include green harvesting / nonharvesting, promotion and communication tools in times of crisis, training, harvest insurance, and financing of the administrative costs of setting up mutual funds. Withdrawals would be carried out by POs with 50% co-financing.

The European Parliament's opinion is expected on 21 May.

## Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 29/01/2007

The Council took note of a presentation by Commissioner Fisher Boel on the proposed reform of the fruit and vegetables sector and held a first exchange of views on the matter.

In general, a large majority of delegations supported the proposal's main objective. Some delegations pointed out the necessity to respect budgetary neutrality and discipline. Several delegations underlined the importance of crisis management tools adapted to this sector and noted the increasing vulnerability of the sector to imports from third countries.

The cornerstone of the proposed reform is the transfer of funds from processing to the decoupled Single Payment Scheme (SPS). The total amount that will be transferred to the SPS is around EUR 800 million. The proposal is budget neutral.

## Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 26/09/2007 - Corrigendum to final act

PURPOSE: **Corrigendum** to Council Regulation (EC) No 1182/2007 of 26 September 2007 laying down specific rules as regards the fruit and vegetable sector, amending Directives 2001/112/EC and 2001/113/EC and Regulations (EEC) No 827/68, (EC) No 2200/96, (EC) No 2201/96, (EC) No 2826/2000, (EC) No 1782/2003 and (EC) No 318/2006 and repealing Regulation (EC) No 2202/96 (Regulation initially published in the Official Journal of the European Union L 273 of 17 October 2007).

The corrigendum covers the following points:

(1) On page 25, Article 53 'Amendments to Regulation (EC) No 318/2006':

- **for:** 'Regulation (EC) No 318/2006 shall be amended as follows:

1. In paragraphs 1, 2 and 4 of Article 32, the words 'or **Annex VIII**' shall be inserted after 'Annex VII'.

2. The following Annex shall be added after Annex VII:

'**ANNEX VIII** Processed fruit and vegetable products' ,

- **read:** 'Regulation (EC) No 318/2006 shall be amended as follows:

1. In paragraphs 1, 2 and 4 of Article 32, the words 'or **Annex VIIbis**' shall be inserted after 'Annex VII'.

2. The following Annex shall be added after Annex VII:

'**ANNEX VII bis** Processed fruit and vegetable products' ;

(2) On page 25, Article 55, paragraph 4, last sentence:

- **for:** 'As concerns such producer groups in Member States which acceded to the European Union on 1 May 2004 or after that date, the aid rates set out in **Article 7(4)(a)** shall apply to recognition plans from the date of application of this Regulation.'

- **read:** 'As concerns such producer groups in Member States which acceded to the European Union on 1 May 2004 or after that date, the aid rates set out in **Article 7(5)(a)** shall apply to recognition plans from the date of application of this Regulation.'

# Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 26/09/2007 - Final act

**PURPOSE:** to lay down specific rules concerning the fruit and vegetable sector and to bring it into line with other reformed sectors under the Common Agricultural Policy (CAP).

**LEGISLATIVE ACT:** Council Regulation (EC) No 1182/2007 of 26 September 2007 laying down specific rules as regards the fruit and vegetable sector, amending Directives 2001/112/EC and 2001/113/EC and Regulations (EEC) No 827/68, (EC) No 2200/96, (EC) No 2201/96, (EC) No 2826/2000, (EC) No 1782/2003 and (EC) No 318/2006 and repealing Regulation (EC) No 2202/96

**BACKGROUND:** for the past ten years, the fruit and vegetable sector has faced strong pressure from the highly concentrated retail and discount chains, which play a major role in setting the price. It has also faced competition from imported products, which are taking a growing share of the market thanks to improved quality and relatively low prices. Since the last reform of the fruit and vegetable sector in 1996, Producer Organisations (POs) and their so-called Operational Programmes have played a key role in grouping supply and are effective in helping producers to face up to the retail sector. However, a high proportion of producers in some Member States still prefer not to participate. Further, the fruit and vegetable sector CMO has not been revised alongside the reformed Common Agricultural Policy.

**CONTENT:** for the reasons outline above, the Community has adopted this Regulation, the purpose of which is to lay down specific new rules concerning the fruit and vegetable sector. The Regulation specifies that it is necessary to change the regime for the fruit and vegetables sector in order to achieve the following objectives:

- improving the competitiveness and market orientation of the sector so as to contribute to achieving sustainable production that is competitive both on internal and external markets;
- reduce fluctuations in producers' income resulting from crises on the market;
- increase the consumption of fruit and vegetables in the Community; and
- continue efforts made by the sector to maintain and protect the environment.

A further key objective of the Regulation is to bring the regulation of fruit and vegetables in line with the reformed Common Agricultural Policy. In summary, the key elements of the reform are:

- the transfer of funds earmarked for processing aid to the decoupled Single Payment Scheme (SPS).
- strengthening the role of producer organisations (PO) as well as simplifying the rules governing them.
- developing Operational Programmes in the Member States with Producer Organisation, which should include at least two environmental measures as well as campaigns to promote the consumption of fruit and vegetables, paying special attention to children.

**ENTRY INTO FORCE:** 06 November 2007

**APPLY:** 1 January 2008.

# Specific rules for the fruit and vegetable sector

2007/0012(CNS) - 07/06/2007 - Text adopted by Parliament, 1st reading/single reading

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.