EU: OPFHs will benefit from less bureaucracy and more financial aid in times of crisis

The new rules adopted on 13th March by the European Commission will entail less bureaucracy and more financial aid in times of crisis for the European Fruit and Vegetable Producers Organizations (OPFHs).

> The updating and simplification of the Delegated Regulation of the European fruit and vegetable sector will further strengthen the role of Producer Organizations, making them more attractive to non-members and improving the functioning of the market management system in force

This is the culmination of a biennial review which is part of the Better Regulation initiative launched by the Juncker Commission.

In the words of Agriculture Commissioner Phil Hogan: "in the context of agriculture and food production in Europe, the fruit and vegetable sector is of vital importance. The European

Commission has been and will continue to be at the side of this sector. It is also essential that the millions of farmers who produce some of the highest quality food in the world receive adequate remuneration for their work and that consumers continue to have access to these products.

Every year, 3.4 million farms in the EU as a whole -almost a quarter of all EU farms- *produce fruit and vegetables worth some EUR 47 billion.*

> According to the latest figures available, there are about 1,500 producer organizations, covering 50% of EU fruit and vegetable production

In addition to EU direct aid and co-financing of EU rural development projects, *EU fruit and vegetable producers have benefited from exceptional support measures totaling EUR 430 million since Russia imposed a To the EU's agri-food exports in August 2014. The European Commission also provides additional funding to producer organizations worth around € 700 million each year.*

In addition to these aids to the markets in progress, the new regulations will involve:

• An increase in available aid to the fruit and vegetable sector for market withdrawals, when products have been withdrawn from the market due to unforeseen market events. *Withdrawal prices will go from 30% to 40% of the EU market price average over the last five years in the case of free distribution (so-called withdrawals for charities) and 20% to 30% in the case of withdrawals intended for other uses (eg compost, feed, distillation, etc.).*

• Increased interest in producers' organizations in the fruit and vegetable sector by producers who are not yet members, *thanks to greater clarity regarding the actions of POs eligible for EU financial support (for example, investments in technology or quality improvement) and the establishment in 25% of the maximum percentage of production that can be marketed outside the organization.* Although members are encouraged to deliver all their production to the PO for marketing on their behalf, in many cases the tradition of direct sales to consumers persists as well. *The promotion of short supply chains like this is a fundamental proposal of the Commission, but there is currently only a minimum threshold, set in the current regulation and each Member State sets its own ceiling, so that the new rules will allow a focus more coherent.*

• *Simplification and clarification of legislation in respect of transnational producer organizations and their associations.* These organizations are a key element in the internationalization of the sector, *as they not only contribute to providing farmers with greater market access for their production, but also ensure that the added value generated by increased exports is farmers*. To simplify and clarify payments to transnational organizations, controls and payments, for example, are now linked to the territory where the transnational organization operates.

The Council and the European Parliament now have two months to put the Delegated Rules to a

vote, after which it will come into force

Importance of OPFHs

The EU actively supports the fruit and vegetable sector through its market management system (part of the "Common Organization of Agricultural Markets"), which has four main objectives: *a more competitive and market; less fluctuations in producers' income due to crises; increased consumption of fruit and vegetables in the EU; greater use of environmentally friendly cultivation and production techniques.*

It is essential to have strong producer organizations to deal collectively with unexpected and adverse situations. Through its Common Market Organizations Regulations, *the EU encourages farmers to set up producer organizations in order to strengthen their market-bargaining position vis-à-vis the retail sector, as well as through planning, innovation and the prevention of crises, without forgetting the management measures.* The EU supports farmers in these efforts by offering funding to help them plan their production, innovate and work the countryside while respecting the environment.

Source: European Commission

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