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Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the implementation of the provisions concerning producer organisations, operational
funds and operational programmes in the fruit and vegetables sector since the 2007
reform**

("Report on the fruit and vegetables regime")

{ COM(2014) 112 final }

LIST OF ACRONYMS

APO	–	Association of producer organisations
CAP	–	Common Agricultural Policy
CMO	–	Common Market Organisation
CPM	–	Crises prevention and management
EAGF	–	European Agricultural Guarantee Fund
EU	–	European Union
EU 10	–	Member States that have joined the EU on 1st of May 2004
EU 12	–	Member States that have joined the EU since 1st of May 2004
EU 15	–	Member States of the European Union before 1st of May 2004
FSS	–	Farm Structure Survey
F&V	–	Fruit and vegetables
IA	–	Impact Assessment
MS	–	Member State
NFA	–	National Financial Assistance
OF	–	Operational fund
OP	–	Operational programme
PG	–	Producer Group
PO	–	Producer Organisation
RDPs	–	Rural Development programmes
VMP	–	Value of the marketed production

LIST OF MEMBER STATES

AT	–	Austria
BE	–	Belgium
BG	–	Bulgaria
CY	–	Cyprus
CZ	–	Czech Republic
DE	–	Germany
DK	–	Denmark
EE	–	Estonia
EL	–	Greece
ES	–	Spain
FI	–	Finland
FR	–	France
HU	–	Hungary
IE	–	Ireland
IT	–	Italy
LT	–	Lithuania
LU	–	Luxembourg
LV	–	Latvia
MT	–	Malta
NL	–	The Netherlands
PL	–	Poland
PT	–	Portugal
RO	–	Romania
SE	–	Sweden
SI	–	Slovenia
SK	–	Slovakia
UK	–	United Kingdom

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**on the implementation of the provisions concerning producer organisations,
operational funds and operational programmes in the fruit and vegetables sector
since the 2007 reform**

("Report on the fruit and vegetables regime")

1. INTRODUCTION

This document presents more detailed information on the implementation of certain provisions concerning producer organisations, operational funds and operational programmes in the fruit and vegetables (F&V) sector and, in particular, regarding:

1. National strategies for sustainable operational programmes;
2. Producer organisations;
3. Operational programmes of producer organisations;
4. Member States' mid-term evaluation of their national strategies.

That information supports certain of the conclusions drawn in the report from the Commission to the European Parliament and the Council on the implementation of provisions concerning producer organisations, operational funds and operational programmes in the fruit and vegetables sector since the 2007 reform, as provided for by Article 184(4) of Council Regulation (EC) No 1234/2007¹.

2. NATIONAL STRATEGIES FOR SUSTAINABLE OPERATIONAL PROGRAMMES

2.1. National strategies and national frameworks for environmental actions

Following the 2007 reform, 23 MSs established national strategies for sustainable operational programmes (NSs), which include a national framework for

¹ Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (OJ L 299, 16.11.2007, p. 1).

environmental actions (NEF)². All NEFs have taken on board amendments required by the Commission³.

The NSs start with an analysis of the situation in the sector, fix priorities, objectives and eligible measures. They also establish requirements for monitoring and evaluating (M&E) operational programmes, performance indicators and reporting obligations for the POs.

Commission Implementing Regulation (EU) No 543/2011⁴ sets out specific common requirements on the overall structure and content of the NSs, the NEFs, procedures for monitoring and evaluating operational programmes and NSs, including common performance indicators, and MSs' annual reports. Those requirements take account of recommendations the European Court of Auditors made shortly before the 2007 reform⁵.

2.2. Monitoring and evaluation of operational programmes and national strategies

Regulation (EU) No 543/2011 establishes precise requirements regarding the M&E of operational programmes by POs and of NSs by MSs. These requirements include the obligation to establish a system to collect, record and maintain information needed for compiling common performance indicators relating to the baseline situation, financial execution, outputs, results and impact of the operational programmes implemented⁶.

POs are required to carry out a mid-term evaluation of operational programmes. In 2012, 18 MSs undertook an evaluation of their NS, and sent a report to the Commission by 15 November 2012. Bulgaria sent its report in October 2013.

Based on performance indicators, the M&E system for NSs builds on the information transmitted by each PO regarding the M&E of its operational programme. The latter is a part of an annual report on the operational programme implemented during the preceding year, which must accompany applications for aid.

MSs have to consolidate the reports of POs in an annual report on POs, associations of POs, operational funds and operational programmes running in the previous year, to be sent to the Commission. The annual reports and the 2012 evaluation reports sent by the MSs are intended to help the Commission to monitor and evaluate the implementation of the EU regime in the F&V sector.

² Article 103f of Regulation (EC) No 1234/2007. Estonia, Lithuania, Luxembourg and Slovenia are exempted from the obligation to establish a national strategy since they have no recognised POs.

³ Article 103f(1), second subparagraph of Regulation (EC) No 1234/2007.

⁴ OJ L 157, 15.6.2011, p. 1.

⁵ European Court of Auditors' Special Report No 8/2006 (OJ C 282, 20.11.2006, p. 32).

⁶ MSs may specify in their NS additional indicators, reflecting national or regional needs, conditions and objectives specific to the operational programmes.

To ensure coherence of this three-stage M&E system, the Commission has developed documents to facilitate a common understanding and facilitate the implementation of the M&E requirements on operational programmes and NSs⁷.

This has been accompanied by IT developments, including a system for applying automatic data quality controls to MS annual reports and a database of annual reports as from 2004, allowing for ad hoc analyses. New webpages on the F&V regime on the Commission's Europa website give public access to NSs, NEFs and reports on 2012 evaluations⁸.

⁷ The documents, in all EU languages, include guidelines on the common performance indicators, a new template for the annual report to be sent by MSs and guidelines on the 2012 evaluation of NSs by MSs.

⁸ See http://ec.europa.eu/agriculture/fruit-and-vegetables/country-files/index_en.htm.

3. PRODUCER ORGANISATIONS (POs) AND ASSOCIATIONS OF POs

Table 1: Recognised POs and APOs: changes in some key parameters (2004-2010)

1.1 — POs

	2004	2005	2006	2007	2008	2009	2010
A. Total number of POs (i)	1 569	1 393	1 432	1 427	1 549	1 638	1 599
B. F&V producers who are members of POs (i)	397 733	438 456	430 714	454 052	457 833	442 605	411 400
C. Total number of agricultural holdings with area under F&V crops (ii)	3 841 645	3 591 290	3 470 690	3 350 090	3 063 930	2 777 770	2 491 610
D. Share of total F&V producers who are members of POs (= B/C)	10.4 %	12.2 %	12.4 %	13.6 %	14.9 %	15.9 %	16.5 %
E. Value of the F&V products marketed by POs (€m) (i) (iv)	13 886	14 641	15 486	18 087	19 484	19 503	21 261
F. Total value of F&V production (€m) (iii) (iv)	44 711	45 601	47 013	48 557	50 216	45 625	49 389
G. Value of the F&V products marketed by POs (% of total value of F&V production (= E/F))	31.1 %	32.1 %	32.9 %	37.2 %	38.8 %	42.7 %	43.0 %

1.2 — APOs

	2004	2005	2006	2007	2008	2009	2010
Total number of APOs	17	22	22	21	31	51	55
POs member of APOs — Number (i)	123	136	135	164	322	457	459
POs member of APOs — Share of total number of POs (i)	7.8 %	9.8 %	9.4 %	11.5 %	20.8 %	27.9 %	28.7 %

(i) Source: EC-DGAGRI-C.2 — calculations from data provided by MSs (Annual Reports 2004-2010).

(ii) Source: EC-DGAGRI-C.2 — calculations from results of Eurostat's Farm Structure Surveys 2003 to 2010.

(iii) Source: EC-DGAGRI-C.2 — calculations from results of Eurostat's Economic Accounts for Agriculture 2004 to 2010.

(iv) Current prices.

Table 2: Case study: Italy – Regions with a degree of producers' organisation below the national average

Regions	Total value of the fruit and vegetables production obtained in the region (average 2009-2011)		Degree of organisation (average 2009-2011) (*)
	€m	Share of total in Italy (%)	
Veneto	697,8	7,0%	43,4%
Basilicata	250,8	2,5%	31,5%
Puglia	1261,3	12,7%	28,9%
Marche	119,6	1,2%	27,8%
Toscana	160,2	1,6%	23,8%
Campania	1319,4	13,2%	23,0%
Molise	52,6	0,5%	23,0%
Calabria	773,4	7,8%	22,2%
Umbria	31,7	0,3%	20,3%
Abruzzo	317,1	3,2%	19,2%
Sicilia	1746,2	17,5%	19,0%
Valle d'Aosta/Vallée d'Aoste	1,8	0,0%	16,8%
Sardegna	342,3	3,4%	8,5%
Liguria	24,9	0,3%	4,8%
ITALIA	9969,8	100,0%	47,3%

Source: EC-DGAGRI-C.2 - calculation from data transmitted by Italy in the frame of the request for Commission's authorisation to grant national financial assistance to POs in regions with a low degree of organisation of producers in 2013.

(*) Value of the fruit and vegetables production obtained in the region concerned and marketed by POs/APOs divided by the total value of the fruit and vegetables production obtained in the region.

4. OPERATIONAL PROGRAMMES, TOTAL EXPENDITURE AND EU FINANCIAL ASSISTANCE

Table 3: Operational programmes, total expenditure and EU financial assistance, current prices (2004-2010)

		2004	2005	2006	2007	2008	2009	2010
Total number of POs		1 569	1 393	1 432	1 427	1 549	1 638	1 599
POs with an operational programme	A. Total number	918	867	938	1 109	1 205	1 187	1 168
	<i>B. Share of all POs</i>	58.5 %	62.2 %	65.5 %	77.7 %	77.8 %	72.5 %	73.1 %
	<i>C. POs with an operational programme under the new regime</i>	-	-	-	-	624	985	1 079
						51.7 %	83.1 %	92.3 %
	D. Number of F&V producer members	254 218	265 833	296 123	358 424	356 921	332 510	323 440
	<i>E. Share of total number of F&V producers who are members of POs</i>	63.9 %	60.6 %	68.8 %	78.9 %	78.0 %	75.1 %	78.6 %
	F. Value of the products marketed (€m) (i)	9 658	9 998	11 452	15 206	16 963	16 371	19 700
	<i>G. Share of total value of the products marketed by POs</i>	69.5 %	68.3 %	73.9 %	84.1 %	87.1 %	83.9 %	92.7 %
	<i>H. Average value of the products marketed per PO (€m) (i) (=F/A)</i>	10.5	11.5	12.2	13.7	14.1	13.8	16.9
Total operational funds	I. Total expenditure (€m) (i)	713	712	689	865	1 149	1 233	1 374
	<i>J. (of which) Financial contribution by POs and/or POs' members (€m)</i>	333	323	328	392	592	618	703
EU financial assistance	K. (of which) EU financial assistance (€m) (i)	380	389	361	474	557	615	671
	<i>L. Share of total expenditure for operational programmes</i>	53.3 %	54.6 %	52.4 %	54.8 %	48.5 %	49.9 %	48.8 %
	<i>M. Share of total value of the products marketed by POs with an operational programme</i>	3.9 %	3.9 %	3.2 %	3.1 %	3.3 %	3.8 %	3.4 %
	<i>N. Share of total value of F&V production</i>	0.8 %	0.9 %	0.8 %	1.0 %	1.1 %	1.3 %	1.3 %

Source: EC-AGRI-C.2 — calculations from data provided by MSs (Annual Reports 2004-2010).

Table 4: Producer organisations with an operational programme, by size classes (2010)

Size class	POs with an operational programme		Total expenditure for operational programmes		EU financial assistance	
	Number	Share	€m	Share	€m	Share
<i>A — 0 < VMP < €500 000</i>	10	0.9 %	1.1	0.1 %	0.5	0.1 %
<i>B — €500 000 = < VMP < €2 m</i>	160	13.7 %	18.9	1.4 %	9.0	1.3 %
<i>C — €2 m = < VMP < €5 m</i>	344	29.5 %	87.0	6.4 %	40.8	6.1 %
<i>D — €5 m = < VMP < €10 m</i>	262	22.4 %	130.6	9.5 %	63.5	9.5 %
<i>E — €10 m = < VMP < €20 m</i>	179	15.3 %	175.0	12.8 %	84.6	12.6 %
<i>F — €20 m = < VMP < €50 m</i>	140	12.0 %	297.3	21.7 %	144.1	21.5 %
<i>G — VMP > = €50 m</i>	73	6.3 %	658.9	48.1 %	327.9	48.9 %

All POs with an operational programme	1 168	<i>100.0 %</i>	1 368.8	<i>100.0 %</i>	670.3	<i>100.0 %</i>
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Source: EC-AGRI-C.2 — calculations from data transmitted by MSs (Annual Reports 2010).

5. MEMBER STATES' REPORTS ON THE 2012 EVALUATION OF THEIR NATIONAL STRATEGIES: ANSWERS TO EVALUATION QUESTIONS.

To what extent have the operational programmes implemented contributed to the overall and specific objectives? — Summary

		LEGEND: <div><div></div> YES</div> <div><div></div> NO</div> <div><div></div> NO CLEAR ANSWER (CAN BE) GIVEN (*)</div>													
		BE/ VL	BE/ WA	CY	CZ	DK	DE	ES	FR	HU	IT	NL	AT	PT	UK
Number of POs with an operational programme (2010)		14	3	6	9	6	31	440	194	29	217	15	10	56	39
Total number of producer members (2010)		7 300		1 550	156	350	7 029	135 103	19 378	8 586	80 381	3 462	2 361	5 363	952
Value of marketed production (Mio €) (2010)		1 117.0		25.9	44.8	109.2	1 193.2	5 184.0	2 302.3	95.5	4 984.8	2 630.6	218.7	234.0	803.1
Estimated organisation rate of the F&V sector (2010)		91.2%		22.4%	59.2%	51.8%	54.5%	51.2%	45.9%	19.5%	51.1%	95.5%	38.1%	20.0%	38.2%
Period covered by the evaluation	2008-2011		X				X	X			X				
	2008-2010								X	X				X	X
	2009-2011	X		X	X	X						X	X		
Specific objectives															
Promoting the placing on the market of members' products															
Ensuring that production is adjusted to demand, in terms of quality and quantity															
Boosting products' commercial value															
Optimising production costs															
Promoting concentration of supply															
Stabilising producer prices															
Overall objectives															
Improving competitiveness	of POs?														
	of the national regional F&V sector?														
Improving attractiveness of producer organisation's membership															
Maintaining and protecting the environment	(a) Soil protection?														
	(b) Water protection?														
	(c) Habitats and biodiversity preservation?														
	(d) Landscape preservation?														
	(e) Climate change mitigation?														
	(f) Air quality preservation?														
	(g) Reducing waste production?														

(*) Due to lack of quantitative data.

Source: EC-AGRI-C.2 – Based on information provided by Member States' reports on the 2012 evaluation of their national strategies for sustainable operational programmes