

WRITTEN QUESTION P-4972/07  
by Armando Veneto (PPE-DE)  
to the Commission

Subject: Possible distortion of competition in the Italian fruit and vegetable market following Community reforms

Regulations (EC) Nos 2200/96<sup>1</sup> and 2201/96<sup>2</sup> on the common organisation of the market in fruit and vegetables left it up to individual Member States to decide on the single payment scheme for production aid, stipulating (Article 110 of the implementing regulation) that production aid per hectare for tomatoes and fruit and vegetable products should be fixed 'on the basis of objective and non-discriminatory criteria'.

In agreement with eleven sectoral organisations, the Italian State decided to switch immediately to total decoupling for citrus fruits intended for processing, but decided otherwise in the case of pears, peaches and tomatoes, which are governed instead by interim partial decoupling arrangements. Other Member States decided to retain the system whereby aid is coupled to the area under crops for a further five years.

This sudden, rather than gradual, introduction of total decoupling is clearly weakening the negotiating role of producers' organisations. It also exposes Italian producers' organisations in the citrus fruit sector to penalties and requests for compensation from the industry for failure to deliver on multiannual contracts. It is depressing the market to the advantage of the fresh produce sector, leading to excess supply and a collapse in selling prices. It is prompting the processing industries to seek supplies on the international market from those Member States (such as Spain) which, having retained the system of aid coupled to production area, will be able to maintain prices and production ceilings.

Bearing in mind that the capacity granted to individual Member States to decide on the aid system to be applied in the citrus fruit sector should not involve the application of criteria which are discriminatory or distort the principle of free competition, will the Commission answer the following:

- Does it believe that it should intervene to overcome the difficulties mentioned above?
- What information does it have to date regarding compliance with the framework criteria to be met by any market and production intervention, with due regard for the autonomy granted to Member States in implementing Community provisions?

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<sup>1</sup> OJ L 297, 21.11.1996, p. 1

<sup>2</sup> OJ L 297, 27.11.1996, p. 29