

The common market organisation (CMO) of fruit and vegetables



Screening with Turkey and Croatia

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The CMO of fruit and vegetables



❖ Main objectives

- ❖ Broad overview of the legislation
 - ❖ Reference numbers of the regulations/directives
 - ❖ Main provisions
- ❖ Help for filling in the questionnaire


❖ Consequence

- ❖ Details, exceptions not mentioned



The *CMO* of fruit and vegetables

Basic legislation



- 1. Council Regulation (EC) No 2200/96**
Fresh fruit and vegetables
- 2. Council Regulation (EC) No 2201/96**
Products processed from fruit and vegetables
- 3. Council Regulation (EC) No 2202/96**
Aid scheme for producers of certain citrus fruit
- 4. Council Directive 2001/112/EC**
Fruit juices
Council Directive 2001/113/EC
Fruit jams, jellies and marmalades



1. Council Regulation (EC) No 2200/96

Fresh fruit and vegetables



- ❖ **Products covered**
- ❖ **Marketing standards & conformity checks**
- ❖ **Producer organisations (POs) and groups (PGs)**
 - ❖ Recognition of POs/PGs
 - ❖ Aid to POs and PGs
- ❖ **Interbranch organisations**
- ❖ **Withdrawals (intervention)**
- ❖ **Trade with third countries**



Fresh fruit and vegetables

1.1(1) Marketing standards and conformity checks

❖ Marketing standards

- ❖ Goals (Whereas (3) of 2200/96)
 - ❖ Facilitate trade relations based on fair competition
 - ❖ Keeping unsatisfactory products off the market
 - ❖ Guiding producers to meet consumer expectations
 - ❖ Improve the profitability of production
- ❖ Products to be delivered fresh to the consumer may be classified by reference to a set of standards.
- ❖ Account shall be taken of the standards adopted by the United Nations Economic Commission for Europe (UN/ECE).



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1.1(2) Marketing standards and conformity checks

❖ Standards applicable at every marketing stage: dispatch, wholesale, retail, import, export

❖ Exceptions

- ❖ Products before they reached packaging/preparation plant within the production area
- ❖ Direct sales from the producer to the final consumer
- ❖ Products for processing

❖ Holder responsible, not owner



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1.1(3) Marketing standards and conformity checks

40 products covered by 33 Commission regulations

- ❖ Apples (EC) No 85/2004
- ❖ Apricots (EC) No 851/2000
- ❖ Artichokes (EC) No 1466/2003
- ❖ Asparagus (EC) No 2377/1999
- ❖ Aubergines (EEC) No 1292/81
- ❖ Avocados (EC) No 831/97
- ❖ Beans (EC) No 912/2001
- ❖ Cabbages, Brussels sprouts, Ribbed celery, Spinach (EEC) No 1591/87
- ❖ Carrots (EC) No 730/1999
- ❖ Cauliflower (EC) No 963/98



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1.1(4) Marketing standards and conformity checks

- ❖ Cherries (EC) No 214/2004
- ❖ Citrus fruit (EC) No 1799/2001
- ❖ Courgettes (EC) No 1757/2003
- ❖ Cucumbers (EEC) No 1677/88
- ❖ Cultivated mushrooms (EC) No 1863/2004
- ❖ Garlic (EC) No 2288/97
- ❖ Hazelnuts in shell (EC) No 1284/2002
- ❖ Kiwifruit (EC) No 1673/2004
- ❖ Leeks (EC) No 2396/2001
- ❖ Lettuces, curled-leaved and broad-leaved endives (EC) No 1543/2001
- ❖ Melons (EC) No 1615/2001
- ❖ Onions (EC) No 1508/2001



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1.1(5) Marketing standards and conformity checks

- ❖ Peaches and Nectarines (EC) No 1861/2004
- ❖ Pears (EC) No 86/2004
- ❖ Peas (EC) No 2561/1999
- ❖ Plums (EC) No 1168/1999
- ❖ Strawberries (EC) No 843/2002
- ❖ Sweet peppers (EC) No 1455/1999
- ❖ Table grapes (EC) No 2789/1999
- ❖ Tomatoes (EC) No 790/2000
- ❖ Walnuts in shell (EC) No 175/2001
- ❖ Watermelons (EC) No 1862/2004
- ❖ Witloof chicory (EEC) No 2213/83

- ❖ Mixed packages (EC) No 48/2003



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1.1(6) Marketing standards and conformity checks

- ❖ Basic rules: (EC) No 2200/96 Articles 7 to 10
- ❖ Detailed rules: Commission Regulation **(EC) No 1148/2001**
- ❖ sampling at all marketing stages and during transport by the authorities appointed by each Member State.
- ❖ checks preferably made prior to dispatch from production areas when the products are being packed or loaded.
- ❖ accepted for importation from third countries only if they conform to the marketing standards
- ❖ Products for export to third countries shall be subject to a check for compliance with the standards before they leave the customs territory of the Community.
- ❖ Possibility of approval of the official inspection authorities of the exporting third country.



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1.2(1) Producer organisations and groups

❖ **Council Regulation (EC) No 2200/96**

- ❖ **Commission Regulation (EC) No 1432/2003**
Recognition of producer organisations and producer groups
- ❖ **Commission Regulation (EC) No 1433/2003**
Aid to producer organisations:
Operational programme, operational fund
- ❖ **Commission Regulation (EC) No 1943/2003**
Aid to producer groups



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1.2(2) Producer organisations and groups

❖ **Producer organisations – Whereas (7) and Article 11 of (EC) No 2200/96; (EC) No 1432/2003**

- ❖ Basic element of the CMO
- ❖ Counterweight to the growing concentration of demand
- ❖ Voluntarily formed (and owned) by growers

- ❖ Adjustment of production to demand
- ❖ Concentration of supply (joint sales of the members' products)
- ❖ Reduction of production costs, producer price stabilisation
- ❖ Protection of the environment

- ❖ POs possess the infrastructure to carry out these tasks
- ❖ POs fulfil certain requirements (min. 5 members, min. 100 000 €/year, staff etc.)



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1.2(3) Producer organisations and groups

❖ Aid to POs – (EC) No 1433/2003

- ❖ Based 3-5 years long operational programmes („business plans”) with development measures relating to
 - ❖ Production planning
 - ❖ Concentration of supply
 - ❖ Production cost reduction, producer price stabilisation
 - ❖ Protection of the environment (e.g. organic and integrated production)
 - ❖ Improvement of product quality and/or value
- ❖ Channelled through the operational fund (OF)
- ❖ Members pay 4.1% of the value of marketed production (VMP) to the OF; the EU pays the same amount, no upper limit



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1.2(4) Producer organisations and groups

- ❖ **Producer groups – (EC) No 2200/96, Article 14; (EC) No 1432/2003**
 - ❖ Entities that cannot yet be recognised as a PO (due to a low number of members/turnover, lack of infrastructure...) can have a maximum 5 year transitional period to reach that level
 - ❖ Before recognition they shall present a recognition plan with the measures to be implemented to achieve recognition



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1.2(5) Producer organisations and groups

❖ Aid to producer groups – (EC) No 1943/2003

❖ Aid (co-financed by the Member State) may be granted

❖ Flat-rate aid for setting up and running the PG

- Degressive over time: 5-5-4-3-2% of the VMP over the 5 years, up to 1 000 000 € VMP
- Degressive over value: 2.5-2.5-2.0-1.5-1.5% of the VMP for the part above 1 000 000 €
- Limited: max. 100 000 – 100 000 - 80 000 – 60 000 – 50 000 € over the five years

❖ Special loans to finance investments linked to the implementation of the recognition plan



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1.3. Interbranch organisations

- ❖ (EC) No 2200/96, Articles 19 to 22
- ❖ Made up of representatives of activities linked to production and/or trade and/or processing
- ❖ Activities (whole list in Article 19(1)(c) of 2200/96)
 - ❖ Improving market knowledge and transparency
 - ❖ Standard contracts
 - ❖ Research
 - ❖ [...]
- ❖ May make certain rules and financial contribution compulsory for non-members



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1.4. Withdrawals

- ❖ (EC) No 2200/96 Whereas (16) to (18), Articles 23 to 30;
(EC) No 103/2004
- ❖ Main goal: stabilise prices by not putting up for sale certain quantities at certain periods
- ❖ Decision on withdrawal made by POs; individual growers have access to the system through POs
- ❖ Community withdrawal compensation for certain products (2200/96 Annex II) to cover production costs, paid for max. 5%, 8.5% or 10% of the quantity marketed by the PO
- ❖ Withdrawn products must comply with marketing standards
- ❖ Use of withdrawn products: charity, animal feed, distillation, composting



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1.5(1) Trade with third countries

❖ Import

- ❖ Application of the common custom tariff
- ❖ Preferential agreements with certain third countries: tariff reductions without limits or within tariff quotas
 - ❖ See the **TARIC homepage**:
http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
 - ❖ Special import quota management method for garlic: **(EC) No 565/2002, (EC) No 1870/2005)**
- ❖ Entry price system – **(EC) No 3223/94**
- ❖ Special safeguard clause – **(EC) No 1555/96**



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1.5(2) Trade with third countries

❖ Export

- ❖ Export refunds – **(EC) No 1961/2001**
(actual rates published regularly in further regulations)
 - ❖ WTO-bound maximum quantities and amounts
 - ❖ Products concerned
 - Tomatoes
 - Shelled almonds
 - Hazelnuts
 - walnuts in shell
 - Apples
 - Peaches
 - Certain citrus fruit



2. Council Regulation (EC) No 2201/96

Products processed from fruit and vegetables

- ❖ **Products covered**
- ❖ **Aid system**
- ❖ **Trade with third countries**



Products processed from fruit and vegetables

2.1(1) Aid system

❖ For tomatoes, peaches and pears – (EC) No 1535/2003

- ❖ For the production of certain processed products (Annex I)
- ❖ Based on contracts between POs and processors
- ❖ Individual growers can also participate, but only through POs
- ❖ Aid paid to the POs
 - ❖ Tomatoes 34.50 €/ton
 - ❖ Peaches 47.70 €/ton
 - ❖ Williams and Rocha pears 161.70 €/ton
- ❖ Processing thresholds per Member State and product (Annex II): if overrun, aid reduced next year
- ❖ Minimum requirements for raw materials and finished products: **(EEC) No 1764/86, 2319/89, 2320/89, (EC) No 1010/2001**



Products processed from fruit and vegetables

2.1(2) Aid system

❖ Production aid for dried figs and d'Ente prunes (EC) No 1535/2003, (EC) No 464/1999

- ❖ Paid to processors that paid not less than the minimum price (fixed before each marketing year)
- ❖ Aid per net weight of the processed product
 - ❖ (in marketing year 2004/2005 for dried figs: 139.77 €/net ton)
 - ❖ (in marketing year 2004/2005 for d'Ente prunes: 923.17 €/net ton)
- ❖ Based on contracts between POs and processors
- ❖ Individual growers can also participate, but only through POs
- ❖ Minimum requirements for finished products:
(EC) No 1573/1999 (also (EC) No 464/1999)



Products processed from fruit and vegetables

2.1(3) Aid system

❖ Aid for grapes – (EC) No 1621/1999

- ❖ For grapes intended for the production of dried grapes: sultanas, Muscatel, currants
- ❖ Aid per hectare on the basis of the average yield, for a maximum guaranteed Community area (aid reduced if exceeded)
- ❖ Paid to processors that paid not less than the minimum price (fixed before each marketing year)
- ❖ Based on contracts between POs/individual producers and processors
- ❖ Minimum requirements for finished products:
(EC) No 1666/1999
- ❖ Replanting aid to combat phylloxera



Products processed from fruit and vegetables

2.2. Buying-in

❖ **Buying-in of sultanas, currants and dried figs (EC) No 1622/1999**

- ❖ Carried out by storage agencies
- ❖ Maximum quantity, buying-in price
- ❖ Storage aid paid to the storage agencies
- ❖ Bought-in products sold by tender or at a price fixed in advance



Products processed from fruit and vegetables

2.3(1) Trade with third countries

❖ Import

- ❖ Application of the common custom tariff
- ❖ Preferential agreements with certain third countries: tariff reductions without limits or within tariff quotas
 - ❖ See the **TARIC homepage**:
http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
- ❖ Special import quota management method for preserved mushrooms – **(EC) No 1864/2004)**



Products processed from fruit and vegetables

2.3(2) Trade with third countries

❖ Export

- ❖ Export refunds – **(EC) No 1429/95**
(actual rates published regularly in further regulations)
 - ❖ WTO-bound maximum quantities and amounts
 - ❖ Products concerned
 - Dried grapes
 - Provisionally preserved cherries
 - Tomato concentrate
 - Fruit preserved by sugar
 - Nuts
 - Orange juice



3. Council Regulation (EC) No 2202/96 Aid scheme for certain citrus fruit



- ❖ **Products covered**

- ❖ **Aid system**

- ❖ **Detailed rules – (EC) No 2111/2003**



Aid scheme for certain citrus fruit

3.1. Products



❖ Products covered

- ❖ Lemons, grapefruit, oranges, mandarins and clementines processed into juice
- ❖ Clementines and satsumas processed into segments



Aid scheme for certain citrus fruit

3.2. Aid system

- ❖ Based on contracts between POs and processors
- ❖ Individual growers can also participate, but only through POs
- ❖ Aid (2202/96, Annex I) paid to the POs
 - ❖ Between 81.90 €/ton and 112.70 €/ton, depending on the product and the type of contract
- ❖ Processing thresholds per Member State and product (2202/96, Annex II): if overrun, aid reduced next year
- ❖ Minimum quality requirements for raw materials



The simplification of the fresh and processed fruit and vegetables CMO

❖ Commission documents

http://europa.eu.int/comm/agriculture/publi/reports/fruitvegsimpl/index_en.htm

❖ Council Presidency conclusions

http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/agricult/82845.pdf

- ❖ More market-oriented CMO
- ❖ Adaptation to the enlarged Union
- ❖ Focus on: POs, market crisis, additional products, simplification of operational funds, promotion of consumption
- ❖ Simplification for fresh fruit and vegetables
- ❖ Alignment with 2003 CAP reform for products processed from fruit and vegetables



The simplification of the fresh and processed fruit and vegetables CMO

❖ Projected timeframe

- ❖ Early 2006: Impact studies and assessments ready
- ❖ 2nd half of 2006: Draft Council Regulation
- ❖ 2007: Adoption
- ❖ 2008: Entry into force



Council Directive relating to fruit juices and certain similar products intended for human consumption

❖ 2001/112/EEC

- ❖ Product names, definitions and characteristics
 - ❖ Fruit juice
 - ❖ Fruit juice from concentrate
 - ❖ Concentrated fruit juice
 - ❖ Dehydrated/powdered fruit juice
 - ❖ Fruit nectar
- ❖ Authorised ingredients, treatments and substances
- ❖ Definitions of raw materials
- ❖ Particular designations (in certain languages)
- ❖ Special labelling requirements (complementing **Directive 2000/13/EC**)



Council Directive relating to fruit jams, jellies and marmalades and sweetened chestnut purée intended for human consumption

❖ 2001/113/EEC

- ❖ Product names, definitions and characteristics
 - ❖ Jam
 - ❖ Extra jam
 - ❖ Jelly
 - ❖ Extra jelly
 - ❖ Marmalade
 - ❖ Jelly marmalade
 - ❖ Sweetened chestnut purée
- ❖ Authorised ingredients
- ❖ Definitions and treatment of raw materials
- ❖ Special labelling requirements (complementing **Directive 2000/13/EC**)

