

Producer organisations in the EU fruit and vegetable sector

The contribution of producer organisations (POs) in the fruit and vegetable sector (F&V) is highlighted in various pieces of EU legislation. The 2007 reform of the common agricultural policy (CAP) brought a new range of tools aimed at strengthening their role in the F&V sector. For the first time, POs could receive EU support in the form of a contribution to finance their operational programmes. EU financial assistance to POs is limited to 50% of the total operational fund, but in specific cases it may be increased at 60%. Member States had to establish national strategies for sustainable operational programmes, in which the role of POs is further underlined. The EP is due to adopt a report in plenary, which aims to encourage the Commission to present a legislative proposal aimed at the revision of the aid scheme for the F&V sector.

Report on POs in the fruit and vegetable sector

In 2014, the European Commission (EC) presented a [report](#) on the implementation of the [2007 reform](#) in the F&V sector which highlighted the role of [POs](#) in the reform. This reform was followed by the [post-2013 review](#) of the [EU regime in the F&V sector](#). According to the report, there are 1 599 recognised POs in 23 Member States, while certain Member States have [no recognised POs](#). The share of F&V producers that are members of POs has continued to increase, from 10.4% in 2004 to 16.5% in 2010. However, the level of POs' activity in the F&V sector differs among EU countries, with low engagement in PO activities in southern and eastern Member States. This lack of participation in POs implies that producers (especially small producers) who do not belong to a PO cannot directly benefit from EU aid in the F&V sector. In addition, the biggest POs (about 18% of all POs) receive about 70% of EU financial assistance.

The report also states that, over the 2003-10 period, there was a slight decline in the total EU area cropped with F&V (-6%), and a sharp fall in the number of holdings with F&V crops (-39.1%). Market crises, the e-coli epidemic and the Russian embargo had a negative impact on the vulnerable F&V sector. Member States' [national strategies](#) were characterised by too wide a range of objectives and the lack of precise pre-defined targets. The report recommends that Member States' operational programmes contribute further to key objectives such as improving the attractiveness of POs, boosting products' commercial value, optimising production costs, stabilising prices and better using crisis prevention and management ([CPM](#)) instruments.

The June 2014 Agriculture Council [conclusions](#) ask the Commission to take action in order to improve the attractiveness of POs, and to address the different levels of PO participation amongst Member States. The conclusions state that Member States' views on cutting red tape and simplifying the rules regarding POs should be noted and that awareness of CPM tools can be increased. Finally, the sharing of best practices from high-performance POs is recommended.

The [report](#) drafted by the EP's Committee on Agriculture and Rural Development (rapporteur: Nuno Melo, EPP, Portugal) received broad support in committee, and is due to come to plenary in July. It welcomes various measures of the F&V regime but also addresses gaps and inconsistencies such as tackling unfair trade practices, lack of clarification of rules on POs and the need to reduce complex procedures. Some changes to national strategies, such as focusing on fewer priorities and adopting precise pre-defined targets, are recommended. The complexity of rules and the lack of legal certainty in the functioning of POs are highlighted as issues to be addressed. The reallocation of some financial resources in order to achieve more efficient use of funds is also proposed. Such reallocation would not increase the overall amounts available for the sector. Research and innovation measures for POs should also be encouraged. The Commission is asked to adopt general measures aimed at supporting farmers from external pressures such as unexpected events.