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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.09.2004
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COMMISSION STAFF WORKING DOCUMENT

Analysis of the common market organisation in fruit and vegetables

1. FOREWORD

In August 2004 the European Commission presented to the Council and the European Parliament its report on the simplification of the common market organisation (CMO) in fruit and vegetables (COM(2004) 549 final). This report aimed preliminary to describe how the Commission simplified the CMO in the years 2002 to 2004, acting on certain areas of shortcomings on the basis of the Council requests; it was also intended to stimulate a debate in the institutions and within the sector by the means of a series of strategic open questions on the future developments of the CMO. This report was conceived as being accompanied by a working document of the Commission services presenting:

– an analysis of the principal figures of the sector;

– an analysis of budgetary issues in the recent years;

– an in-depth analysis of the implementation of one of the CMO's pillars, the producer organisations (POs) and the related Operational Funds.

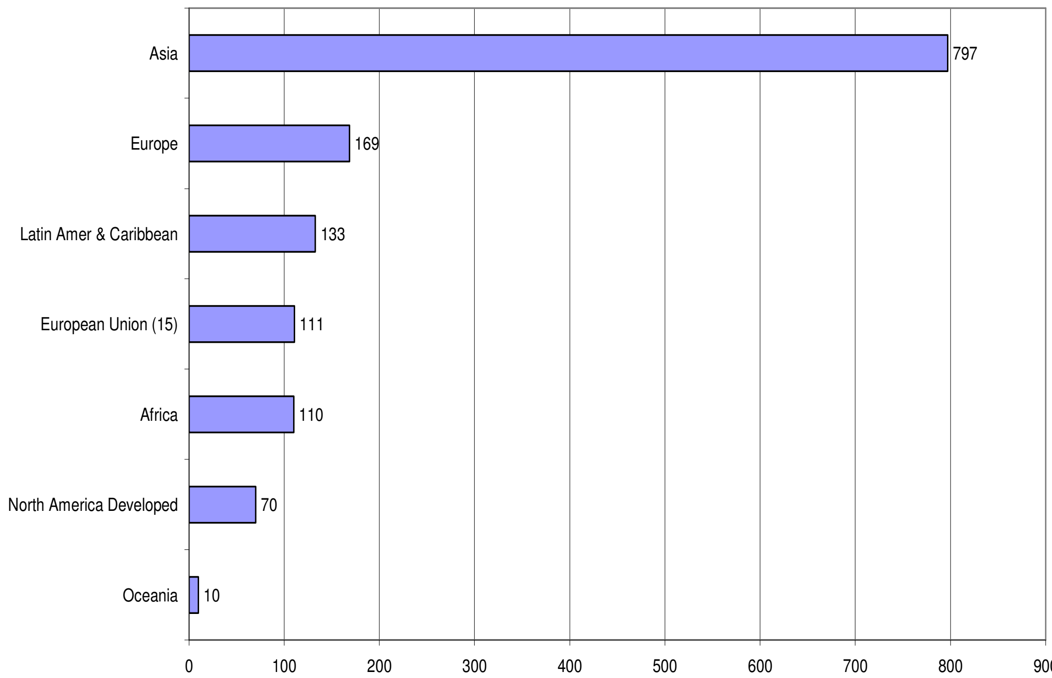
The main aim of this working document is consequently to provide a solid background for the debate on the abovementioned strategic questions.

2. Major facts of the sector

2.1. World supply and demand[1]

In 2001-2003, world production of fruit and vegetable products amounted annually to 1 290 million tonnes in average: fruit amounted to 480 million tonnes and vegetables to 810 million tonnes. Asia is by far the leading production region with a share of 62% and a sustained growth (in particular thanks to China), followed by Europe (14%), Latin America and Caribbean (11%), Africa (9%) and North America (6%). The share of the EU-15 is 10%.

World production of fruit and vegetables by main regions in million tonnes (average 2001-2003)
(world: 1290 million tonnes)

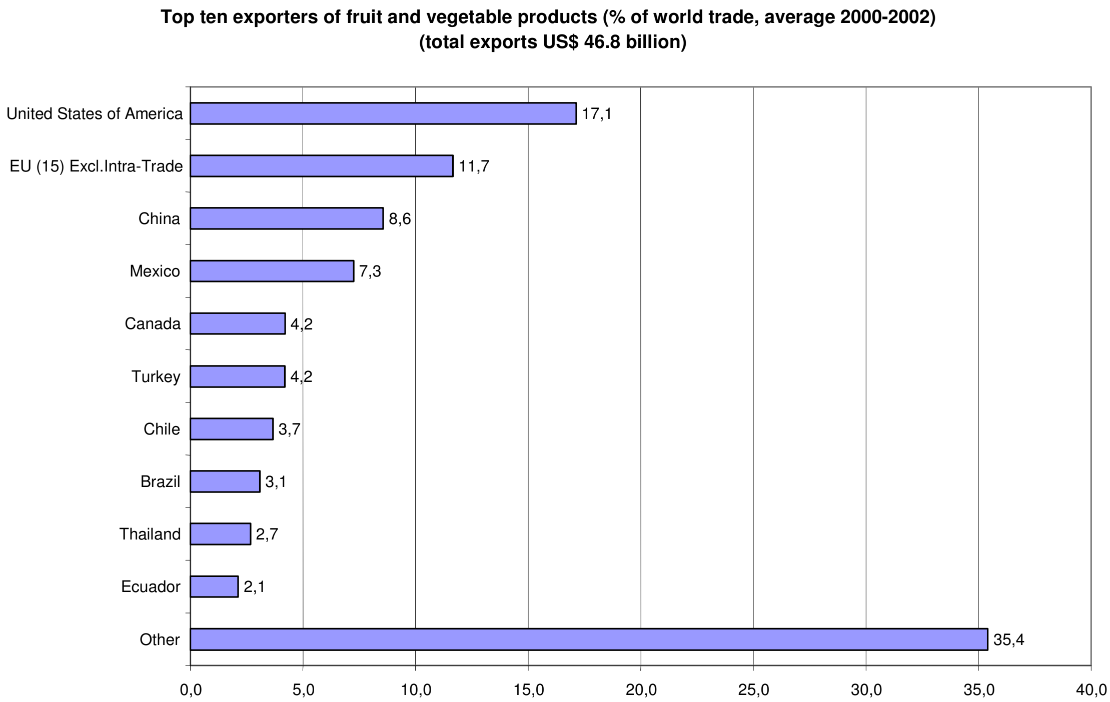


The largest producer in 2001-2003 is China with a share of 35% of world production (25% in 1995), followed by India (10%), the EU-15 (9%) and the USA (5%).

It must be emphasised that production of fruit and vegetables has increased by 36% in volume in the period 1995-2003. Two-thirds of this growth originates in China where production has increased by 96% (from 250 million tonnes in 1995 to 480 million tonnes in 2003). Growth in the other major producers has not reached such a high level: 6% in the EU-15, 38% in India and 3% in the USA.

[1] FAO data. All fruit and vegetables (excluding potatoes, including all kinds of grapes). The aggregates are therefore wider than products covered by the common market organisation for fruit and vegetables.

2.2. World and EU trade



World trade in fruit and vegetable products[1] revolves around €50 billion per year (taking the EU as one entity, intra-EU trade excluded). In value in the period 2000-2002, the USA were the leading exporter with a share of 17.1% of world exports. They were followed by the EU (11.7%), China (8.6%) and Mexico (7.3%). More than half imports are directed to three major markets: the EU is the largest one (25.0% of world imports), followed by the USA (19.8%) and Japan (11.1%).

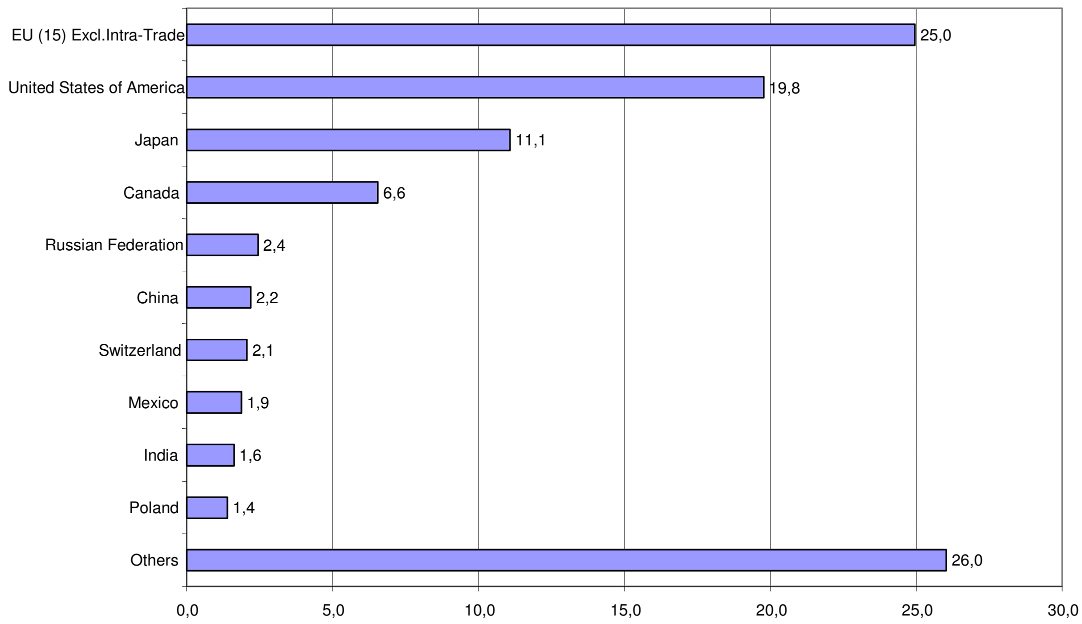
The EU registered the highest trade deficit with €8.6 billion (annual average of 2001 and 2002), Japan comes second with a deficit of €6.2 billion. Highest trade surpluses are achieved by China (€3.3 billion), Mexico (€2.6 billion) and Turkey (€2.1 billion).

In the last few years, the EU-15 has exported annually more than 2.5 million tonnes of fresh fruit, of which approximately one-third were directed to the candidate countries, now EU Member States. Exports of fresh vegetables have steadily increased since the 1990s and, on average in 2001-2003, reached 1.4 million tonnes. Exports of processed vegetables are more important: they have developed dynamically since the late 1990s to reach 2.5 million tonnes in average for 2002-2003 (€1.7 billion).

A major part of trade of the EU in fruit and vegetables is intra-regional. Once the latter is taken into consideration, the weight of the EU in world trade is even higher than above-mentioned: the EU is the main destination as well as the main supply region with almost half of the world imports and more than 40% of world exports.

[1] FAO data (the 'fruit and vegetables' aggregate includes processed products, potato products and all grapes, wine excluded; it is therefore much wider than products covered by the fruit and vegetables CMO).

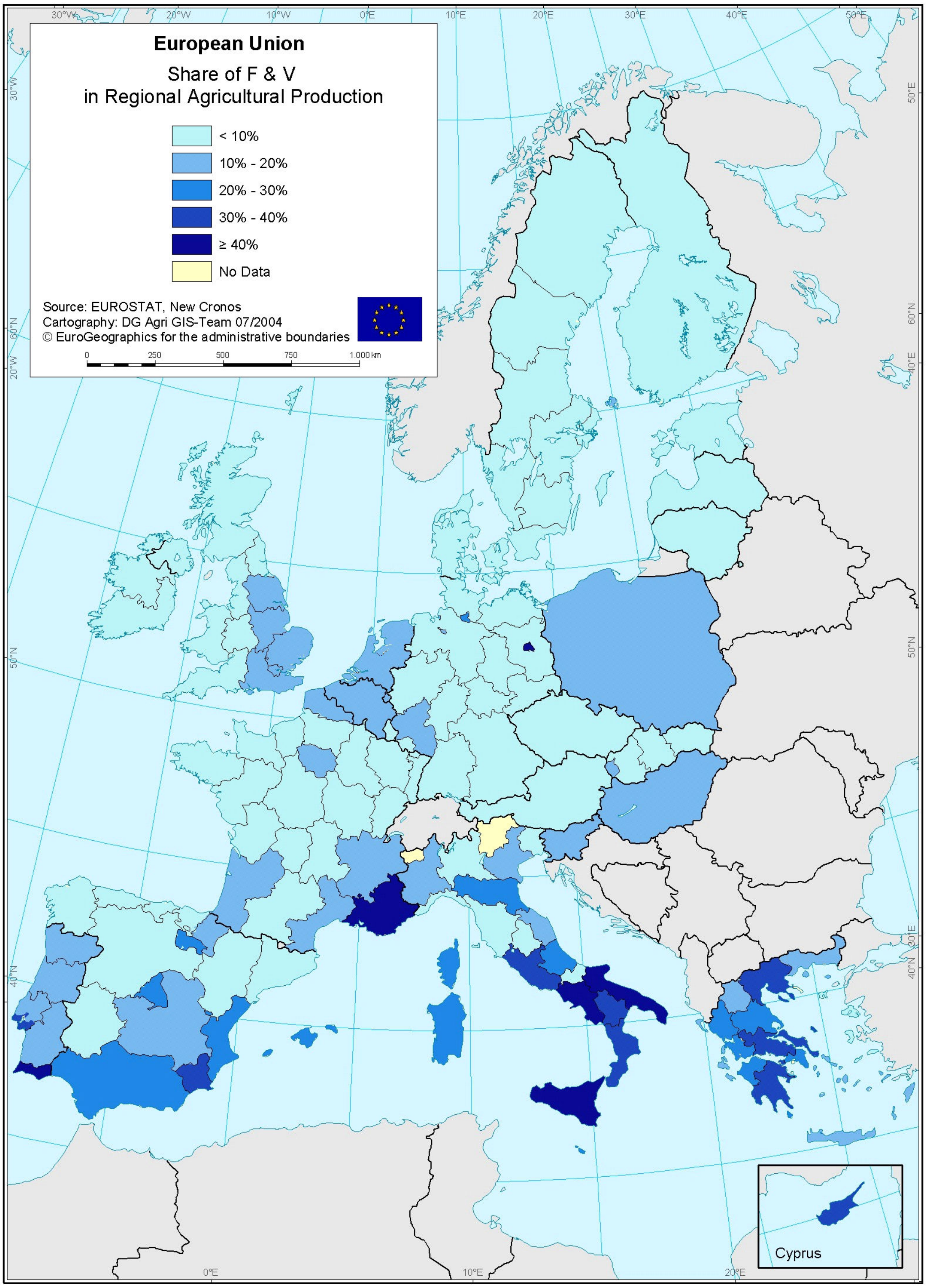
Top ten importers of fruit and vegetable products (% in value, average 2000-2002)
(world imports: US$ 53 billion)



2.3. Significance of the sector of fruit and vegetables in the EU

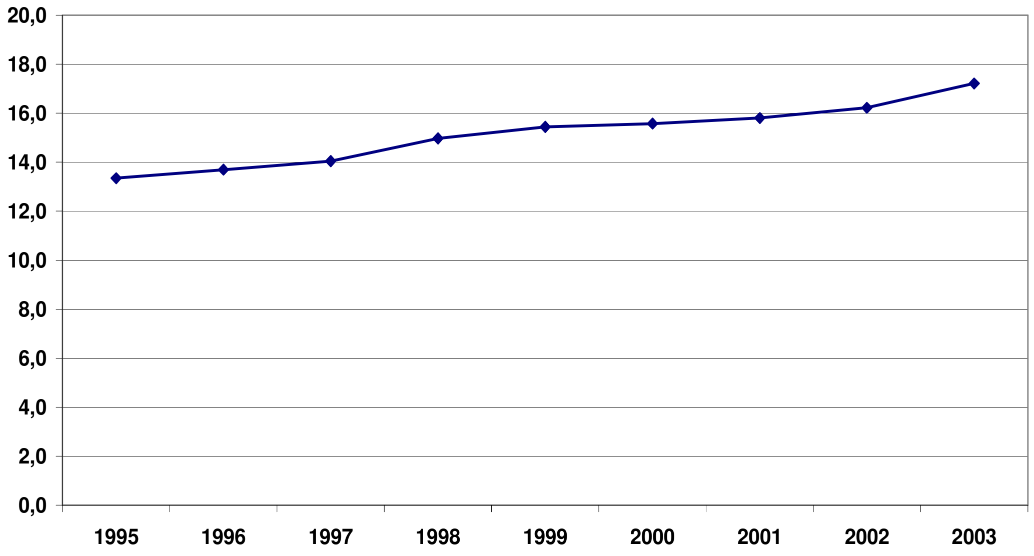
The economic weight of the sector of fruit and vegetable products represents an average of 16.4% of total agricultural production[1] of the EU-15 in the period 2001-2003 (for 2003, the share of the sector is 17.2% for the EU-15 and if we include the 10 new member countries 16.8%). The economic importance of the sector has increased steadily in the last few years (it has increased from 13.4% in 1995 to 17.2% in 2003), partly due to the decrease in market prices of the other products following the different CAP reforms. The significance of the sector is particularly high in Greece (34.5% in 2001-2003), Spain (32.3%), Portugal (30.8%), Italy (25.0%), Malta (24.1%). It is also important in Belgium (16.7%), Hungary (15.1%), Poland (13.9%), the Netherlands (13.1%), Slovenia (11.3%) and France (11.1%). The major producing regions of the EU are Andalucia (with a share of fruit and vegetable production in total agricultural production of 28.3%), Murcia (36.1%), Provence Alpes Côte d'Azur (42.0%), Emilia-Romagna (24.2%), Campania (42.4%), Puglia (42.4%) and Sicilia (47.8%).

[1] Production of agricultural goods (does not include services). The concept of final agricultural production (FAP) is no longer used in the economic accounts of agriculture.

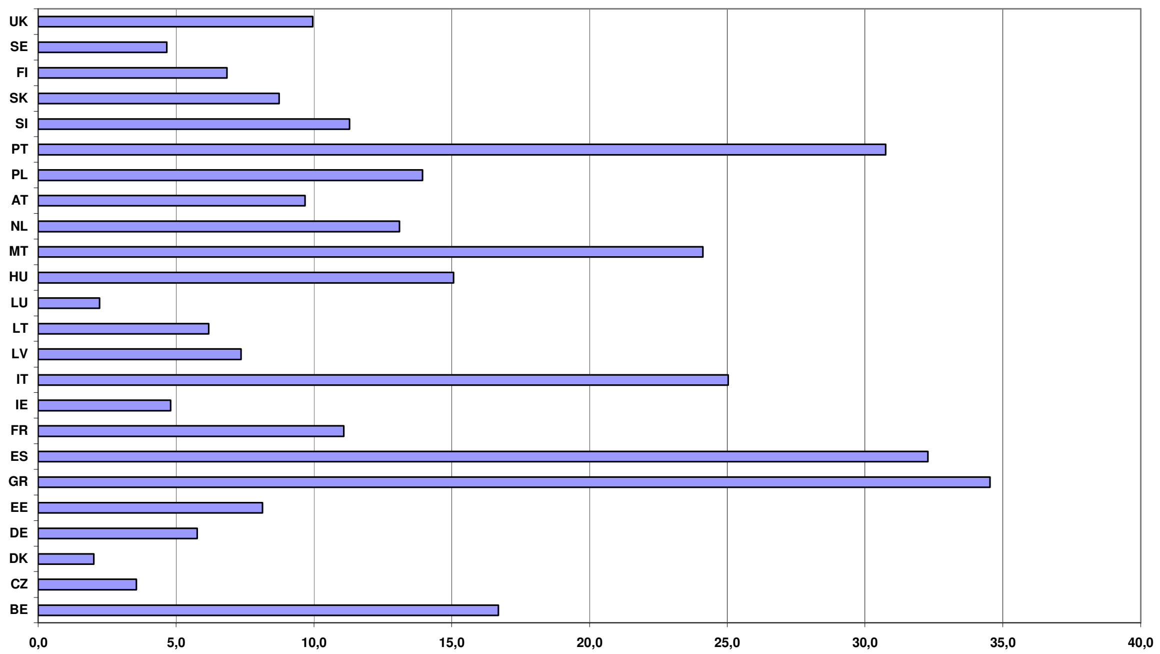

European Union
Share of F & V
in Regional Agricultural Production
< 10%
10% - 20%
20% - 30%
30% - 40%
≥ 40%
No Data
Source: EUROSTAT, New Cronos
Cartography: DG Agri GIS-Team 07/2004
© EuroGeographics for the administrative boundaries
0
250
500
750
1.000 km
Cyprus

EN EN

Share of the fruit and vegetable sector in total agricultural production in the EU-15 (percent)

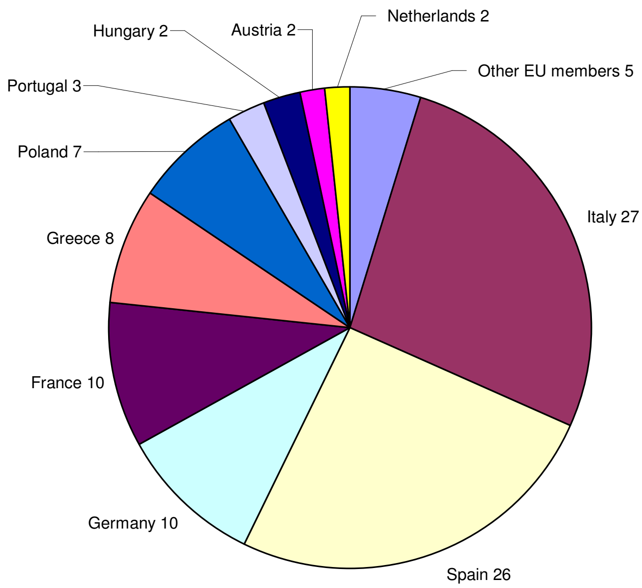


Share of fruit and vegetable production in total agricultural production (%, average 2001-2003)



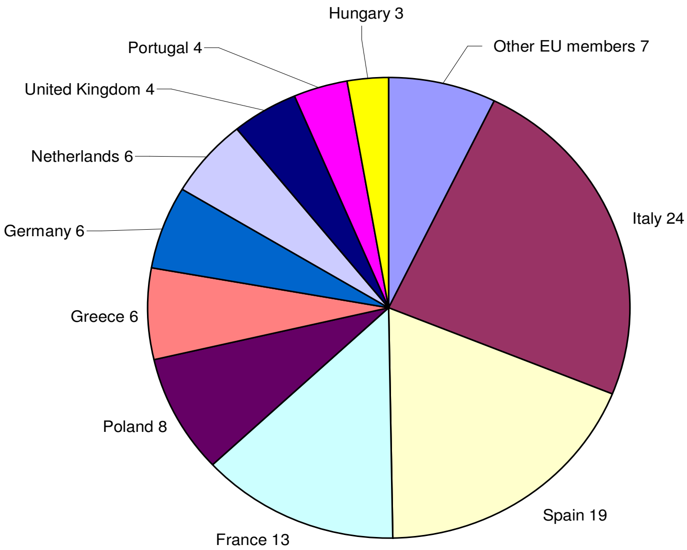
2.4. Supply and demand in the EU

Fruit: share of the top ten countries in total EU-25 production (% in volume, 2000-2002)



In 2000-2002, in the EU-15 annual production of vegetables amounted 55 million tonnes, of which 15 million tonnes of tomatoes. Annual production of fruit was 35 million tonnes, of which 9.7 million tonnes of citrus fruit. Production levels have slightly increased since the mid-1990. With the enlargement to ten new Member States, production levels will increase to 64 million tonnes for vegetables and 40 million tonnes for fruit.

Vegetables: share of top ten countries in EU-25 production (% in volume, 2000-2002)



Intra-EU trade is an important factor in the development of fruit production. In 2000-2002, 35% of fruit production was exported within the EU market. The significance of intra-EU trade is much lower for vegetables, for which it stands at 14% of EU production.

Italy is the main producer of vegetables with 15.2 million tonnes, followed by Spain with 12.0 million tonnes. For fruit, Italy's production stands at 10.6 million tonnes while Spain's amounts to 10.2 million tonnes.

2.5. Production structures

The sector occupies around 4% of the Utilised Agricultural Area (UAA) of the EU-25.

Results of the last two agricultural censuses allow drawing the main lines of evolution of specialised farm structures in the EU-15 between 1990 and 2000. The number of farms specialised in fruit and vegetable production has decreased from 990 400 in 1990 to 750 000 in 2000. The area cultivated by specialised holdings has decreased by 272 000 hectares for fruit between 1990 and 2000, but has increased by 50 000 hectares for vegetables.

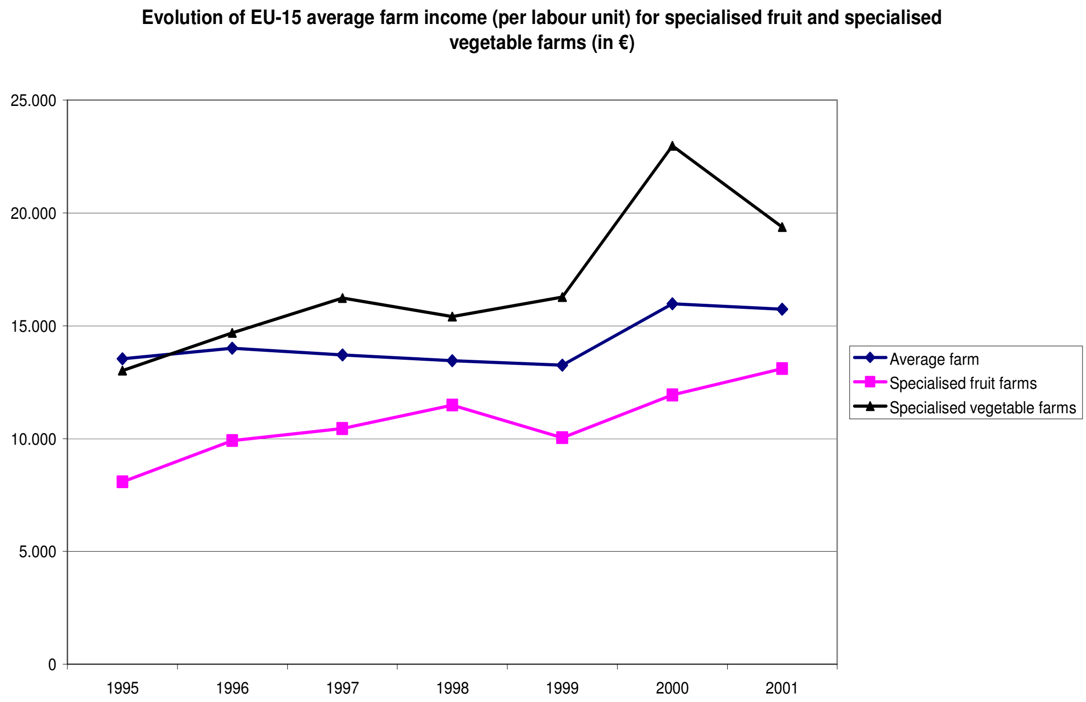
The total number of holdings specialised in fruit production in the EU-15 has decreased from 691 700 in 1990 to 537 700 in 2000 while the average utilised agricultural area (UAA) per holding has increased from 3.4 to 3.9 hectares. The number of commercial specialised holdings[1] has been stable at around 65 000 in the period 1990-2000 with a slight increase of average UAA per holding from 16.5 to 17.0 hectares. The total number of holdings specialised in vegetable production has decreased from 298 730 in 1990 to 212 300 in 2000 while the average UAA per holding has increased from 3.8 to 5.5 hectares. The number of commercial holdings specialised in vegetable production has been relatively stable at around 67 000 with an increase of the average UAA per holding from 11.3 to 14.4 hectares

2.6. Income situation

The average farm income per labour unit is substantially higher in specialised vegetable farms than in specialised fruit farms[2]. The analysis in the period 1995-2001 shows that, at the EU-15 level, the growth of income of specialised fruit farms and specialised vegetable farms has been higher than for the average farm. In the case of specialised vegetable farms, income has outpaced the average level. For specialised fruit farms while the income still stands below the average farm income, especially in southern European countries, the gap has narrowed.

1 Holdings with an economic size above 16 European Size Units (ESU). The value of the ESU was €1 200 for the agricultural census of 2000.

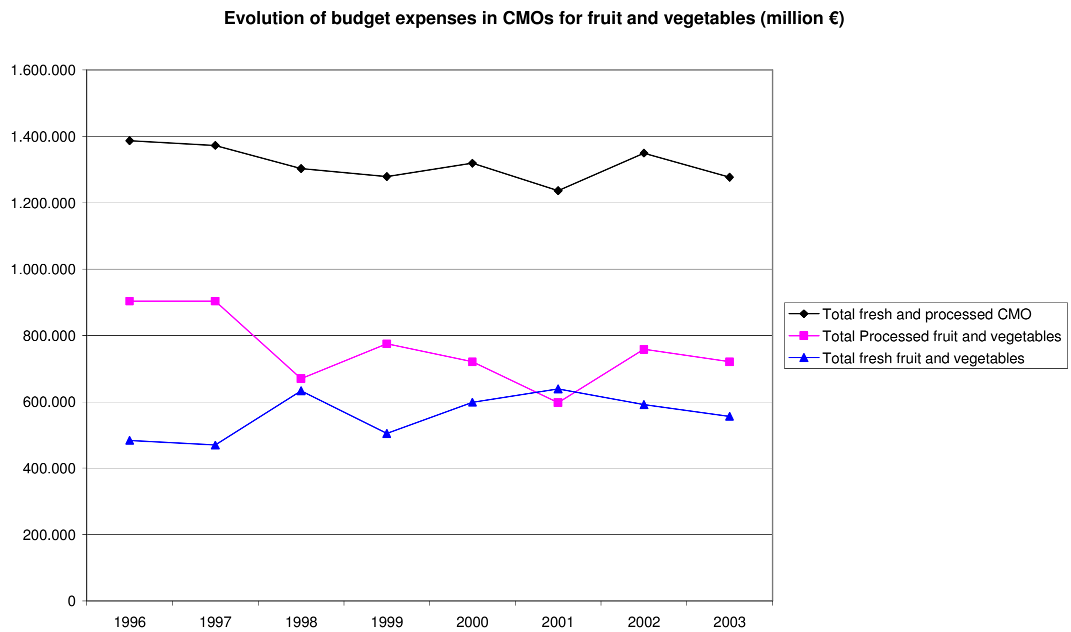
2 In the EU farm classification: specialised fruit farms: farm class 32; specialised vegetable farms: farm class 143, 201 and 203.



3. ANALYSIS OF THE MAJOR BUDGETARY TRENDS IN RECENT YEARS

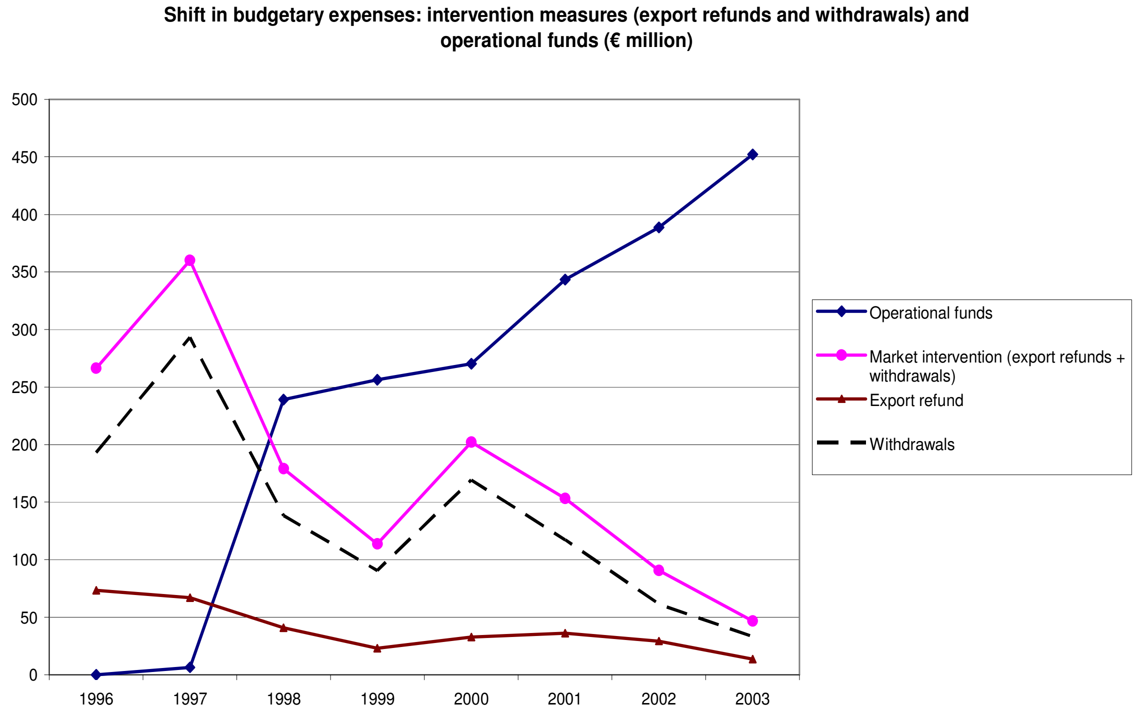
3.1. General trends

As exemplified by the following graph, since 1997 the global EU budget devoted to fruit and vegetables has declined. The same consideration can be done if we considered the CMOs for fresh and processed F & V separately.



3.2. Support to operational funds of producer organisations

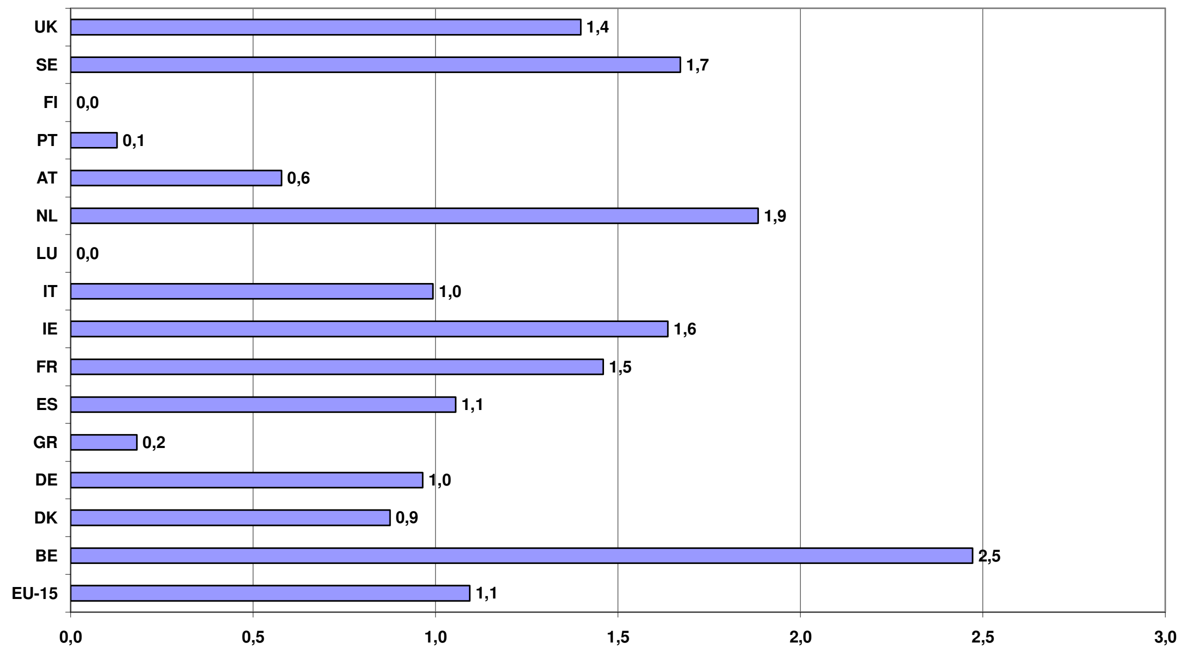
Since implementation of the CMO reform of 1996, the structure of budgetary expenses has changed dramatically in the CMO for fresh fruit and vegetables, as shown in the graph below.



EAGGF expenses to operational funds have steadily increased since the inception of the 1996 reform of the CMO. In 2003 expenses for operational funds reached €452 million.

In 2003, EAGGF payments for operational funds stood at 1.1% of total fruit and vegetable production in value at the EU level. For the MS where fruit and vegetable production is significant, EAGGF support varied between 0.1% in Portugal and 2.5% in Belgium.

EAGGF payments to Operational Funds as a percentage of production of fresh fruit and vegetables in 2003



Several reasons explain why support to operational funds stands well below the ceiling of 4.1% of the value of marketed production. Firstly, marketed production of fruit and vegetables by producer organisations stands at around 40% of total production at the EU level (for more details, see chapter 3 of this document). However, even if one considers only the production which is marketed through producer organisations, EAGGF expenses still reaches only 2.7% of that level. Secondly, support to operational funds includes features that play the role of "budgetary stabilisers". These features include the co-financing of operational funds by producer organisations and the nature of measures supported by operational programmes.

4. PRODUCER ORGANISATIONS (POs) AND OPERATIONAL FUNDS (OFs)

4.1. Introduction

The results presented in this working document section are the outcome of an in-depth analysis carried out by the Commission services on the basis of the yearly reporting routine enforced by article 26 of regulation (EC) n°1433/2003, according to which MS are due to send to the Commission an annual report on POs and use of OFs. The updating of the data on POs, Producer Groups (PGs) and Associations of POs (APOs), made on 2004 and referring to data on the 2000, 2001 and 2002 uptake, has been made in close association with the Member States (EU15). It should be specified that:

– All the data presented in this document result only from Member States (except data concerning OF expenditures for withdrawals).

– Cells on tables containing "nc" mean that no datum was communicated by the Member State.

4.2. Producer organisations and fruit and vegetable production

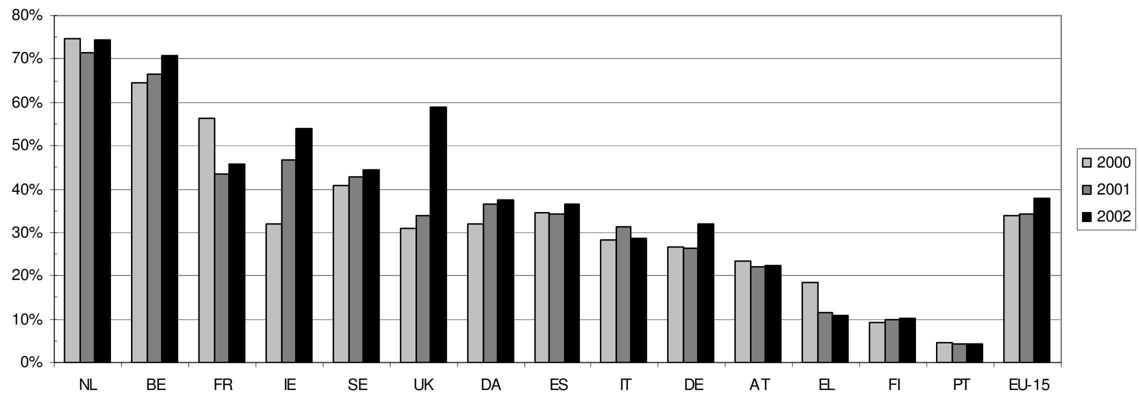
4.2.1. Rate of organisation of the fruit and vegetables sector

The rate of organisation of the fruit and vegetables sector of EU-15 does not exceed 40% and progresses slightly between 2000 and 2002 to reach 38%. A great heterogeneity could be observed among Member States: NL and BE having the strongest rate of organisation (about 70%), while PT holds the lowest rate (5%). It should be noted that IE and UK strongly progressed in 2002 while EL decreased.

	2000			2001			2002		
	Total Production of F&V (mio €)	Total production of POs (mio €)	Organisation rate	Total Production of F&V (mio €)	Total production of POs (mio €)	Organisation rate	Total Production of F&V (mio €)	Total production of POs (mio €)	Organisation rate
NL	2.329	1.744	74,9%	2.366	1.693	71,5%	2.329	1.736	74,5%
BE	1.070	691	64,6%	1.054	700	66,4%	1.040	736	70,7%
FR (1)	5.500	3.087	56,1%	6.050	2.638	43,6%	5.988	2.730	45,6%
IE	186	59	31,9%	204	95	46,8%	225	122	54,0%
SE	163	67	41,0%	175	75	42,7%	177	79	44,4%
UK	1.780	550	30,9%	2.008	684	34,1%	1.959	1.157	59,1%
DA	152	49	32,0%	139	51	36,5%	133	50	37,4%
ES	10.087	3.476	34,5%	10.521	3.594	34,2%	10.403	3.814	36,7%
IT (2)	9.537	2.691	28,2%	9.282	2.889	31,1%	9.842	2.833	28,8%
DE	2.003	537	26,8%	2.115	560	26,5%	1.934	616	31,8%
AT	351	82	23,3%	422	94	22,2%	440	99	22,5%
EL	2.541	470	18,5%	2.949	342	11,6%	3.299	362	11,0%
FI	204	19	9,3%	203	20	10,0%	220	22	10,1%
PT	1.354	63	4,7%	1.407	60	4,3%	1.806	79	4,4%
EU-15	37.257	13.586	**34,0%**	38.895	13.494	**34,4%**	39.795	14.435	**37,9%**

(1): Total production of F and V of France includes production of bananas.
(2): One region (Calabria) is missing in the italian data.

Organisation rate of the F&V sector - EU15



4.2.2. Number of POs and APOs

The number of active POs in the EU falls very slightly between 2000 and 2002, compared to data presented in the 2001 report, and turns roughly around 1 350.

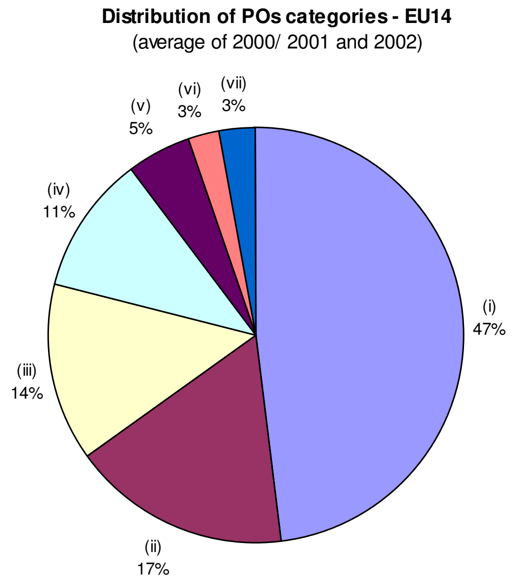
APOs are very few (approximately 15) and concentrate about 6% of the European POs, while representing about 12% of the value of marketed production (VMP) channeled through POs.

As well as the rate of organisation, the number of POs greatly differs among MS : ES and FR have the great number of POs (550 for ES and 320 for FR), while AT, DK, FI and SE have the fewer (less than 10 POs). Details are presented in Annex I, table 1.

4.2.3. *The POs' distribution by category*

The differentiation in 7 categories of POs introduced by the '96 reform has not impelled a significant specialisation: the following graph shows that the more important category is by far category (i), i.e. the non-specialised category (see also Annex II, graph 1).

It has to be noted that only 50% of data on the POs recognition categories are available. More specifically, we have no piece of data for the Spanish POs.



4.2.4. *Number of POs members*

The following data should to be considered with precaution, due to the fact that MS do not seem having interpreted the different categories in a harmonised way.

The European POs concentrate approximately 460 000 members to whom a few hundred transnational members must be added.

	2000			2001			2002		
	Number of physical national members	Number of legal national members	within number of transnational members	Number of physical national members	Number of legal national members	within number of transnational members	Number of physical national members	Number of legal national members	within number of transnational members
AT	2.138	0	0	2.051	4	0	2.129	6	0
BE (1)	17.315	nc	nc	14.968	838	262	14.809	997	347
DA	431	0	0	424	0	0	429	0	0
DE	22.739	212	18	20.490	220	16	19.566	259	16
EL	96.385	24	0	94.900	30	0	100.395	33	0
ES (1)	252.081	nc	nc	235.515	nc	nc	211.936	nc	nc
FI	654	9	0	650	9	0	671	9	0
FR	nc	nc	nc	21.775	7.880	152	nc	nc	nc
IE	399	28	0	403	28	0	386	65	0
IT	43.166	1.114	0	80.150	895	0	84.185	1.193	1
NL	11.290	741	55	9.528	736	60	8.212	565	226
PT (1)	6.931	nc	nc	7.411	218	0	6.973	308	0
SE	456	136	0	473	136	0	456	342	0
UK	1.601	341	17	1.682	377	68	1.651	98	47
EU-15	455.586	2.605	90	490.420	11.371	558	451.798	3.875	637

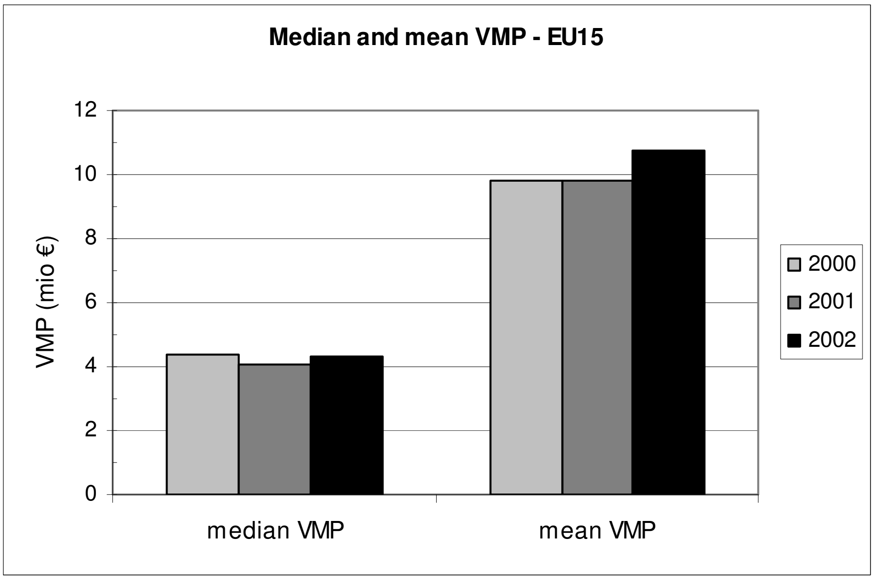
(1) : Data given are supposed to contain physical and legal members.

The three histograms presented on Annex II, graph 2 show that the majority of the European POs include less than 50 members. It has to be noted that it is not possible to establish any correlation or direct link between the number of members of a PO and its VMP.

4.2.5. *Value of Marketed Production through POs (VMP)*

Between 2000 and 2002, the median VMP of the European POs is approximately equal to €4 million.

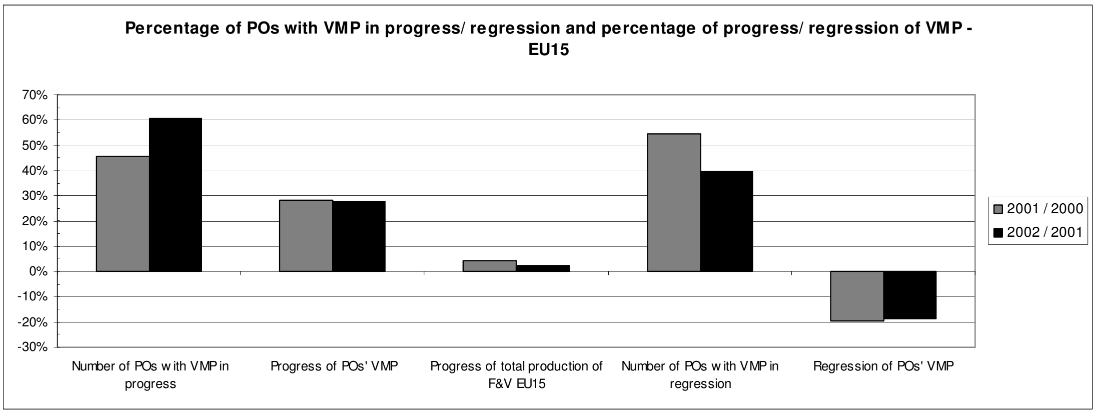
	2000		2001		2002	
	median VMP (mio €)	mean VMP (mio €)	median VMP (mio €)	mean VMP (mio €)	median VMP (mio €)	mean VMP (mio €)
AT	18,0	20,5	6,7	18,7	7,7	19,8
BE	12,5	46,0	13,6	46,7	23,0	49,0
DA	3,2	9,7	2,9	10,2	3,3	10,0
DE	9,9	15,3	11,9	17,0	11,8	17,6
EL	2,3	3,9	2,2	2,9	2,0	3,1
ES	3,1	6,1	3,3	6,4	4,1	7,3
FI	1,1	2,7	1,0	2,9	1,3	3,7
FR	5,9	9,1	4,9	8,0	5,4	8,7
IE	2,8	5,4	3,5	6,8	4,3	7,1
IT	10,4	19,1	11,1	19,3	6,9	16,6
NL	22,0	124,6	27,8	120,9	42,2	124,0
PT	1,1	1,6	1,1	1,5	1,5	2,1
SE	4,1	9,5	4,8	9,3	5,0	11,2
UK	3,3	7,1	5,1	9,9	7,8	16,1
EU-15	4,4	9,8	4,1	9,8	4,3	10,8



The median value has been considered as being more representative than the average one. The average VMP accounts for more than double of the median VMP, showing the existence of some POs in Europe presenting a huge economic dimension. This difference between the two values is particularly remarkable for NL. It should also be noted that DK, EL, ES, FI, IE and PT have a median VMP lower than the EU-15 median VMP.

The table and the graph below present the evolution of the POs VMP. Between 2000 and 2002, the POs for which the VMP increases (46% between 2000 and 2001 and 60% between 2001 and 2002) improve their economic result of about 30% every year while for the same period the total EU production of F&V progresses only by 3.5% a year.

	2001 / 2000				2002 / 2001			
	Number of POs with VMP in progress / 2000 (%)	Progress of VMP / 2000 (%)	Number of POs with VMP in regression / 2000 (%)	Regression of VMP / 2000 (%)	Number of POs with VMP in progress / 2001 (%)	Progress of VMP / 2001 (%)	Number of POs with VMP in regression / 2001 (%)	Regression of VMP / 2001 (%)
AT	50%	22%	50%	-47%	60%	12%	40%	-5%
BE	73%	11%	27%	-5%	71%	6%	29%	-4%
DA	60%	33%	40%	-12%	60%	14%	40%	-26%
DE	61%	15%	39%	-8%	58%	15%	42%	-7%
EL	37%	21%	63%	-44%	34%	109%	66%	-31%
ES	53%	24%	47%	-20%	65%	27%	35%	-21%
FI	71%	13%	29%	-13%	33%	94%	67%	-5%
FR	19%	62%	81%	-22%	65%	23%	35%	-24%
IE	73%	60%	27%	-15%	86%	56%	14%	-27%
IT	61%	28%	39%	-29%	39%	24%	61%	-27%
NL	64%	21%	36%	-7%	71%	21%	29%	-4%
PT	48%	14%	53%	-23%	74%	23%	26%	-22%
SE	86%	12%	14%	-26%	57%	13%	43%	-13%
UK	64%	60%	36%	-32%	83%	68%	17%	-30%
EU-15	46%	28%	54%	-20%	60%	28%	40%	-19%



Finally, the histograms presented in Annex II, graph 3 show that the majority of POs presents a substantial increase in their VMP from 2000 to 2002. They start in 2000 with a VMP ranging between €1 and 2 million to reach, in 2002, a VMP ranging between €4 and 5 million.

The previous data could lead to a first general conclusion: producers organised in POs experienced in the considered period a significant increase of their VMP, while the VMP of producers outside POs suffered from a substantial stagnation.

4.2.6. Destination of production

The three graphs presented in Annex II, graph 4 should to be taken with precaution because the data on the destination of production presented in the MS reports do not seem completely reliable.

Nevertheless, these graphs show that the most important POs customers are the wholesalers, the central buying and the supermarkets (60 to 70% of the fresh products sales). Only 15 to 20% of the products channeled by POs appear to be delivered to processing.

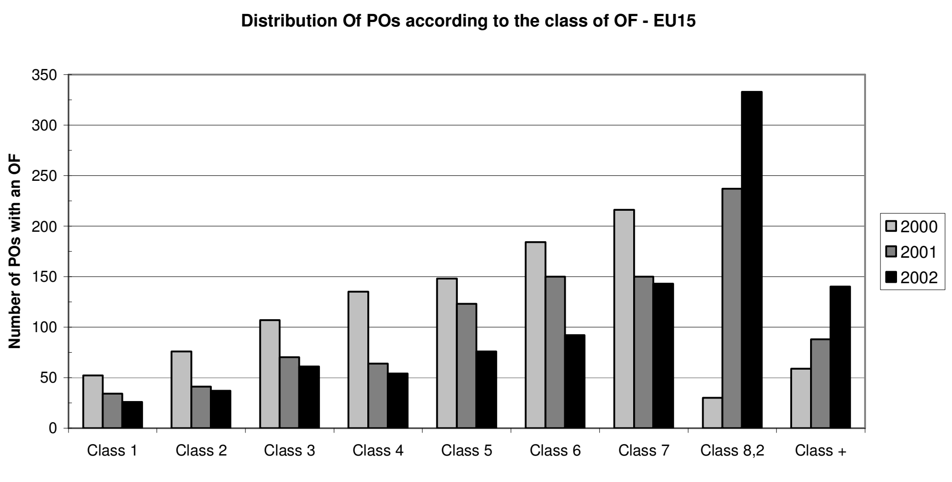
4.3. The use of Operational Funds (OFs)

Between 2000, 2001 and 2002 the percentage of POs setting up OFs is stable around 73%. In AT, BE, DK, DE, IE, NL and SE, almost the totality of POs put in place OFs while POs from EL and FI are those using this opportunity at a lesser extent.

	2000			2001			2002		
	Percentage of POs with an OF	Total amount of OF (aid + members' contributions) (€)	OF (aid + members' contributions) / VMP of POs with an OF	Percentage of POs with an OF	Total amount of OF (aid + members' contributions) (€)	OF (aid + members' contributions) / VMP of POs with an OF	Percentage of POs with an OF	Total amount of OF (aid + members' contributions) (€)	OF (aid + members' contributions) / VMP of POs with an OF
AT	100%	3.416.356	4,2%	100%	5.326.000	5,7%	100%	5.528.000	5,6%
BE	100%	54.016.755	7,8%	100%	62.730.731	9,0%	100%	62.596.937	8,5%
DA	100%	1.222.322	2,5%	100%	1.799.362	3,5%	100%	2.455.889	4,9%
DE	97%	27.482.306	5,1%	97%	30.971.159	5,6%	91%	38.719.761	6,7%
EL	41%	5.314.690	2,6%	41%	9.031.450	4,4%	46%	10.597.926	5,4%
ES	74%	172.263.749	5,6%	69%	192.629.747	6,3%	70%	216.977.979	6,8%
FI	57%	166.866	1,0%	43%	124.667	3,3%	17%	65.316	1,3%
FR	83%	114.255.289	4,1%	81%	125.112.653	5,4%	83%	151.201.693	6,2%
IE	100%	5.551.769	9,3%	79%	6.830.989	8,4%	82%	9.489.912	8,7%
IT	66%	148.951.433	6,7%	55%	168.704.781	7,4%	72%	168.370.690	6,5%
NL	86%	60.949.125	3,6%	100%	55.458.305	3,3%	93%	72.062.000	4,2%
PT	70%	1.804.860	3,9%	80%	3.198.262	5,7%	84%	5.773.103	7,7%
SE	100%	2.895.606	4,3%	100%	4.694.836	6,3%	100%	6.259.796	8,0%
UK	79%	29.056.849	5,7%	86%	36.125.772	5,5%	79%	32.366.419	2,9%
EU-15	74%	627.347.975	5,2%	71%	702.738.714	5,9%	74%	782.465.420	6,0%

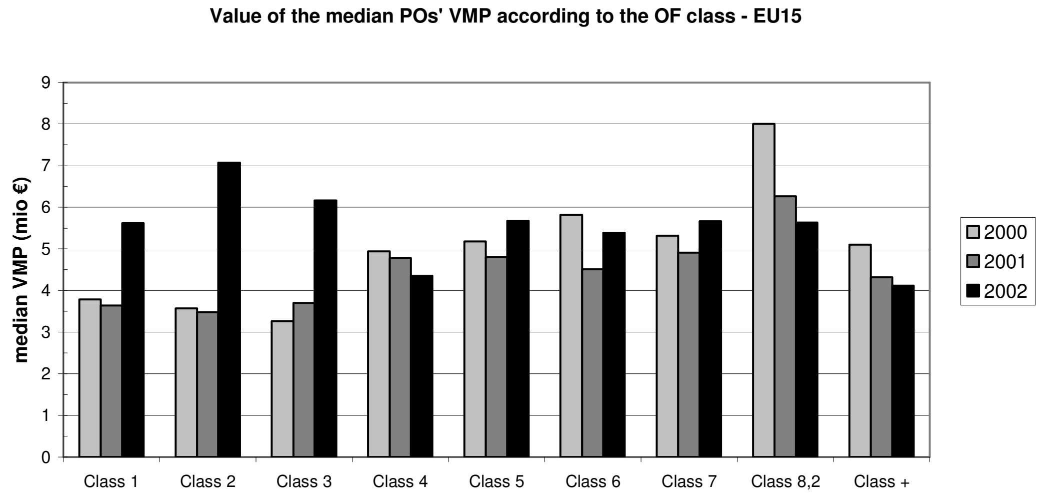
For EU-15, the OFs account for approximately 6% of the POs VMP. BE and IE are the only two MS where OFs represents more than 8.2% of VMP.

However, the following graph shows a strong progression of POs setting up an OF representing between 7 to 8.2% of their VMP.



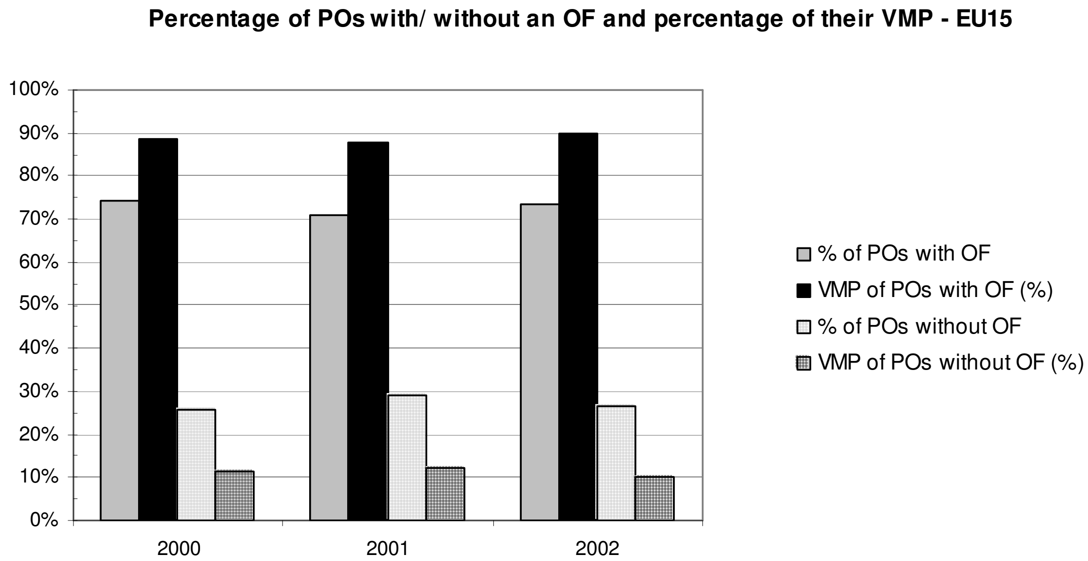
Legend :
0% of VMP < OF "class 1" ≤ 1% of VMP
1% of VMP < OF "class 2" ≤ 2% of VMP
2% of VMP < OF "class 3" ≤ 3% of VMP
3% of VMP < OF "class 4" ≤ 4% of VMP
4% of VMP < OF "class 5" ≤ 5% of VMP
5% of VMP < OF "class 6" ≤ 6% of VMP
6% of VMP < OF "class 7" ≤ 7% of VMP
7% of VMP < OF "class 8,2" ≤ 8,2% of VMP
8,2% of VMP < OF "class +"

Moreover, the graph below shows that no clear and direct correlation could be established between POs VMP and the size of their OF.



Legend : 0% of VMP < OF "class 1" ≤ 1% of VMP
1% of VMP < OF "class 2" ≤ 2% of VMP
2% of VMP < OF "class 3" ≤ 3% of VMP
3% of VMP < OF "class 4" ≤ 4% of VMP
4% of VMP < OF "class 5" ≤ 5% of VMP
5% of VMP < OF "class 6" ≤ 6% of VMP
6% of VMP < OF "class 7" ≤ 7% of VMP
7% of VMP < OF "class 8,2" ≤ 8,2% of VMP
8,2% of VMP < OF "class +"

And finally, when we compare POs with OF and POs without OF, we observe that POs which set up OF (about 73%) account for almost 90% of the organised production in value while the others represent only 10% of the POs VMP (see graph below).



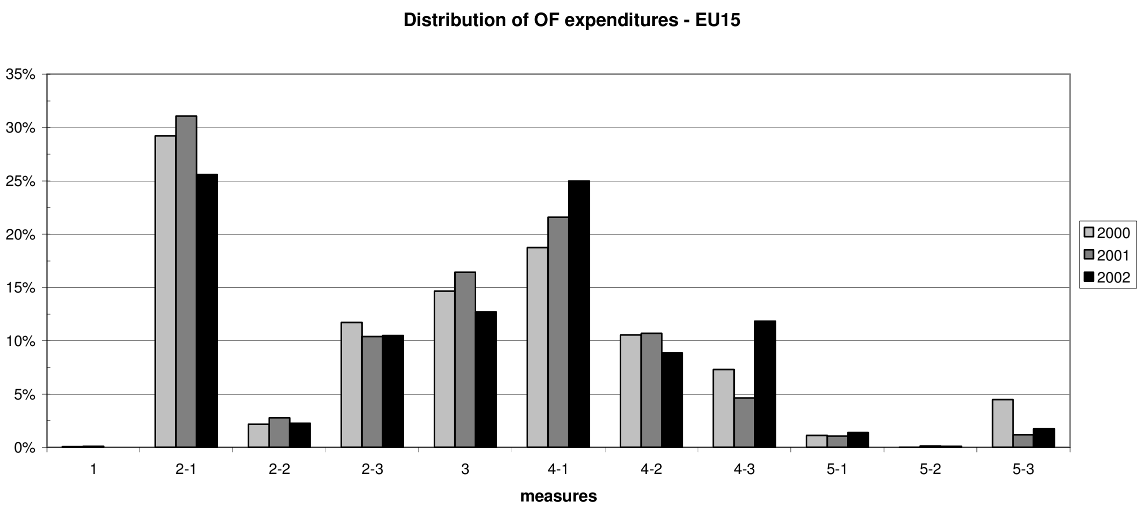
4.3.1. *Operational Funds and expenditure for withdrawals*

The share of the total OF allocated to supplements of the Community Withdrawals Compensation (CWC) and/or to withdrawal compensations for products not listed in Annex II of the Regulation (EC) No 2200/96 accounts for less than 2%. And it has to be emphasised that this figure is constantly decreasing.

Only 4 MS (ES, FR, IT and the UK) use OF for the supplements of CWC and 7 MS (BE, DE, ES, FR, IT, NL and UK) make it use for withdrawal compensations for products not listed in Annex II (see Annex I, table 2).

4.3.2. *Operational funds and their utilisation*

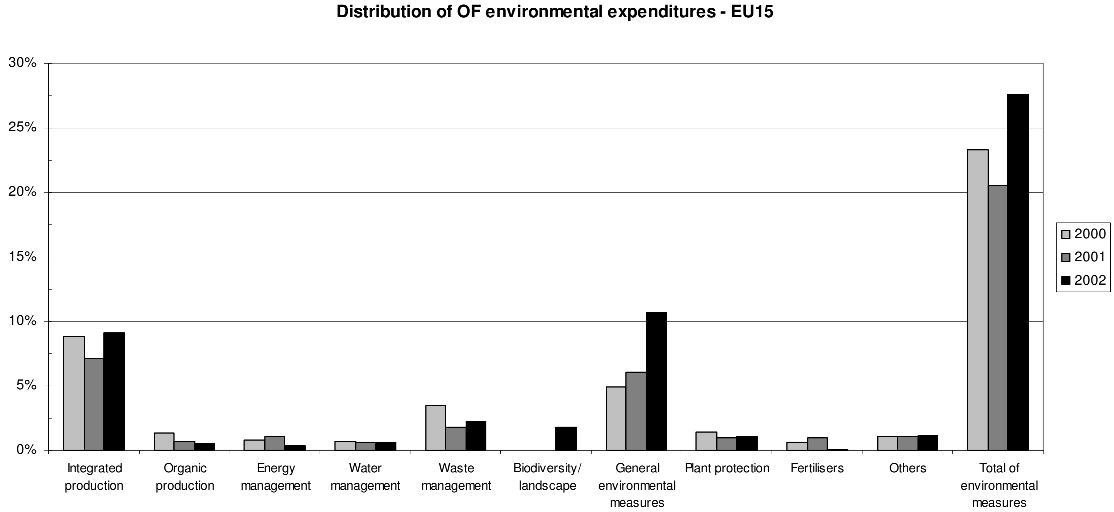
The following graph should to be taken with precaution due, in particular, to the fact that Spanish data are not exhaustive but extrapolated.



Legend :
1 : Action Plan - Specific measures for achieving recognition (valid until 2001)
2-1 : Production - Technical measures (phytosanitary measures, irrigation, machinery, greenhouses, plants, R&D)
2-2 : Production - Services, training, research (advice, warning (hail, frost, diseases), training courses, R&D)
2-3 : Production - Special environmental measures (organic / integrated production, R&D)
3 : Control - Quality and phytosanitary measures (equipment, personnel costs, (incl. residue analysis), R&D)
4-1 : Marketing - Technical measures (land, real estate, storage, packaging, transport, R&D)
4-2 : Marketing - Sales, promotion, outlets (production planning, market research, sales offices, promotion, R&D)
4-3 : Marketing - Special environmental measures (waste management, additional transport costs, research, R&D)
5-1 : Other - Overheads (admin costs)
5-2 : Other - Mergers and acquisitions
5-3 : Other - Other (ISO 9000 systems, other)

It appears that measures set up most frequently are technical measures linked to production (2-1) followed by those linked to marketing (4-1). In Annex I, table 3, tables by MS can be found.

4.3.3. *Focus on environmental measures*



Environmental expenditures represent between 20 and 27% of total OF for EU-15. Integrated production is the most popular environmental measure, since it accounts for about 8% of the total OF expenditure. On the other hand, it appears that only 2% of the total expenditures is allocated to organic production, less than what it is observed for measures such as waste or water management. In Annex I, table 4, tables by MS can be found.

ANNEX 1: TABLES

Table 1:

	2000 (1)					2001 (1)					2002				
	Number of active POs (2)	within POs created this year	Number of POs withdrawn this year	Number of APOs	Number of POs members of APOs	Number of active POs	within POs created this year	Number of POs withdrawn this year	Number of APOs	Number of POs members of APOs	Number of active POs	within POs created this year	Number of POs withdrawn this year	Number of APOs	Number of POs members of APOs
AT	4	0	0	0	0	5	1	0	0	0	5	0	0	0	0
BE	15	0	0	2	9	15	0	0	2	9	15	1	1	2	9
DA	5	0	0	0	0	5	0	0	0	0	5	0	0	0	0
DE	35	2	1	0	0	33	2	4	0	0	35	2	0	0	0
EL	122	6	0	0	0	119	2	5	0	0	117	5	7	0	0
ES	568	20	nc	4	55	566	25	nc	4	54	526	39	42	4	52
FI	7	0	2	0	0	7	0	0	0	0	6	0	1	0	0
FR	339	8	nc	2	8	331	15	nc	2	8	314	8	8	4	12
IE	11	0	2	0	0	14	3	0	0	0	17	3	0	0	0
IT	141	23	5	2	8	150	27	19	3	13	171	28	7	5	16
NL	14	1	0	0	0	14	0	0	0	0	14	0	0	0	0
PT	40	1	0	0	0	40	0	0	0	0	37	2	5	0	0
SE	7	0	0	0	0	8	1	0	0	0	7	0	1	0	0
UK	78	0	2	1	3	69	5	14	1	4	72	3	0	1	4
EU-15	**1386**	61	12	**11**	83	**1376**	81	42	**12**	88	**1341**	91	72	**16**	93

(1): The number of active POs must be slightly overestimated in 2000 and 2001 because some dates of withdrawals miss (ES and FR).
(2): an active PO = a PO already in service or created this year

Table 2:

Data comes from Commission sources because data submitted in the MS reports are not reliable.

	2000				2001				2002			
	Total amount of OF (aid + members' contributions) for CWC complements	Amount for CWC complements / total OF	Total amount of OF (aid + members' contributions) for non-annex II products	Amount for non-annex II products / total OF	Total amount of OF (aid + members' contributions) for CWC complements	Amount for CWC complements / total OF	Total amount of OF (aid + members' contributions) for non-annex II products	Amount for non-annex II products / total OF	Total amount of OF (aid + members' contributions) for CWC complements	Amount for CWC complements / total OF	Total amount of OF (aid + members' contributions) for non-annex II products	Amount for non-annex II products / total OF
AT	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
BE	0	0,0%	69.562	0,1%	0	0,0%	56.500	0,1%	0	0,0%	76.442	0,1%
DA	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
DE	0	0,0%	147.918	0,5%	0	0,0%	85.888	0,3%	0	0,0%	55.696	0,1%
EL	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
ES	6.535.740	3,8%	2.510.820	1,5%	6.718.496	3,5%	2.523.266	1,3%	3.125.300	1,4%	949.206	0,2%
FI	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
FR	266.358	0,2%	106.140	0,1%	237.406	0,2%	150.192	0,1%	192.240	0,1%	36.400	0,0%
IE	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
IT	644.536	0,4%	442.012	0,3%	4.387.790	2,6%	338.324	0,2%	3.031.640	1,8%	738.808	0,2%
NL	0	0,0%	28.488	0,0%	0	0,0%	50.140	0,1%	0	0,0%	12.886	0,0%
PT	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
SE	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
UK	190.908	0,7%	457.296	1,6%	186.834	0,5%	490.888	1,4%	0	0,0%	440.878	0,7%
EU-15	7.637.542	1,2%	3.762.236	0,6%	11.530.526	1,6%	3.695.198	0,5%	6.349.180	0,8%	2.310.316	0,3%

Table 3:

	Total amount of OF (€)	Action Plan	Production			Control	Marketing			Other		
		Specific measures for achieving recognition (valid until 2001) €	Technical measures (phytosanitary measures, irrigation, machinery, greenhouses, plants, R&D) €	Services, training, research (advice, warning (hail, frost, diseases), training courses, R&D) €	Special environmental measures (organic / integrated production, R&D) €	Quality and phytosanitary measures (equipment, personnel costs, (incl. residue analysis), R&D) €	Technical measures (land, real estate, storage, packaging, transport, R&D) €	Sales, promotion, outlets (production planning, market research, sales offices, promotion, R&D) €	Special environmental measures (waste management, additional transport costs, research, R&D) €	Overheads (admin costs) €	Mergers and acquisitions €	Other (ISO 9000 systems, other) €
2000												
AT	3.416.356	0	0	245.950	127.321	52.036	2.019.170	189.606	25.000	64.195	0	693.078
BE	54.016.755	0	725.188	3.237.291	5.312.147	15.315.985	9.965.840	11.746.920	7.148.596	153.228	8.537	403.023
DA	1.222.322	0	0	63.454	587.476	403.558	27.634	91.418	2.498	46.284	0	0
DE	27.482.306	473.781	5.282.793	1.875.475	1.159.262	1.377.232	13.001.205	2.631.066	493.170	548.781	59.265	580.277
EL	5.314.690	0	686.980	233.255	33.037	262.855	2.470.708	154.610	12.561	0	0	9.520
ES	172.263.749	0	108.680.558	1.189.598	9.898.878	7.179.425	11.771.659	3.432.330	27.304.060	2.178.137	0	629.103
FI	166.866	0	99.848	17.814	0	20.033	0	16.475	0	1.929	0	10.768
FR	114.255.289	0	20.062.495	2.965.120	26.200.187	24.696.617	20.218.327	13.802.179	3.062.931	778.428	0	2.469.005
IE	5.551.769	0	194.638	372.757	199.724	793.216	2.044.807	1.652.564	196.378	97.685	0	0
IT	148.951.433	0	35.927.134	1.918.421	20.103.717	31.766.644	23.424.177	10.294.995	2.460.486	1.543.203	0	20.397.240
NL	60.949.125	0	897.322	374.478	5.269.065	6.000.515	28.144.388	17.368.338	173.232	361.339	0	2.360.448
PT	1.804.860	0	251.329	335.340	74.376	412.392	308.042	341.460	12.071	16.791	0	53.060
SE	2.895.606	0	228.101	258.462	348.231	232.333	720.992	938.397	46.462	79.680	0	42.948
UK	29.056.849	0	9.405.192	460.226	3.988.861	3.082.703	2.832.481	3.125.851	4.694.151	1.085.785	0	381.599
2001												
AT	5.326.000	0	153.000	398.000	255.000	18.000	3.396.000	278.000	0	158.000	0	670.000
BE	62.730.731	0	1.361.329	3.767.023	6.642.587	15.934.727	16.727.180	11.885.496	5.520.403	436.783	14.313	440.890
DA	1.799.362	0	152.993	27.635	569.730	274.291	206.408	278.679	254.785	34.840	0	0
DE	30.971.159	576.907	6.046.841	2.154.764	1.342.283	804.058	14.014.753	2.425.519	531.174	594.126	771.949	1.708.786
EL	9.031.450	0	1.227.659	374.313	944.104	511.886	5.390.471	500.807	6.632	14.242	0	61.335
ES	192.629.747	0	121.462.727	2.884.214	6.386.492	17.735.039	19.983.100	5.629.346	15.228.748	2.078.187	0	1.241.894
FI	124.667	0	6.726	11.417	2.738	62.746	23.221	15.906	0	1.142	0	771
FR	125.112.653	0	19.933.592	0	28.268.141	17.301.370	17.782.817	15.259.565	3.918.797	0	16.304	2.602.734
IE	6.830.989	0	312.465	481.401	231.167	918.032	2.621.066	1.841.462	178.749	246.647	0	0
IT	168.704.781	0	45.212.845	2.911.300	20.268.519	41.693.288	38.618.718	12.110.653	2.640.276	2.248.316	7.746	1.056.645
NL	55.458.305	0	838.425	193.931	2.997.549	11.236.406	21.972.142	16.507.853	1.189.763	452.375	0	69.862
PT	3.198.262	0	1.312.899	92.656	170.545	279.587	743.264	270.638	62.356	21.586	99.087	145.644
SE	4.694.836	0	988.295	446.876	1.047.360	128.489	841.945	1.169.060	0	72.811	0	0
UK	36.125.772	0	12.569.584	5.145.581	1.611.979	4.887.775	4.590.190	4.551.480	2.031.314	737.870	0	0
2002												
AT	5.528.000	0	22.000	569.000	244.000	96.000	2.921.000	388.000	0	130.000	0	1.158.000
BE	62.596.937	0	1.003.196	3.797.065	5.555.889	18.780.748	14.211.714	12.691.568	5.936.345	468.562	0	151.849
DA	2.455.889	0	47.594	139.318	545.418	641.582	853.649	162.882	41.131	24.315	0	0
DE	38.719.761	0	6.675.885	1.790.601	1.015.205	1.406.427	19.611.973	3.449.430	2.165.310	735.782	8.269	1.860.879
EL	10.597.926	0	2.141.762	388.975	1.616.462	615.149	4.982.679	423.257	5.869	100.628	32.985	57.220
ES	216.977.979	0	90.659.973	3.519.153	9.448.393	9.865.624	47.397.129	4.866.589	46.503.927	2.933.716	0	1.783.474
FI	65.316	0	9.561	24.902	0	25.027	0	5.825	0	0	0	0
FR	151.201.693	0	27.734.437	3.244.286	35.486.874	21.064.857	23.017.287	12.393.945	21.546.861	1.876.684	13.251	4.823.210
IE	9.489.912	0	267.835	616.932	343.285	1.875.775	3.485.979	2.219.946	357.187	293.639	0	29.334
IT	168.370.690	0	55.714.365	1.862.624	17.265.912	29.888.788	35.419.559	11.333.225	5.085.392	2.777.893	431.759	2.568.416
NL	72.062.000	0	2.080.000	90.000	6.441.300	11.500.000	35.610.000	12.906.000	2.406.000	908.000	40.000	80.700
PT	5.773.103	0	2.491.986	132.027	639.804	376.240	1.231.600	490.187	170.240	72.708	0	168.311
SE	6.259.796	0	1.021.589	455.548	1.165.434	520.006	1.440.328	1.080.762	74.614	92.191	408.924	400
UK	32.366.419	0	8.665.919	972.233	1.671.295	2.016.487	3.846.833	6.376.410	7.535.461	324.175	0	957.606

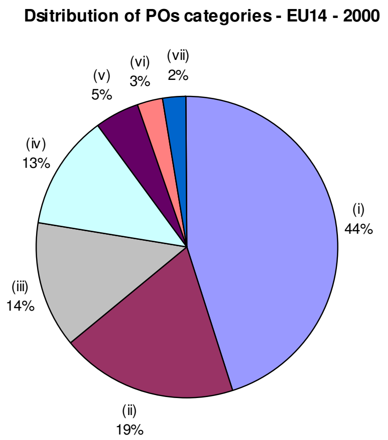
Table 4:

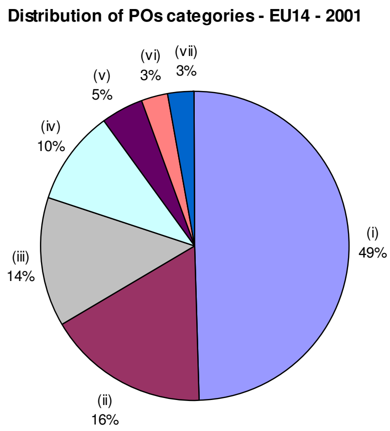
	Total amount of OF (€)	Special environment measures						Other environmental measures			
		Integrated production (€)	Organic production (€)	Energy management (€)	Water management (€)	Waste management (€)	Biodiversity/ Landscape (€)	General environ-mental measures (€)	Plant Protection (€)	Fertilisers (€)	Others (€)
2000											
AT	3.416.356	109.385	0	0	3.000	1.475	1.476	235.992	17.846	0	16.993
BE	54.016.755	3.618.179	0	397.267	0	6.471.271	0	444.139	1.315.329	0	617.581
DA	1.222.322	587.476	0	0	0	0	0	0	0	2.498	56.000
DE	27.482.306	966.411	35.000	231.800	286.951	279.898	1.400	54.258	667.664	55.012	2.828.529
EL	5.314.690	21.849	0	0	1.467	4.264	0	16.551	4.402	0	0
ES	172.263.749	1.678.323	628.938	3.278.688	2.090.186	3.639.702	0	23.526.598	887.521	0	67.901
FI	166.866	0	0	0	0	0	0	10.703	75.308	761	2.859
FR	114.255.289	20.768.387	121.954	0	998.656	3.004.257	172.378	287.566	1.272.375	3.589.140	5.368
IE	5.551.769	257.013	12.000	70.687	24.967	86.041	16.109	178.582	50.827	900	18.000
IT	148.951.433	20.106.968	7.701.594	23.013	719.471	6.166.636	5.912	3.967.494	3.355.807	76.229	3.105.956
NL	60.949.125	3.363.064	67.596	545.867	0	230.768	0	0	1.061.770	0	0
PT	1.804.860	68.725	0	6.185	132.362	61.769	0	106.266	1.323	10.212	72
SE	2.895.606	117.731	2.131	97.784	94.528	825	0	46.139	35.555	0	0
UK	29.056.849	3.627.863	67.079	259.088	316.458	1.779.934	0	2.160.199	286.506	29.066	26.106
2001											
AT	5.326.000	76.917	0	0	8.939	5.262	0	0	16.984	0	739.706
BE	62.730.731	3.362.677	0	6.229.464	0	683.825	0	873.236	1.348.365	0	106.311
DA	1.799.362	569.730	0	153.182	0	68.857	0	2.564	30.182	0	0
DE	30.971.159	866.942	58.463	93.426	322.103	11.292	27.360	291.442	933.638	47.970	2.271.926
EL	10.234.931	907.373	390	0	4.402	0	0	22.874	4.402	4.402	0
ES	192.629.747	2.342.662	2.825.966	5.143	148.630	4.288.547	0	30.260.819	497.697	0	142.295
FI	124.667	0	0	0	0	0	0	2.455	10.690	0	0
FR	125.112.653	20.771.591	155.744	0	970.169	3.918.797	99.113	215.703	1.371.494	4.647.199	37.127
IE	6.830.989	206.981	15.750	91.722	30.537	101.340	18.400	182.152	60.014	0	20.600
IT	168.704.781	17.745.949	1.522.764	248.836	1.854.398	780.748	3.238	9.719.193	978.244	20.134	4.159.739
NL	55.458.305	1.516.055	236.030	0	0	1.118.679	0	2.441	1.258.850	1.645	53.613
PT	3.198.262	177.483	0	46.316	254	131.847	0	166.793	168.188	6.798	0
SE	4.694.836	780.429	26.513	170.669	0	69.749	0	0	0	0	0
UK	36.125.772	1.224.962	112.064	506.675	922.361	1.367.443	1.918	978.372	460.699	2.307.855	155.571
2002											
AT	5.528.000	197.371	350.830	13.050	100.215	0	0	317.240	96.053	0	0
BE	62.596.937	3.932.617	0	149.821	0	5.452.158	0	348.034	1.636.584	0	124.870
DA	2.455.889	545.418	0	0	0	30.237	0	9.105	1.789	0	0
DE	38.719.761	1.001.827	35.053	36.122	366.207	1.833.843	5.000	258.617	1.080.297	41.742	4.605.549
EL	10.656.157	1.514.377	0	0	8.804	5.869	0	60.731	0	0	0
ES	216.977.979	5.588.598	1.453.533	0	11.406	4.932.184	0	47.776.354	606.832	0	0
FI	65.316	0	0	0	0	0	0	0	9.561	0	0
FR	151.201.693	29.731.942	120.082	1.485.314	1.229.751	0	2.025.466	21.545.020	0	595.307	316.050
IE	9.489.912	277.466	42.000	68.521	30.482	241.738	15.000	231.132	109.021	0	18.000
IT	168.370.690	18.846.647	936.899	216.444	1.705.445	1.168.996	11.894.547	9.747.328	1.039.515	162.976	3.817.026
NL	69.982.000	2.769.000	774.000	12.800	0	2.050.000	0	190.000	3.138.000	2.000	0
PT	5.773.103	544.303	0	33.650	0	208.519	0	528.679	303.824	1.274	0
SE	6.259.796	353.453	6.626	264.293	61.122	13.116	0	277.526	185.376	57.571	20.965
UK	32.366.419	5.867.476	311.389	182.998	1.103.802	1.351.240	28.254	2.530.386	208.301	6.731	0

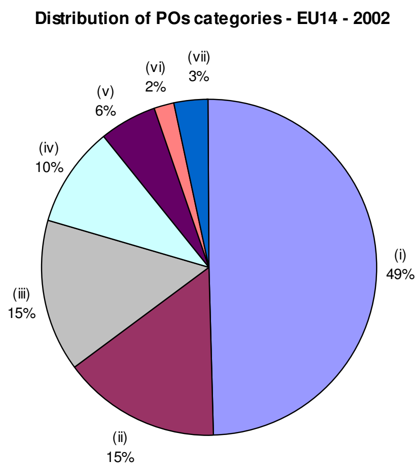
ANNEX 2: GRAPHS

Graph 1:

Data of Spain are missing for 2000, 2001 and 2002.

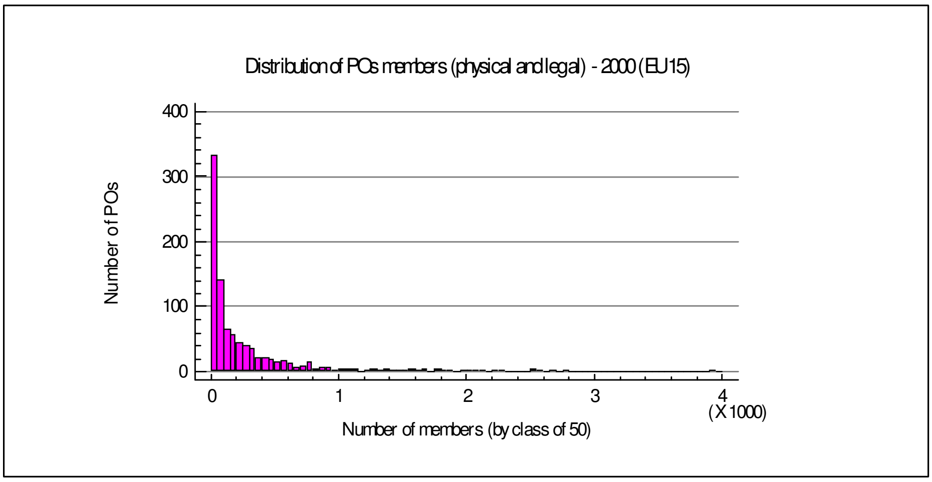


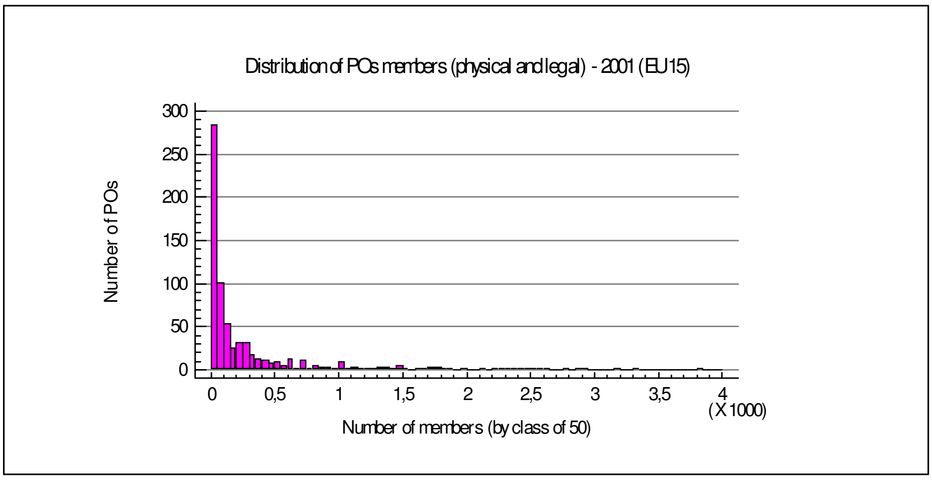


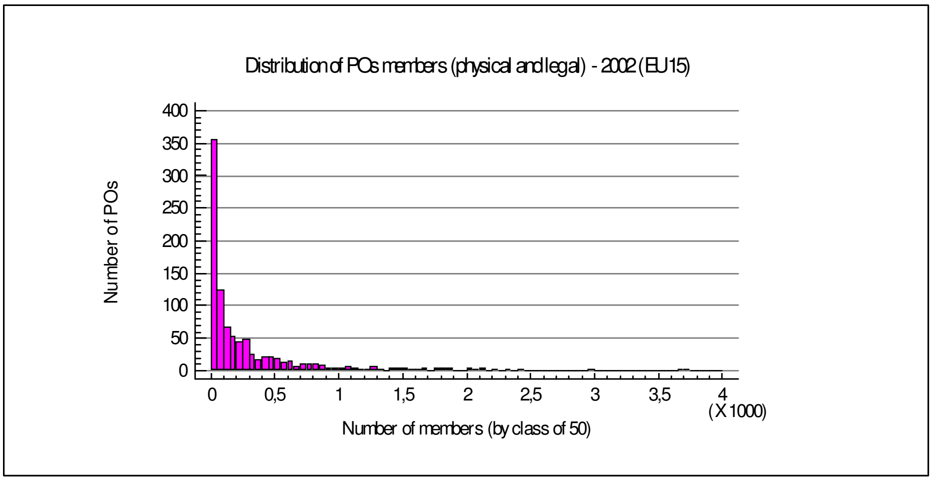


<u>Graph 2</u>:

The three following graphs present the distribution of POs' members by class of 50 members. For every year, approximately a quarter of POs stands between 5 and 50 members.



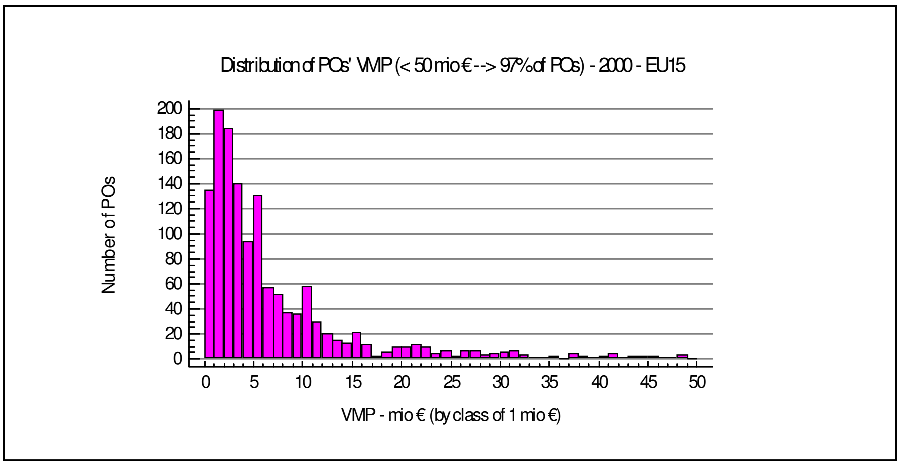


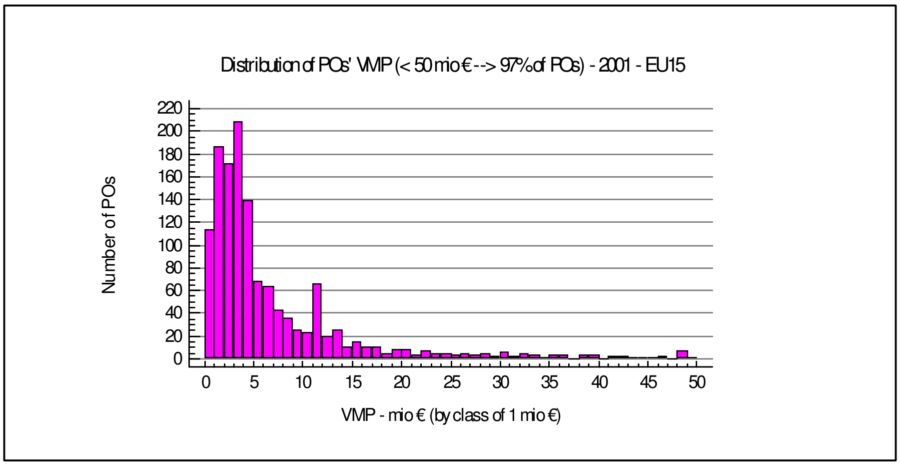


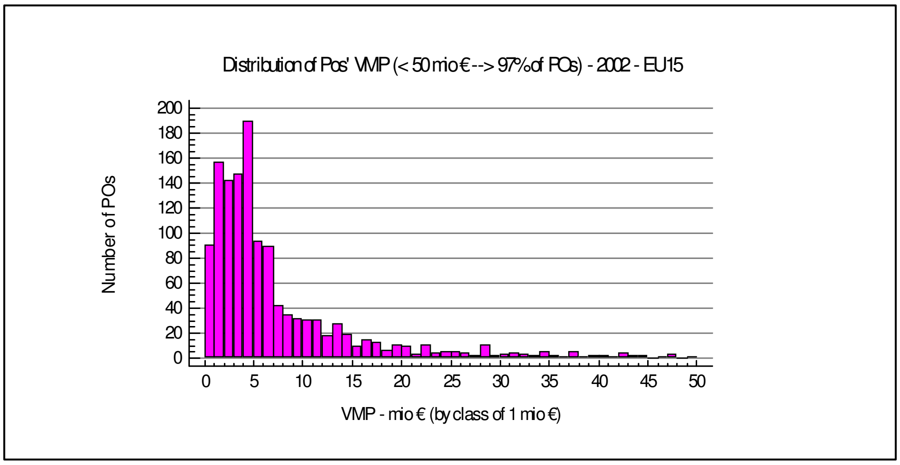
EN EN

Graph 3:

The following three histograms present the distribution of POs VMP by class of €1 million.







While the majority of Italian (€5 million < VMP of Italian POs majority < €10 million), Belgian (€5 million < VMP of Belgian POs majority < €10 million) and Dutch POs (€15 million < VMP of Dutch POs majority < €20 million) have VMP more important than the Community average, the VMP of the French and Spanish POs is mainly included between €0 and 5 million.

<u>Graph 4</u>:

For 2000, data of AT, DK, ES, FR and PT are missing. And for 2001 and 2002, data of DK and ES are missing.