



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 23 April 2012

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**AGRI 237
AGRIORG 63**

NOTE

from: General Secretariat
to: Delegations

Subject: Financing of producer groups in the fruit and vegetables sector
- Request from the Hungarian delegation, supported by the Bulgarian, Latvian, Lithuanian, Polish, Romanian, Slovenian and Slovak delegations

Delegations will find in Annex a request from the Hungarian delegation supported by the Bulgarian, Latvian, Lithuanian, Polish, Romanian, Slovenian and Slovak delegations to be presented under Any Other Business at the Council ("Agriculture and Fisheries") at its session on 26-27 April 2012.

Note from the Hungarian delegation
Financing of producer groups in the fruit and vegetables sector

The reform of the fruit and vegetables sector in 2007 reaffirmed the important objective of continuing to strengthen the producer organisations (POs). This objective is served mainly by support for the creation and operation of producer groups, as well as investments with a view to obtaining recognition as a producer group. This tool proved to be successful and efficient in the period from 2007 to 2013 in those Member States where there is a relatively low level of concentration of producers.

The Commission, however, following the "no opinion" outcome of the vote at the SCMO management committee meeting on 3 April 2012, adopted a regulation which decreases the Community co-financing rate of the aforementioned support and thus jeopardises the realisation of the main objective of the reform of the CMO (see Commission Implementing Regulation (EU) No 302/2012). This amendment is contrary to the Commission declaration attached to the Presidency compromise text for the reform of the fruit and vegetable CMO (see paragraph 29 of ST10771/07: "The Commission declares that, in the implementing rules, the Community will continue the current rate of co-financing as set out in Article 8 of Regulation (EC) No 1943/2003"). Furthermore, it is not in line with the intention of the proposed future Common Agricultural Policy to expand financial support for increasing the concentration of producers.

The original measure adopted in 2007 made a significant contribution towards increasing the concentration of producers in the new Member States in the period from 2007 to 2013.

Therefore it is important that the CAP after 2013 should also incorporate a similar measure to promote the concentration of fruit and vegetable producers.

For these reasons, Hungary would ask the Commission to review Commission Implementing Regulation (EU) No 302/2012, which has to be brought into line with the aforementioned objective aiming to increase the concentration of producers.