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REPORT FROM THE COMMISSION TO THE COUNCIL

**on the state of implementation of Regulation (EC) No 2200/96
on the common organisation of the market in fruit and vegetables**

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Foreword

In July 1994 the European Commission presented to the Council and Parliament its communication on the development and future of Community policy in the fruit and vegetable sector (COM(94) 360 final – 27 July 1994). This outlined the major challenges the European fruit and vegetable sector would have to face up to the end of the century and the implications for future policy development.

In the Commission's view the main objective was to help and encourage EU producers to meet the challenges of a more open and competitive market by strengthening their assets, namely:

- the quality of their products,
- their dynamism and ability to adapt to a changing market,
- services offered alongside the supply of a range of varied and healthy products.

To this end, the Commission proposed reinforcing the positive features of the market organisation – market orientation, decentralisation of management and grouping of supply – while simplifying and redirecting budgetary expenditure towards measures that would contribute to a sound future and respond to the environmental demands of European society.

The communication was well received by the Council and the whole fruit and vegetable sector. The Commission presented its proposals for Council regulations concerning the reform of the sector on 4 October 1995 (COM(95) 434 final).

After two years of discussion in the Council, regulations for fresh fruit and vegetables, citrus and processed fruit and vegetables were finally adopted on 28 October 1996.

Article 56 of Regulation (EC) No 2200/96 provides that “by 31 December 2000 the Commission shall send the Council a report on the operation of this regulation, accompanied by any proposal that may be required”. Article 9 of Regulation (EC) No 2202/96 state that the Commission shall submit to the Council, on the basis of two years' operation, a report on the application of [the citrus] scheme, together with appropriate proposals, if necessary. Trade arrangements with third countries were not affected by the '96 reform and therefore were not reviewed in the framework of this report.

On 12 July 2000 the European Commission adopted a proposal to amend the common organisation of the market (COM) for fruit and vegetables. This proposal was aimed at providing solutions to shortcomings that had to be addressed urgently, with a view to possible amendments to the market organisation being implemented from the 2001/02 marketing year.

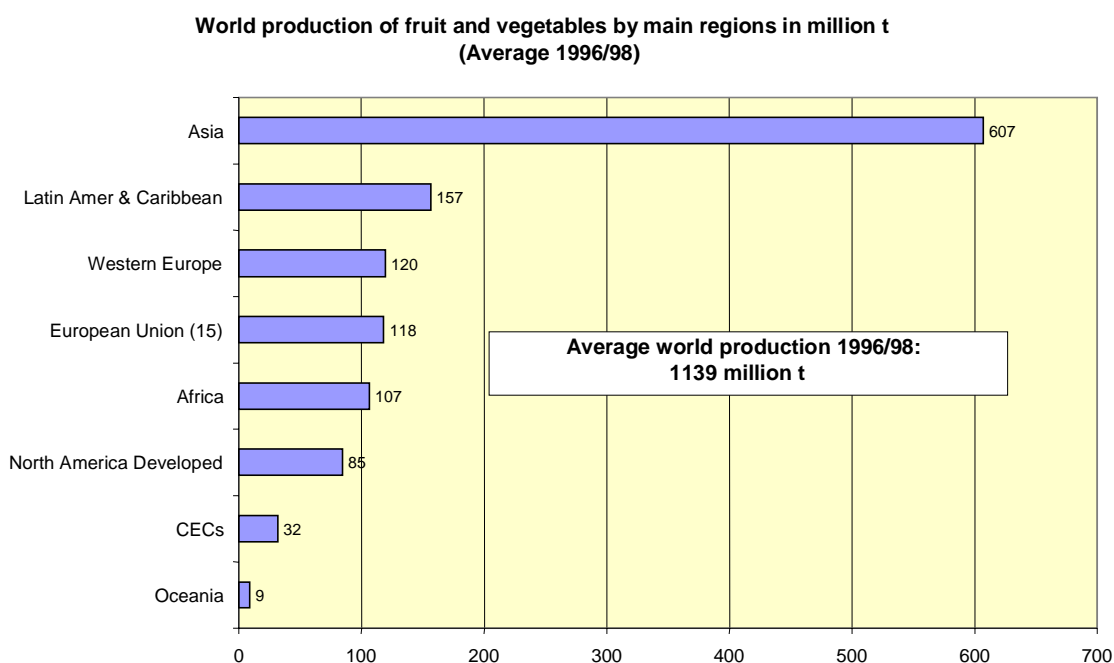
On 2 and 3 October 2000 a two-day seminar for producer organisations was organised by the Commission to look at how the '96 reform had been implemented in the different Member States and to focus on possible improvements that could be introduced into the basic regulation to make it operate more effectively.

This report aims to describe the current situation. It is intended as a background for policy proposals that might be made at a later stage, depending on the outcome of the debate that will take place in the Council, within the sector and more broadly in society. It is a first step in answering the Council's request of October 1996 to examine the situation of the sector and to come forward with new proposals if necessary.

1. INTRODUCTION

1.1. World Supply and demand¹

On average, 1998-1999 world production of fruit and vegetables was slightly more than 1 100 million tonnes: fruit amounted to 530 million tonnes and vegetables to 470 million tonnes. Asia is the leading production region with a share of nearly 56%, followed by Latin America & the Caribbean 12%, the EU 10%, Africa 9% and North America 7%. The world's largest fruit and vegetables producer overall is China (29%), then the EU (10%), India (10%) and the US (7%).



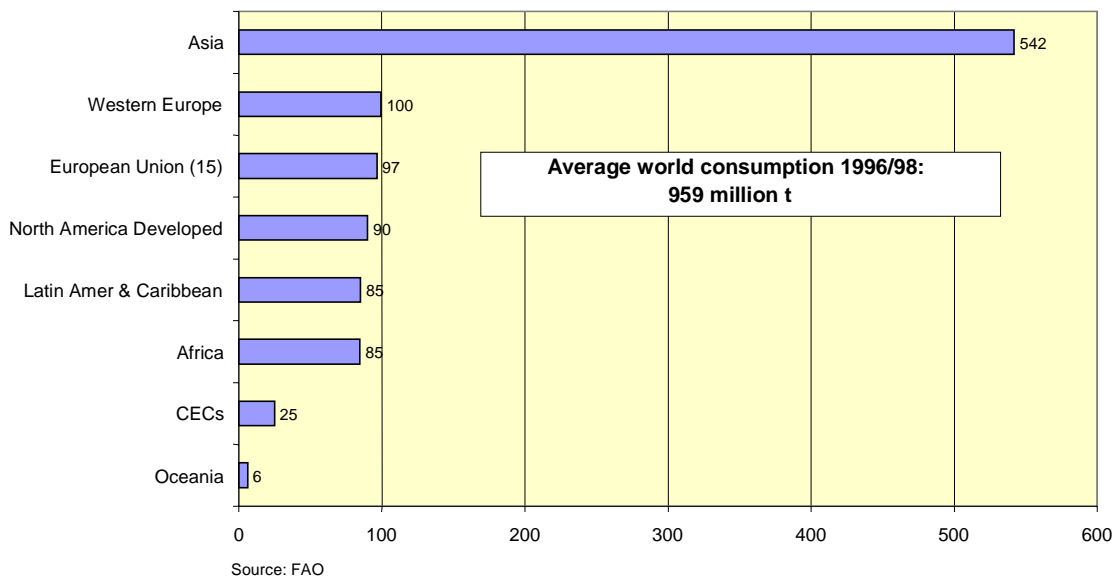
Source: FAO

World consumption for the same period (960 million tonnes) was more or less 180 million tonnes lower than production. Again Asia is the leading region with 59% of the total, followed by the EU (10%), Africa (9%), North America (8%) and Latin America & the Caribbean (8%). The world's top consumer is China with a share of 30% followed by India and the EU (10%) and the US (7%).

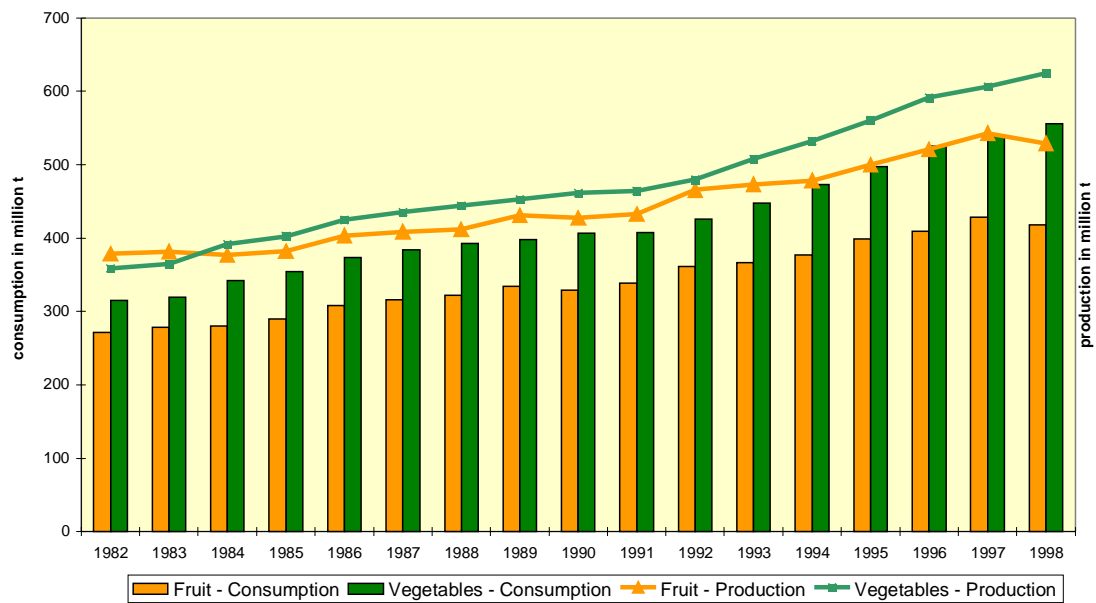
At world level there is a strong trend towards increased production, with consumption increasing at a slower pace. In some developing countries most production growth potential seems oriented towards increased domestic consumption, while in others export-oriented production is being developed.

¹ FAO figures, also for the EU (to be consistent). All fruit & vegetables excluding potatoes. The aggregates are therefore wider than products covered by the common organisation of the market for fresh fruit and vegetables.

**World consumption of fruit and vegetables by main regions in million t
(Average 1996/98)**



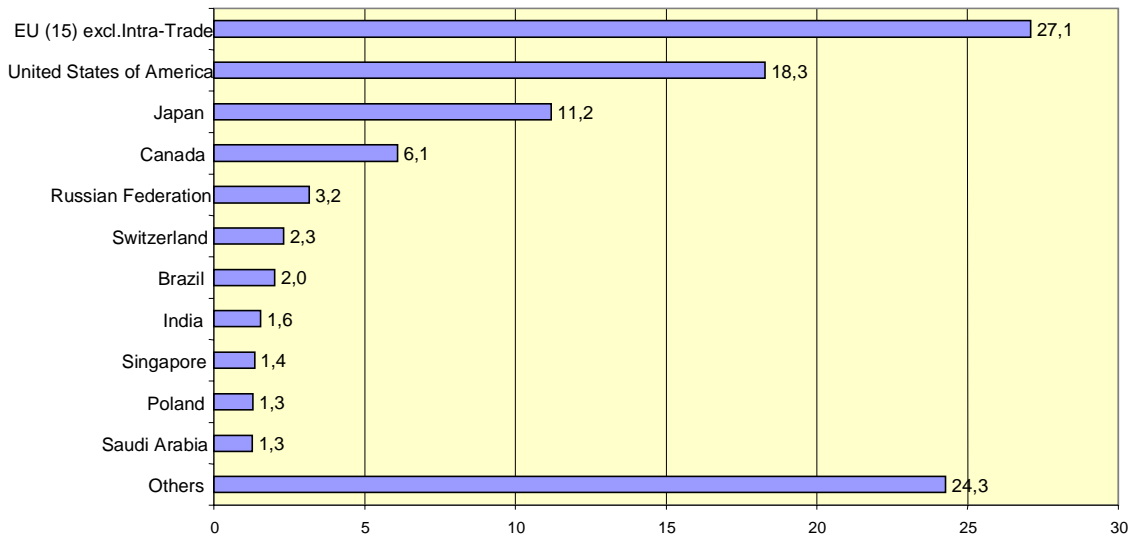
Fruit and Vegetables - World production and consumption



1.2. World Trade

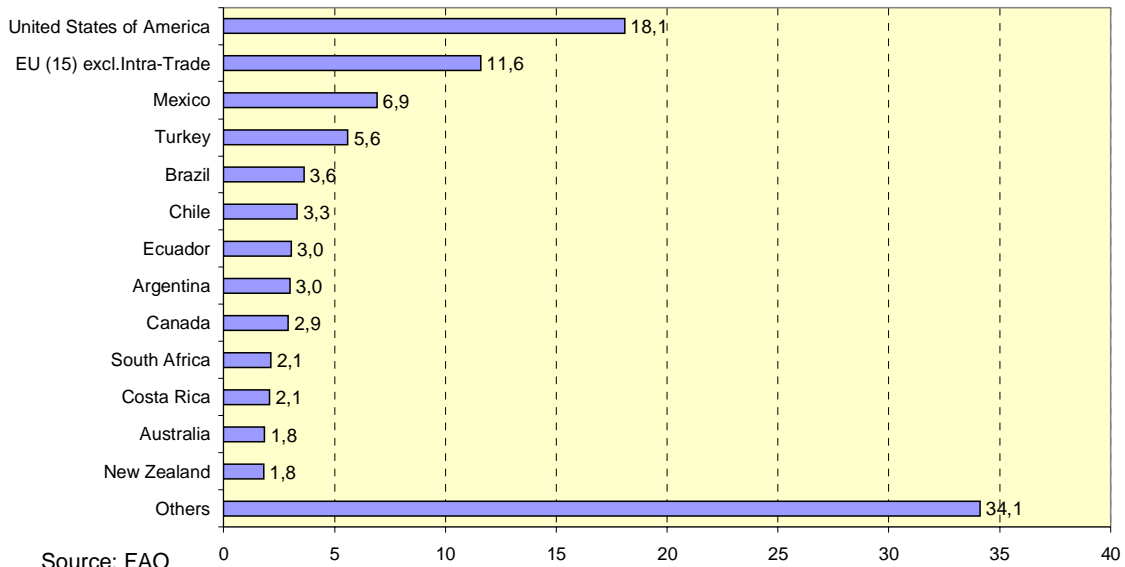
In recent years annual trade has hovered around EUR 50 billion in value and 70 million tonnes. In value, on average 1996-1998, the US was the world's leading exporter with a share of 18%, followed by the EU with 12%, China 7%, Mexico 7% and Turkey 5%. Over the same period, the leading importer was the EU with 27% of the total, followed by the US (18%), Japan (11%) and Canada (6%). Two countries had an important trade deficit, the EU (-EUR 9 billion) and Japan (-5 billion EUR), while surpluses were registered mainly in China (+EUR 3 billion), Mexico (+EUR 2.5 billion) and Turkey (+EUR 2 billion). As the top net importer, the EU is the largest solvent market.

Fruit and vegetables - World major importing countries in %
(Total imports 49.3 billion \$) (Average 1997/98)



Source: FAO

Fruit and Vegetables - World major exporting countries in %
(Total Exports 42.4 billion \$)



Source: FAO

The products most traded world-wide were citrus fruit with 4.4 million tonnes or EUR 2.6 billion, apples (3.2 million t and EUR 2.1 billion), onions (3 million t and EUR 1 billion) and tomatoes (2 million t and EUR 1.6 billion).

1.3. Supply and demand in the EU²

Over the last years, EU-15 total vegetable production represented about 55 million tonnes, the leading MS was Italy with 15 million tonnes followed by Spain with 11.5 million tonnes. EU-15 total fresh fruit production was slightly

² Eurostat figures.

over 30 million tonnes, of which 9 million tonnes were citrus fruit. Spain was the leading MS with 10 million tonnes of which 5.5 million tonnes was citrus fruit, followed by Italy with 9.5 million tonnes of which 3 million tonnes of citrus fruit.

Early in the '80s EU vegetable production was around 45 million tonnes, nearly 20% lower than today; for total fresh fruit including citrus the figure was 27 million tonnes or 12% lower than today.

On the demand side, the trend of EU consumption is stable for fresh fruit and vegetables with respectively 29 million t and 41 million t, equivalent to a per capita consumption of 92 kg and 133 kg. By contrast consumption of processed fruit, mainly fruit juice, shows a sharply upwards trend.

1.4. The EU trade

The EU is an active operator on the world market. Among fresh products, main imports are citrus, apples (60% coming from New Zealand, Chile and South Africa), tropical/exotic fruit and grapes. Fruit juices, mostly concentrated frozen citrus and apple juice, also represent important imports.

After potatoes (which are not covered by the COM) onions and tomatoes are the most imported fresh vegetables. Frozen and dried vegetables represent a much higher volume.

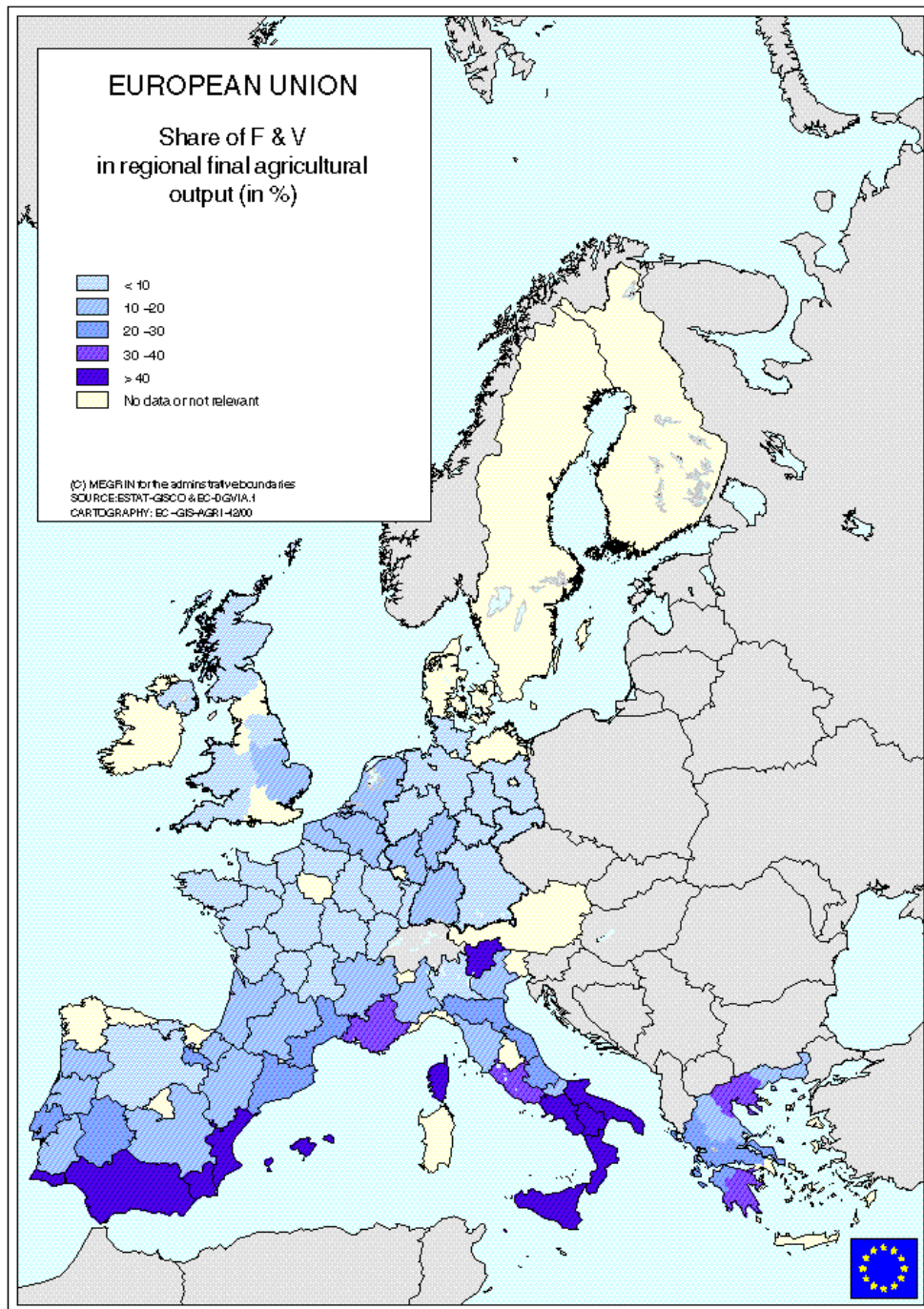
The EU mainly exports citrus fruit (oranges, clementines and lemons) apples and grapes while onions and tomatoes are the most exported vegetables. Traditional destinations are Russia, CECs, Switzerland and Norway.

1.5. Production structure and income situation

Fruit and vegetables occupy around 4% of the EU Utilised Agricultural Area (UAA). The relative importance of the sector is extremely variable from one Member State to another: 27,8% in Spain, 26.3% in Italy, 24.6% in Greece and 19.9% in Portugal against 2.7% for Denmark, 4.3% for Ireland or 5% for Sweden. The most important fruit and vegetable growing regions are located in Greece, Spain and Italy.

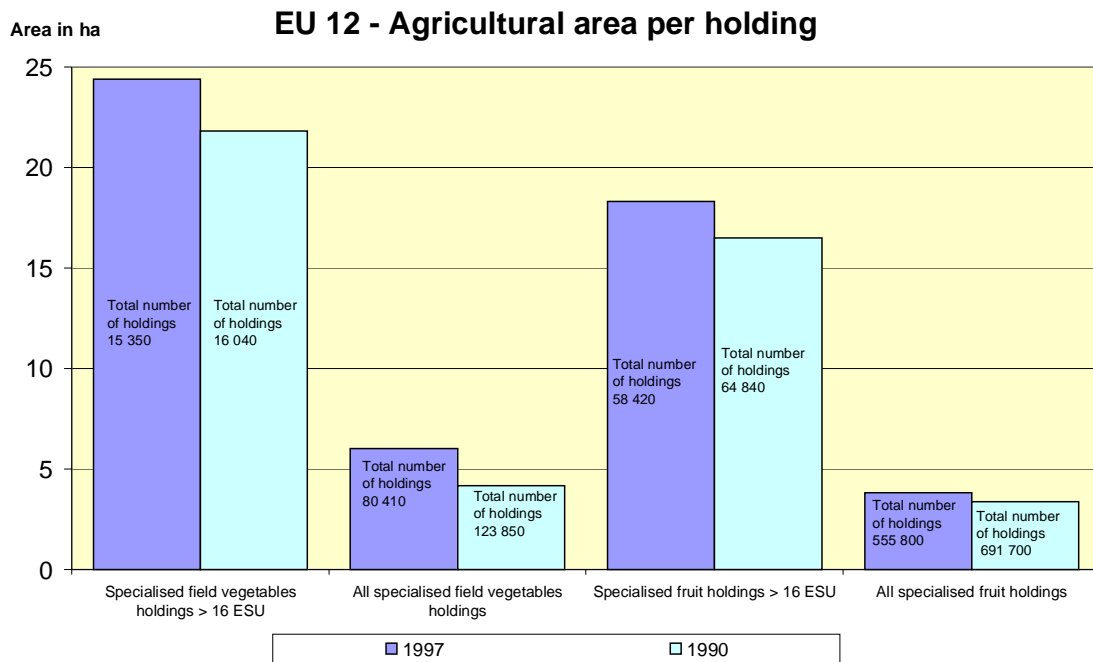
Table 1: Most important regions

<i>Region</i>	MS	Importance of F&V in Final Agricultural Output	Importance of Regional F&V output in final EU F&V production
<i>Andalucia</i>	E	39.6%	6.5%
<i>Murcia</i>	E	51.8%	2.5%
<i>Provence-Alpes-Côte d'Azur</i>	F	36.0%	2.4%
<i>Emilia-Romagna</i>	I	24.9%	3.0%
<i>Campania</i>	I	38.0%	2.7%
<i>Puglia</i>	I	35.7%	3.3%
<i>Sicilia</i>	I	44.9%	4.1%



In 1997 - the last available Farm Structure Survey – there were 636 000 holdings with an average size of 4.1 ha producing fresh fruit and vegetables in the EU. Only 14.5% of these were vegetable oriented. Specialised commercial holdings, i.e. with an economic size over 16 ESU³, numbered 63 000 with an average size of 22.5 ha. Between 1990 and 1997, the number of specialised holdings decreased by 21% while their average area increased by 28%. Specialised vegetable holdings are on average 6 ha larger than specialised fruit holdings.

³ Economic size is expressed in European Size Units. The value of the ESU was 1200 ECU for the 1997 survey.



As the fruit and vegetable sector is labour intensive, net value added generated per hectare is always much higher than the average net value added per ha for agriculture as a whole. But results for income per work unit are less good, in particular for fruit and for the southern Member States. The income for specialised vegetable holdings is often substantially higher than for specialised fruit holdings.

2. REVIEWING THE COMMON MARKET ORGANISATION FOR FRUIT AND VEGETABLES

Even if the fruit and vegetables covered by the Common Market Organisation represent more than 15.8% of the EU's Final Agricultural Production i.e. more than cereals (9.3%) or beef (9.8%), as fruit and vegetable production is split between many products it is not considered one of the “big” agricultural sectors. Moreover, the architecture of the COM is very specific, determined as it is by the particular characteristics of fresh fruit and vegetables, e.g. quality standards, perishability and producer organisations.

2.1. The classification of products and marketing standards

2.1.1. Marketing standards

Standardisation has played a crucial role for forty years as a classification system for fresh fruit and vegetables, contributing to market transparency and development.

Marketing standards were first elaborated when the trade in fresh fruit and vegetables started to develop at the end of the 19th Century. With long distance trade gaining in importance several countries, among them Italy, the Netherlands, Spain and the USA, set quality standards applicable to their production and trade (mainly exports).

The work initialised in October 1949 by the Working Party on Perishable Products of the Economic Commission for Europe of the United Nations (UN/ECE) was consolidated from 1962 onwards by the OECD, which set up a “scheme for the application of the international standards for fruit and vegetables” whose objective is a harmonised implementation of marketing standards.

In the EU and the USA the implementation of standards has been a method of classifying products into pre-defined categories to be used along the whole marketing chain.

They allow the description of products and give indications on their market value without requiring physical presentation. Classification and withdrawal from market of unsatisfactory products makes the market more transparent, and price may become meaningful, referring to a standardised product (category, sizing, presentation, ...). Far from hampering the exchange of fruit and vegetables, the effective implementation of standards and the reliability of the system appears to be ways of favouring trade and ensuring the free movement of produce. The implementation of international standards for fruit and vegetables on domestic and world markets reduces transaction costs between economic actors along the fruit and vegetable marketing chain, and is therefore appreciated by them.

Beyond these institutional marketing standards, many operators have developed their own private standards attached to specific brand requirements.

By defining rules for identification, standardisation reduces economic uncertainty in exchanges between the economic players. In particular standardisation removes doubts about product standards and uncertainty as regards the behaviour of economic operators. Buyers will give preference to producers whose tested products are in full conformity with standards.

Standardisation has been necessary because:

- producers and buyers have no direct relationship,
- physical presentation of products is, most of the time, excluded,
- brand development is extremely limited due to the structure of the agri-food chain, i.e. atomisation of low volume production on the supply side and the difficulty of providing an extensive and diversified range of products throughout the year.

The role of marketing standards explains why some – but not all - of the main competitors on the world market (e.g. South Africa, New Zealand) are participating in standardisation activities at international level. Moreover, in the present situation, where the consumer is confronted with an ever wider choice and supply amplified by the increasing globalisation of the fruit and vegetable trade, standardisation has gained in importance. Fruit and vegetable suppliers look for ways to differentiate themselves from their competitors and target particular market segments.

In this respect, quality aspects are gaining more and more importance, e.g. freshness, taste, colour, traceability, food safety, environmentally friendly production, region of origin, sugar content. Phytosanitary issues are also becoming a driver of competitiveness.

The 1996 regulation aimed at maintaining and updating standards, linking closely with work carried out in the international arena (in particular the UN/ECE).

The Commission has reviewed most of the marketing standards enforced before the reform. It also set standards for some new products (avocados, melons, and watermelons). At present quality standards are defined for 35 products listed in Annex I of the basic regulation

Nowadays standardisation is no longer used as an instrument of market management. By introducing fixed classes for products tradable on the fresh market (Class I and II, and for some products Class Extra) and requiring only compliance with minimum requirements for products shipped to the processing industry, the European Commission renounced the use of standards for managing the market. This position has been followed consistently since the new regulation was implemented⁴. Therefore retaining in the basic regulation the possibility of marketing under exceptional circumstances (Article 4) or exporting products (2nd sentence of Article 9(1)) not complying with market standards may appear slightly anachronistic. The question is whether these obsolete measures should stay in the regulation.

⁴ The Management Committee discussed this matter in relation with the market situation of peaches in the year 2000. A vast majority of Member States were of the opinion that marketing restrictions due to the oversupply of peaches should not be implemented.

Taste quality standards have been timidly introduced into some marketing standards regulations:

- a minimum juice content for citrus,
- a degree of ripeness of at least 6.2%, assessed by the Brix test for kiwis,
- a refractometric index of the pulp of at least 8% for melons,
- the possibility to indicate the minimum sugar content expressed in Brix degrees and/or the maximum firmness for peaches, nectarines, tomatoes and melons.

It is noticeable that the last three indents refer to sugar content. In addition, nearly all-marketing standards include a clause for sufficient development and satisfactory ripeness of fruit and vegetables.

As shown by these examples, some progress has been made on possible criteria for organoleptic standards even if analytical methods are still under scrutiny. It is an open question whether a systematic reference to optional criteria already used by traders should be introduced. In this case, some simple and meaningful criteria could be sugar content, acidity, relationship sugar/acidity, content in dry matter.

On the other hand, some observers argue that in a market situation in which more than half of domestic production and in some Member States two thirds of supply reaches the final consumer through fewer than 5 operators, regulatory marketing standards are nowadays superfluous. The counter argument usually advanced is that a small share of product may have a very disruptive impact on the market. Controversy on the role and importance of marketing standards is not yet closed. This issue probably merits a calm and thorough debate to reinsure the EU position.

2.1.2. Food safety standards

Food safety standards are not part of the basic regulation although they contribute to improving market transparency and a better response to final consumer demand. The strengthening of requirements for residue levels (Directive 90/642/EEC and Directive 76/895/EEC) and contaminants (Regulation (EC) No 194/97) would give impetus to this momentum.

The question of the possible insertion of SPS (food safety) standards into the COM marketing standards is implicitly raised. For example the codex standards for apples drawn up by the Codex Alimentarius Commission (FAO/WHO) include contaminants (maximum levels) and pesticide residues (maximum residue limits). Regrouping all standards under the same legal framework would increase clarity and transparency and might also lead to a better consistency and co-ordination between different systems/control procedures (which are presently distinct).

2.2. Producer organisations

2.2.1. Producer organisations and fruit and vegetable production

Confronted with the unsatisfactory functioning and weaknesses of producer organisations the 1996 reform put great emphasis on their renewal. Often considered, together with marketing standards, as being the cornerstone of the fruit and vegetable market organisation, producer organisations had definitely to extend their role beyond subsidised withdrawals to the grouping of supply, the marketing of produce and to play a relevant role in the improvement of the environmental performance of this sector. In a more competitive and open market POs should also enable producers better to react and adapt to market signals.

To face a growing concentration of demand, it is necessary to strengthen the position of producers in the market by increasing the grouping of supply. This objective is explicitly mentioned in the '96 Regulation. Voluntary membership of producers and efficiency in delivering services to members, together with the obligation for producer-members to market their entire production through their producer organisation, were considered basic requirements to operate in a larger, more open and more competitive market. Different categories of producer organisation may be set up: some are specialised in marketing citrus, nuts, mushrooms or products intended for processing (mainly tomatoes), others are multi-product for fruit, vegetables or generally for all kind of fruit and vegetables.

New rules in particular require members to market their entire production through their producer organisation. In exchange, democratic rules should enable farmers to scrutinise their organisation, which has to provide members with the technical assistance needed in adopting environmentally sound agricultural practices.

Member States recognise producer organisations according in particular to a minimum number of producers and minimum volume of marketable production. Two possibilities were offered to producers: either to create new organisations or to benefit from a 5 year transition period to allow producer organisations recognised under the previous Regulation (EC) No 1035/72 to fulfil the new requirements. Article 13 offers a 5-year transition period for producer organisations recognised under former Regulation (EEC) No 1035/72. It does not appear necessary to renew or extend this clause.

A direct comparison with former producer associations is only partially helpful in assessing the effectiveness of the new rules and roles assigned to new producer organisations. Moreover such analysis is also difficult due to the lack of systematic data reporting in the past.

Annex I of Regulation (EC) No 412/97 spells out the criteria for recognition. Criteria set are different both for Member States and type of producer organisation. To set up a producer organisation requires a minimum of 5 producers. The higher the number of producers, the lower the minimum value of marketed production. Thus the highest requirement, i.e. for 5 producers, was set at EUR 3 million. In the specific case of nuts and mushroom POs this amount was lowered to EUR 0.25 million.

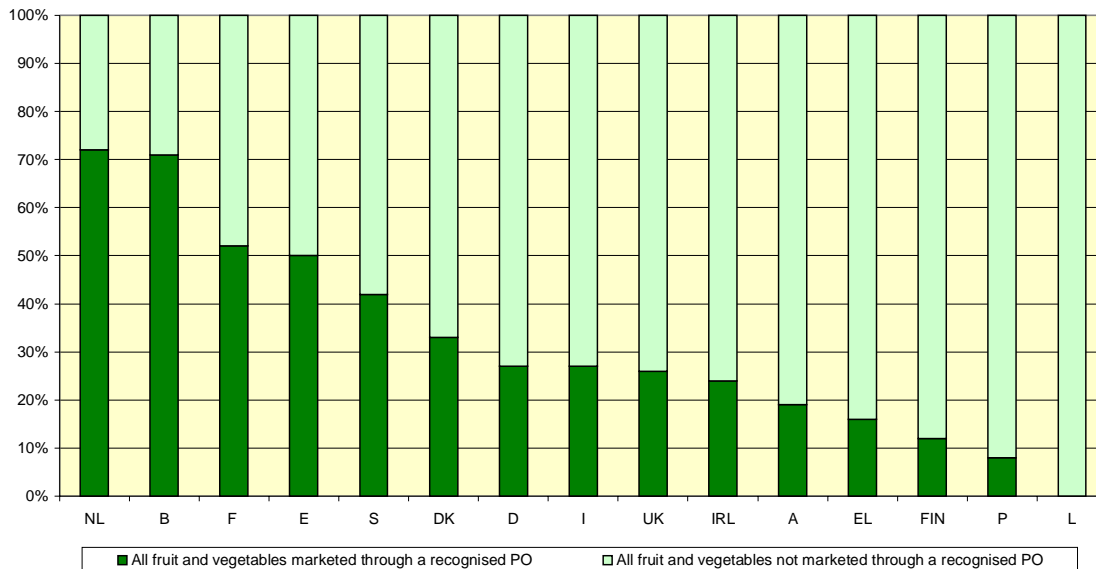
Nevertheless Article 2(2) offers Member States the possibility “to replace the volume of production set out in Annex I by a percentage of the marketable production of a producer organisation in terms of the average total production of the economic region where the producers in the organisation are established. This percentage shall not be lower than 15%. In such cases, the minimum number of producers shall be twenty for the producer organisations”.

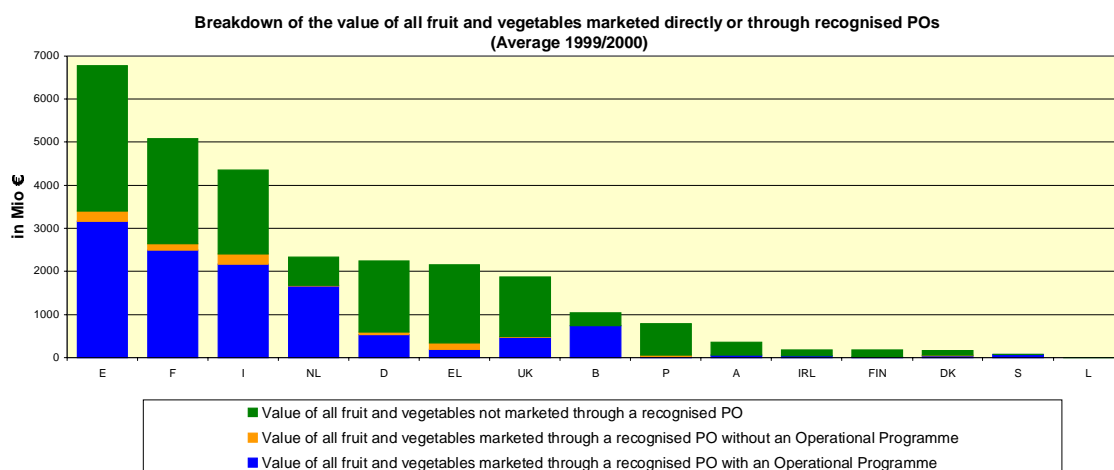
Only 5 Member States (B, D, EL, I, A) have taken up this opportunity to increase the minimum criteria.

At present nearly 1 400 Producer Organisations channel about 40% of all fruit and vegetable production. This represents a value of about EUR 12.5 billion. But while in the Netherlands and Belgium more than 70% of all fruit and vegetable production is marketed through producer organisations, this percentage is much lower in the three most important producing Member States: less than 30% for Italy, 50% for Spain and 55% for France.

The number and size of Producer Organisations is extremely diversified among Member States: 5 Member States (B, DK, A, FIN, S) have fewer than 10 POs while 4 Member States have more than 100 (EL, E, F, I). This heterogeneity concerns not only the number of Producer Organisations but is reflected in the number of members and the production marketed by each PO.

**Percentage of the value of all fruit and vegetables marketed through recognised POs
(Average 1999/2000)**

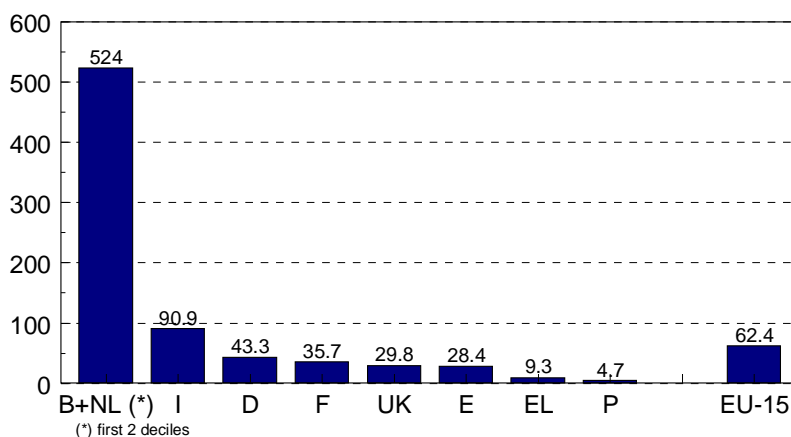




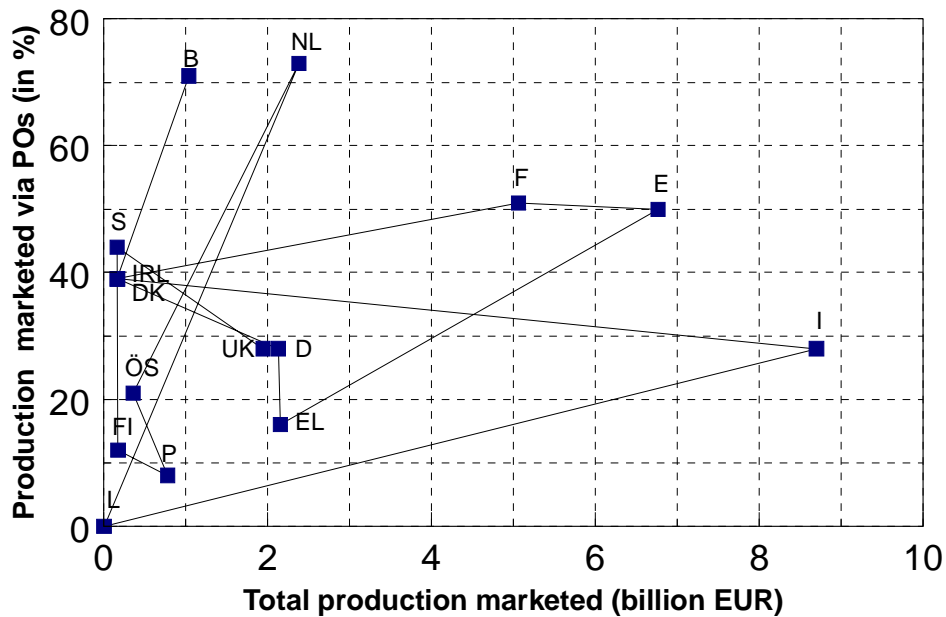
2.2.2. *Producer organisations and their market segment*

Most surprisingly, these differences between Member States cannot be seen when comparing cumulative production values marketed by POs. The number of POs and the importance of marketed production is nearly the same for most Member States: 10% and 20% of POs represent respectively around 40% and 60% of the production marketed by POs. However Belgium and the Netherlands on the one side, and Portugal on the other show drastically different trends.

**Average value of production marketed by POs for 1st Decile
million EUR**

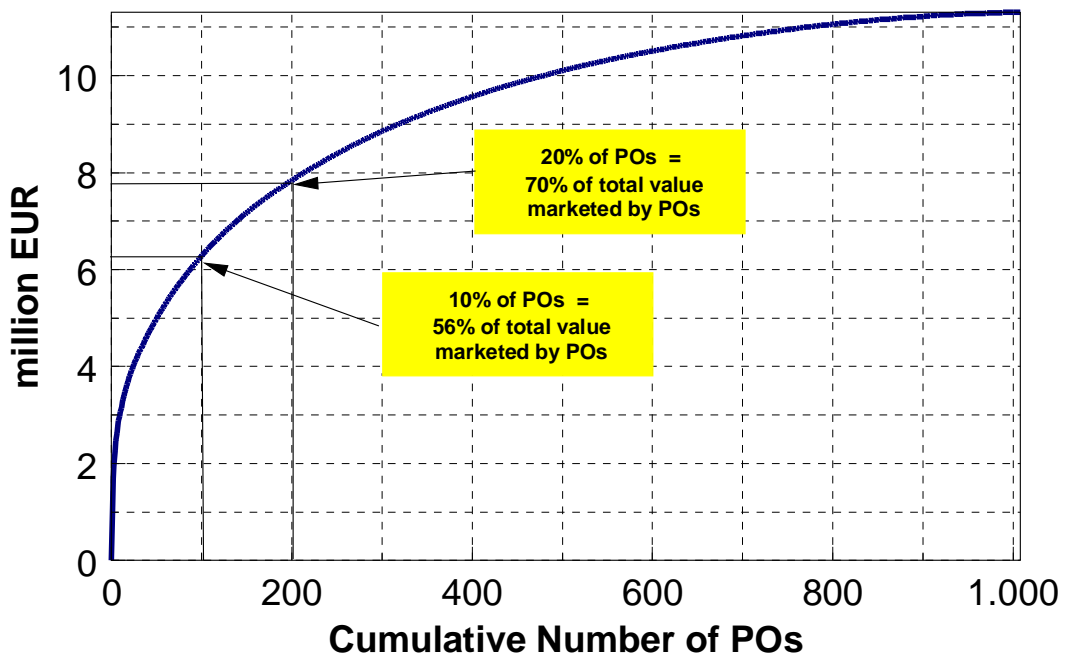


Comparison of production marketed via POs and total marketed production in the 15 MS

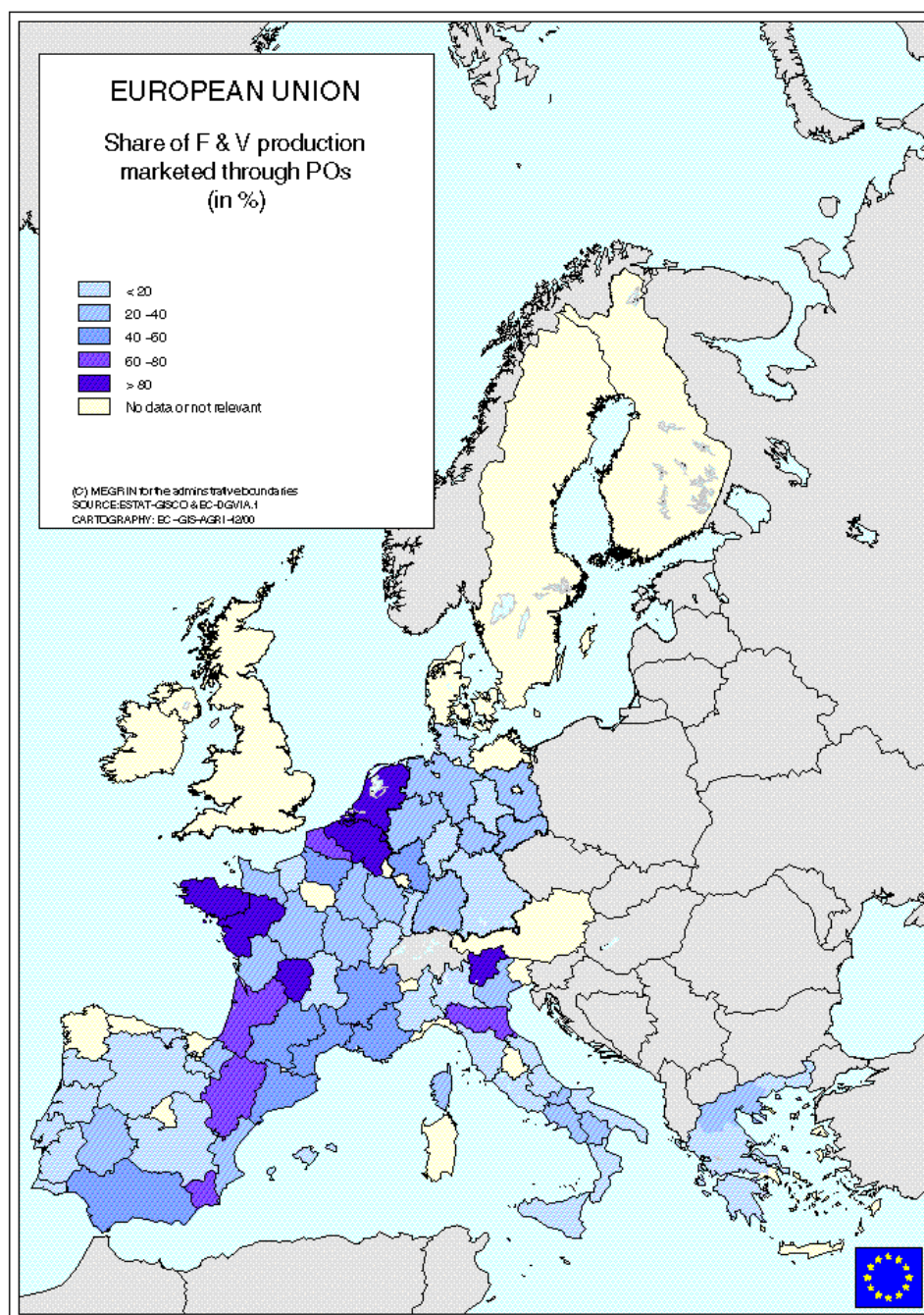


As far as the economic dimension of Producer Organisations is concerned, an important share of the overall production marketed through POs is concentrated on a small number of POs. Moreover, their economic dimension is not related to the share of production marketed through them in each Member State. Only in the Netherlands and Belgium do Producer Organisations have a volume of production close to or higher than EUR 100 million and market more than 70% of Fruit and Vegetables. In most of the other Member States whose POs have a small or medium dimension - between EUR 5 to 20 million - the production marketed through them represents less than 55% of the overall production.

EU-15 : Cumulative value of production marketed by POs



Regional analysis sheds light on the present weaknesses of the organisation of fruit and vegetable production. In a few regions POs control a high share of the regional fruit and vegetable final output. In these cases, POs have generally reached a satisfactory economic size (the Netherlands, Belgium, West of France, Limousin, Murcia, Trentino Alto Adige, Emilia Romagna).

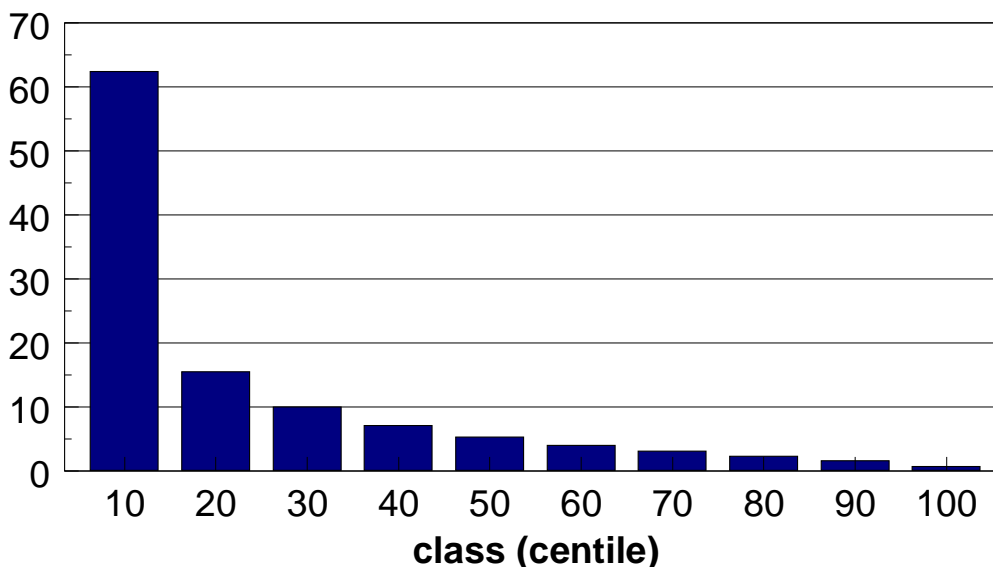


There are even fewer regions where a high share of F&V final agricultural output is correlated with an important level of production organisation: Trentino Alto Adige (I), Murcia (E) and Emilia Romagna (I).

On the other side, weak economic organisation still persists in regions where F&V is important in the regional final agricultural output: South of Italy, Comunidad Valenciana, Andalusia, Algarve and Greece.

EU-15 : Average value of production marketed by POs breakdown by class

million EUR

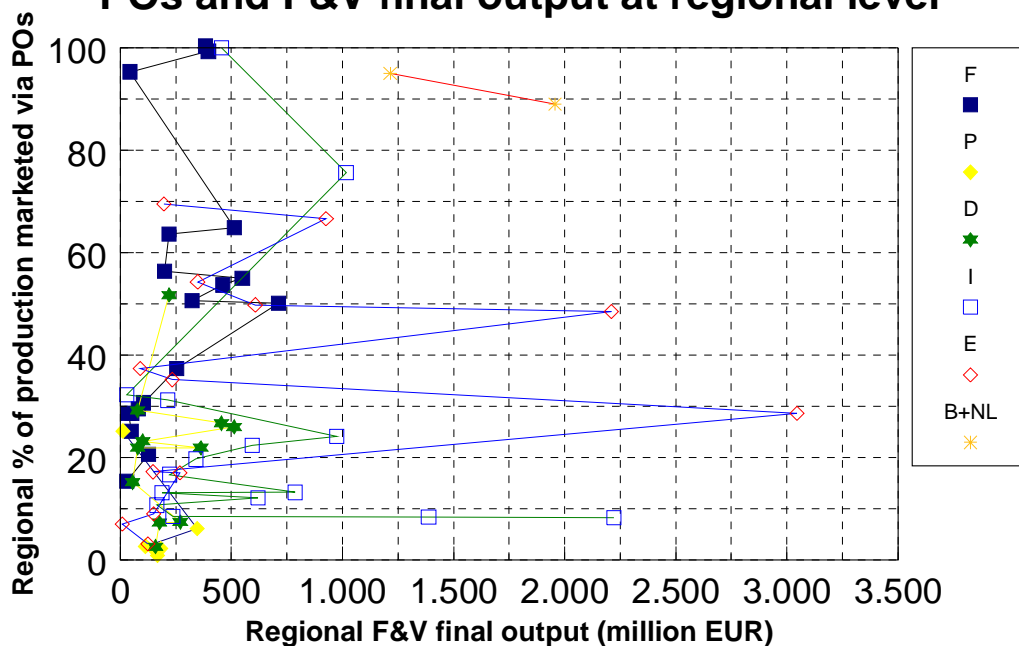


Nevertheless, it is not possible to make any direct link between the regional importance of F&V production and the degree of production organisation. The diversity of regional cases in France, Italy and Spain highlights this phenomenon as illustrated in the Graph “POs and F&V final output at regional level”.

Table 2 : Producer organisations

MS	VMP 1	VMP 2		VMP 3		No. POs			Average value of production marketed by PO million EUR
	(Value of marketed production of Member States) million EUR	(Value of marketed production via all POs) million EUR	%	(Value of marketed production via all POs who have an OP or AP) million EUR	% of VMP 2	total	with OP/AP		
							(requesting aid)	% of total	
B	1 038.43	738.14	71%	738.14	100%	6	6	100%	123.02
DK	167.5	48.54	29%	46.79	96%	6	5	83%	8.09
D	1 735.84	593.97	34%	528.56	89%	59	36	61%	10.07
EL	2 159.38	325.00	15%	156.91	48%	106	57	54%	3.07
E	6 768.57	3 391.51	50%	3 108.34	92%	536	414	77%	6.33
F	4 889.19	2 709.93	55%	2 461.01	91%	340	278	82%	7.97
IRL	186.51	17.62	9%	16.66	95%	6	5	83%	2.94
I	8 700.0	2 347.84	27%	2 034.28	87%	120	88	73%	19.57
L	5.0	0.00	0%	0.00	0%	0	0	0%	0.00
NL	2 279.0	1 618.61	71%	1 591.38	98%	14	11	79%	115.62
A	344.11	59.88	17%	59.88	100%	4	4	100%	14.97
P	782.49	61.13	8%	35.13	57%	39	24	62%	1.57
FIN	174.61	22.51	13%	19.71	88%	9	5	56%	2.50
S	166.22	67.02	40%	67.02	100%	7	7	100%	9.57
UK	1 740.96	457.91	26%	446.38	97%	75	68	91%	6.11
Total	31 137.81	12 459.63	40%	11 310.19	91%	1 327	1 008	76%	9.39

POs and F&V final output at regional level



The '96 reform has not yet led to any substantial and global increase in the economic dimension of POs. Important, already established Producer Organisations inserted in a well-structured economic environment have apparently been able to benefit fully from the opportunities offered by the '96 reform. (See also §2.5 on operational funds and their utilisation). Moreover the differentiation between types of PO introduced by the Council has not impelled any move towards increased PO specialisation.

It would appear important to induce some emulation between POs in order to incite them to streamline their activity and improve services delivered. This process has to be re-launched and could give rise to several questions:

- Should different types of POs be retained?
- Why not leave producers the freedom to decide which PO they want to join for which product?
- Should the ceiling of 25% of production that may be sold directly to consumers be reduced?

The basic regulation offers Producer Organisations the opportunity to delegate management of their operational funds to an association of producer organisations. Many POs welcomed this possibility. The role of an association of producer organisations is at present limited to establishing, implementing and submitting operational programmes, while they could represent a gradual and flexible solution to overcoming the problem of the economic dimension limitation of many producer organisations. This would mean that associations of producer organisations would have to be granted the same legally established rights as its constituents, in order to comply with competition rules. The question would then be whether and how this process should be supported.

2.3. Interbranch organisations and agreements

Interbranch organisations were recognised by the '96 Regulation. They are defined as legal entities made up of representatives of economic activities linked to the production and/or trade and/or processing of Fruit and Vegetables. Among their powers is the right to lay down rules in respect of production and marketing, that are stricter than Community or national rules. Their recognition is subject to their representing a significant share of production in the area in which they operate. At present only five interbranch organisations have been recognised: two in France- - INTERFEL for fresh fruit and vegetables and ANIFELT for fruit and vegetables for processing, and three in Spain - AIPEMA for pears and apples, AILIMPO for lemons and grapefruit, INTERCITRUS for fresh and processed citrus (oranges, mandarins, clementines, satsumas).

Notwithstanding Article 81(1) of the Treaty, agreements made by recognised interbranch organisations are authorised. Agreements have to be notified to the Commission to be enforced. As shown in Table 3, only France, and to a lesser extent the Spanish citrus sector, have made extensive use of interbranch agreements.

Table 3: Interbranch agreements

Interbranch Organisations	No. of agreements			No. of fruit concerned	No. of vegetables concerned	General agreement for F&V
	Member State	notified	now in force			
INTERFEL	France	30	24	6	5	1
ANIFELT	France	8	3	2	1	-
INTERCITRUS	Spain	1	1	4	-	-
AILIMPO	Spain	4	4	4	-	-
AIPEMA	Spain	0	-	-	-	-

There are 2 main reasons for this use. In most countries the weakness of producer organisations at regional or national level prevents them from representing most of the production geared towards trade and processing. In other regions and/or countries, the reason is the different structure of the fruit and vegetable chain: the production sector has put in place a marketing interface that avoids the use of the Community interbranch agreement.

The introduction of some modifications could make interbranch agreements more attractive. Article 20(2) requires the prior notification of agreements to the Commission and specifies that an agreement may not be implemented until two months after receipt of all the details required. Moreover, in cases where an interbranch organisation operating in a specific area (region, group of regions, Member State) is considered to represent a given product, i.e. where it accounts for at least two thirds of the production and/or trade in and/or processing of the product, the Member State concerned may, at the request of the interbranch organisation, extend its rules to other operators in the area in question. The rules for which such an extension may be requested must however have been in force for at least one marketing year.

These two conditions might appear excessively constraining, in particular for the fruit and vegetable sector, which is often required to respond quickly to market signals.

As already enacted by the basic regulation for wine, a solution to avoid the two month delay in implementing agreements would be simply to bring rules to the attention of operators, by publication in the Official Journal of the Member State concerned. This would at the same time signal implementation of the rules, which would likewise be notified to the Commission. The Commission would then check that they complied with Community law.

As with the legal solution adopted in the wine sector, the requirement for one year's enforcement before authorising any extension might also be dropped without weakening the Commission's control.

Finally on this topic of extension of rules, interbranch organisations may request financial contributions (Article 22(2)) for activities they carry out, from groups which are not members but which benefit from these activities. This possibility may however only extend to products grown in the region(s) concerned and not to products imported from third countries. Given the jurisprudence of the Court of Justice a broader application than the present one would require an explicit decision of the Council.

2.4. Intervention arrangements and withdrawals

Under the new regime producer organisations have the possibility of making withdrawals of any of the products covered by the regime, in whatever quantity and for whatever period they consider appropriate. For 16 products mentioned in Annex II of the Regulation (EC) No 2200/96, producer members of POs may benefit from EU withdrawal compensation up to a ceiling of 10% of the quantity marketed by the producer organisation, although this 10% ceiling will only be reached at the end of a 6-year transition period, i.e. marketing year 2002/03.

Table 4: Withdrawals: ceilings applied during transition period

Year	Citrus	Melons, watermelons	Apples, Pears	Other Annex II products
1997/1998	35%	10%		50%
1998/1999	30%	10%		45%
1999/2000	25%	10%		40%
2000/2001	20%	10%		30%
2001/2002	15%	10%		20%
2002/2003	10%	10%	8.50%	10%

Moreover, in order to forestall possible widespread structural imbalances leading to large volumes of withdrawals, an intervention threshold was foreseen for 11 products listed in Annex II. An overshoot of the intervention threshold triggers a reduction in community compensation in the following marketing year. This happened with cauliflower, peaches and nectarines during the 1999/2000 marketing year and therefore a reduction of compensation applies for 2000/01.

In addition, the payment of community compensation was simplified by setting a single amount for each product, valid throughout the European Union. A

variation ranking from -44% to +9% according to the product has to be implemented during the transition period.

Table 5 : Withdrawal community compensations for some products

	Average amount for				2000/1996	2002/1996
	1996/97*	1997/98	2000/01	from 2002	in %	in %
Peaches	19.49	14.65	12.45	10.99	-36%	-44%
Apples	14.74	10.69	9.56	8.81	-35%	-40%
Nectarines	22.57	17.39	14.78	13.04	-35%	-42%
Cauliflowers	11.69	9.34	7.73	7.01	-34%	-40%
Apricots	23.40	18.90	16.06	14.17	-31%	-39%
Pears	12.79	10.18	9.10	8.39	-29%	-34%
Mandarines	15.66	16.15	14.26	13	-9%	-17%
Lemons	14.02	13.37	13.15	13	-6%	-7%
Tomatoes	5.77	6.44	5.47	4.83	-5%	-16%
Oranges	13.45	14.33	14.13	14	5%	4%
Clementines	11.98	12.74	12.9	13	8%	9%

Note:

* Amounts are calculated on the basis of Member States declarations for 1996/97.

Before the '96 reform institutional prices were possibly decreased by some coefficient according to some criteria (presentation, etc.).

Non members of producer organisations may benefit from community withdrawal compensation at a 10% reduced rate and for a volume limited to 10% of their marketed production.

The dramatic reduction in volumes withdrawn - 50% down on the 5 year pre-reform period - has mainly been due to the co-responsibility of producer organisations in withdrawals, i.e. the implementation of reduced withdrawal ceilings for each producer organisation, rather than to the reduction in the unit amount of Community compensation. This reduction in withdrawn volumes, insofar as it entails a reduction in waste materials, also has a positive environmental consequence.

The decline in withdrawals has applied to all Annex II products and in all Member States. At EU level only withdrawals for nectarines still represent more than 10% of production. At Member State level withdrawals appear not to have been significantly curbed for tomatoes in Spain, cauliflower in the United Kingdom, or for nectarines and peaches in France.

Table 6: Withdrawals of Annex II products

		1997/98	1998/99	1999/2000*
Quantities of Annex-II products withdrawn	000 t	1 401	916	693
Community compensation paid	million €	155.8	92.1	74.7
Number of products		16	16	9
Supplement to Community compensation	million €	8.5	6.8	4.0
Number of products getting supplements		11	13	7

Note: For marketing year 1999/2000 incomplete data, Italy missing, data for citrus, pears and apples not available.

Traditionally it is considered that withdrawals have a dual effect:

- on the one side they create an artificial outlet for fresh products,

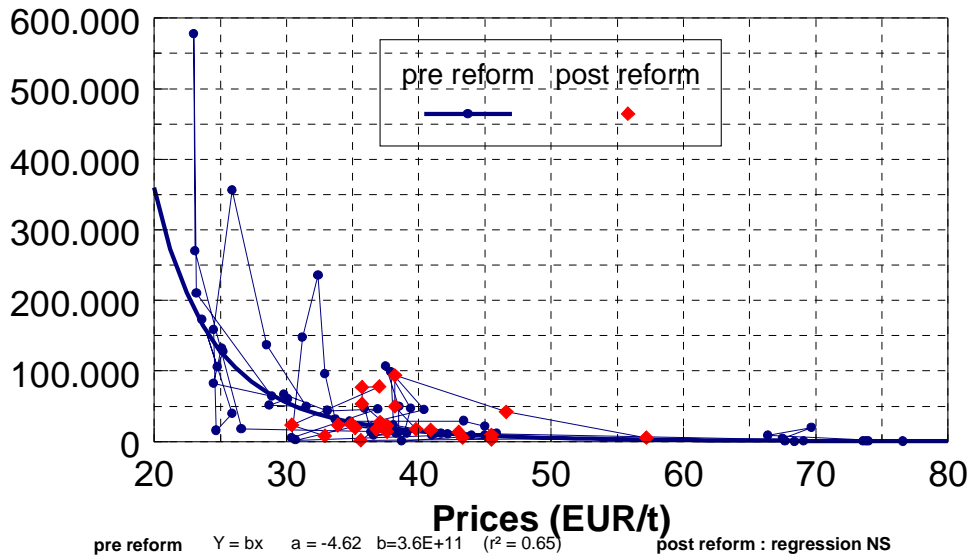
- on the other they tend to prevent market prices from falling too low.

A comparison of withdrawals before (1991-1996) and after the '96 reform has been carried out for five products (cauliflower, tomatoes, peaches, nectarines, apples). Up to 1996, an analysis of monthly prices and withdrawals shows both effects applying. After the '96 reform the use of withdrawals as a market outlet tends to disappear, the co-responsibility of producer organisations in withdrawals inducing them to restrict the use of withdrawals to support a bottom price.

MONTHLY MARKET PRICE and WITHDRAWALS

APPLES EU-15 (July 1991 - June 1999)

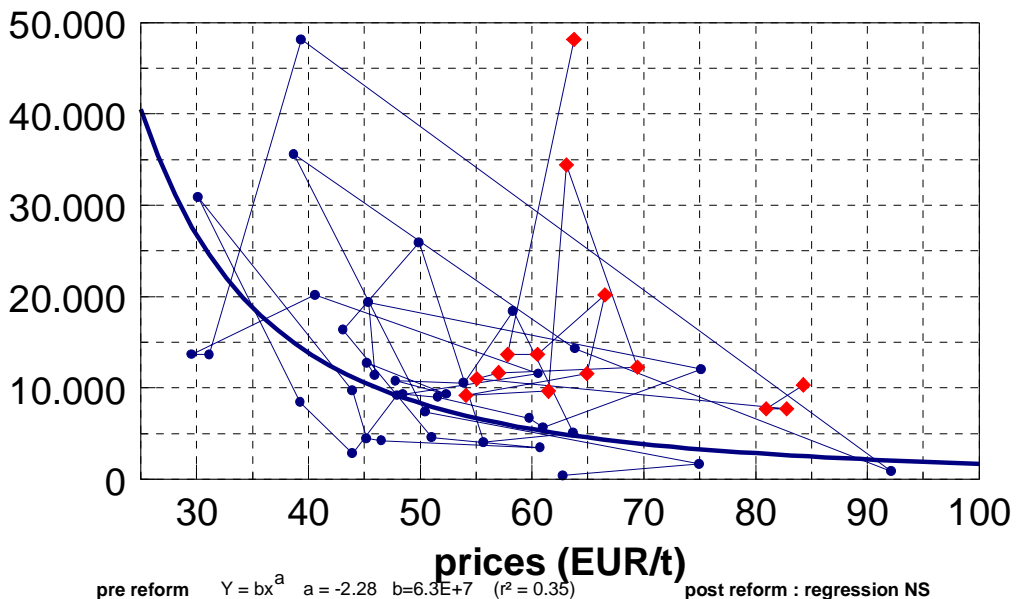
Withdrawals (t)



MONTHLY MARKET PRICES and WITHDRAWALS

TOMATOES EU-15 (June 1991 - December 1998)

withdrawals (t)



2.5. Operational Funds and their utilisation

All recognised producer organisations may receive Community financial support to set up an operational fund. This fund is financed half by members of the producer organisation and half by EU contribution. Not all producer organisations request Community financial support. But the number of producer organisations requesting support has grown faster than the number of recognised producer organisations and now the difference has shrunk to nearly 200 producer organisations (representing around 5% of the value of marketed production).

At present the amount granted to producer organisations is capped by a double ceiling of 4.5% of the value of the marketed production of each producer organisation, provided that the total amount of financial support represents less than 2.5% of the production marketed by all producer organisations. In spite of this constraining and complex mechanism, aid granted has increased sharply during the first years of the reform. Expenditure now covers 95% of POs and the ceiling of 2.5% has been reached. Under the present rules any increase in the aid granted to producer organisations will come from an increment of production marketed by them, i.e. through new POs, or new members, or more production.

Table 7: Producer Organisations with an Operational Programme

		1997	1998	1999	2000 (e)	1997/2000 in %
Number of Producer Organisations with an Op. Prog.		680	845	1 008	1 120	65%
Value of Production marketed by POs with an Op. Prog.	million €	8 586	9 974	11 310	12 186	42%
Production marketed by POs with Op. Pr. versus Production of all POs	%	79%	84%	91%	95%	20%
Aid requested	million €	226	312	423	436	93%
Aid granted	million €	119	238	311	321	170%

The percentage of aid granted tends to be over 2.2% (of production value marketed by POs) among important or big producing Member States with two notable exceptions: Portugal and Greece with respectively 1.11% and 0.82% in 1999. Thus not only are these two Member States in a weaker position in terms of production marketed through producer organisations - respectively 8% and 15% in 1999 - but their producer organisations do not even benefit from the support they are theoretically entitled to.

The distribution of aid among producer organisations reflects their economic dimension, with a higher concentration in the biggest POs:

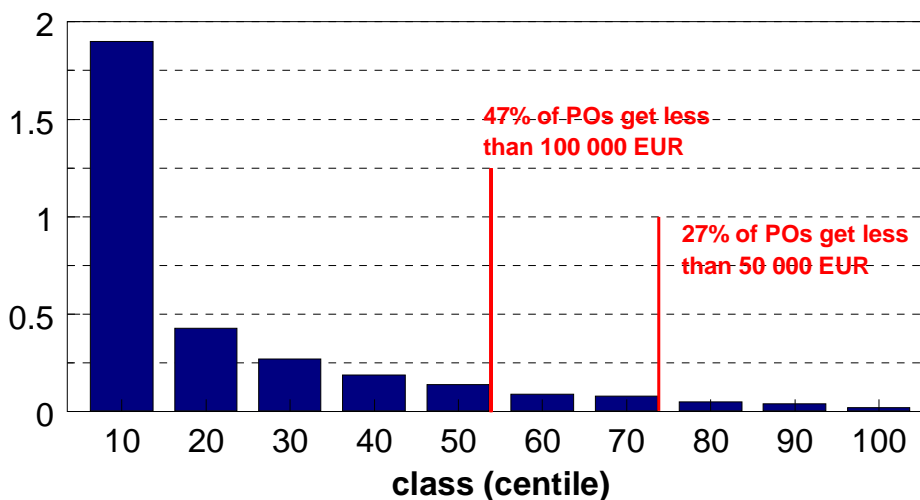
- 10% of POs get 50% of aid granted and on average EUR 1.9 million per PO,
- 20% of POs get 64% of aid granted and on average EUR 0.43 million per PO,
- 47% of POs get less than EUR 100 000,
- 27% of POs get less than 50 000 EUR.,

EU-15 : average aid granted to POs

distribution by class

million EUR

(each class represents 101 POs)



Operational funds may be used to finance:

- market withdrawals for products not benefiting from Community compensation, and to top up Community withdrawal compensation,
- an operational programme after approval by the competent authorities of the Member State.

Table 8: Withdrawals financed by operational funds

Non Annex II products		1997/98	1998/99	1999/2000*
Number of products withdrawn		28	29	30
Quantities withdrawn	000 t	9.4	28.7	15.1
Compensation paid	million €	1.5	2.0	1.5
Number of Products > 1000 t		4	5	3
Quantities withdrawn of products > 1000 t	000 t	6.9	2.4	1.0
Number of products > 0,1 million €		5	3	3
Compensation paid by products > 0,1 million €	million €	1.3	1.4	1.1

Annex II products		1997/98	1998/99	1999/2000*
Number of products withdrawn		16	16	9
Quantities withdrawn	000 t	1 401	916	693
Community Compensation paid	million €	155.8	92.1	74.7
Supplement to Community compensation	million €	8.5	6.8	4.0
Number of products getting supplements		11	13	7

Note: For marketing year 1999/2000 incomplete data, Italy missing, data for citrus, pears and apples not available.

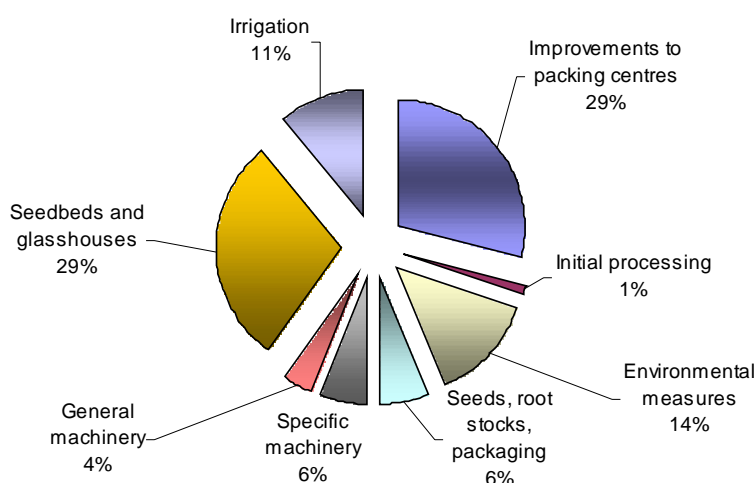
The amount paid to supplement Community compensation is more than twice the amount paid for withdrawals of Non-Annex II products. The amount dedicated to withdrawals is less than 0.5% of the operational fund. This is far from the ceiling that could be used for that purpose at PO level and which has gradually to be reduced from 60% to 30%, in 2002/03, of the operational fund of each PO.

In fact, in the context of the more open and competitive market resulting from the 1994 GATT Agreement, operational programmes were inserted in the new regime in order to re-direct budget support and speed up the adjustment of the fruit and vegetable sector and promote a more environment oriented operation of the sector.

Article 15(4)(a) indicates which measures may “in particular” be financed. This enumeration mentions: improvement of product quality, boosting products' commercial value, promotion of the products targeted at consumers, creation of organic product lines, the promotion of integrated production or other methods of production respecting the environment and the reduction of withdrawals. The following point (§4 (b)), anticipating the future Rural Development Regulation (Regulation (EC) No 1257/1999) makes compulsory the inclusion of environmental measures into operational programmes. Furthermore, the last point of §4 requires producer organisations to provide in their programmes for the technical and human resources required to ensure compliance with marketing standards, plant-health standards and rules, and maximum permitted levels of residues.

Proposed operational programmes shall not cover operations or expenditure on the list of ineligible operations and expenditure given in the Annex of the implementing regulation (Regulation (EC) No 411/97).

Unfortunately it is not possible to provide a systematic insight into the use of operational funds. In fact no centralised yearly reporting routine is at present enforced. In future, based on a harmonised questionnaire, it would be possible to have a clearer picture of environmental measures implemented in operational programmes and the share of operational funds dedicated to these later. However, a case study carried out in Spain in 1998 of 332 operational programmes sheds light on the utilisation of funds. Programmes were broken down into eight categories of measures for a total amount of EUR 54 million (22.5% of the EU total). The following graph summarises the results:



2.6. Eco-conditionality

The environmental consequences of the fruit and vegetable sector are closely related to generally intensive production and high input levels. This is particularly true for pesticides since product marketability often requires repeated applications so that regions with the highest pesticide use rates in the EU tend to have an important fruit and vegetable output. Whilst in the southern MS very high levels of water use namely through irrigation relate to the fruit and vegetable sector, in some northern MS fruit and vegetable production tends to involve a considerable use of energy input. The management of wastes including withdrawn produce and used plastics is also a matter of environmental concern. Finally, the effects of the sector on the landscape are mixed with positive contributions in regions of aesthetic values associated with traditional fruit tree orchards and negative impacts with the proliferation of greenhouses in highly specialised areas.

Council Regulation (EC) No 2200/96 several times mentions the need for the fruit and vegetable sector to take better account of environmental aspects. First of all, Article 11(1)(b)(4) specifies that producer organisations have “in particular the aim of promoting the use of cultivation practices, production techniques and environmentally sound waste-management practices in particular to protect the quality of water, soil and landscape and preserve and/or encourage biodiversity”.

Article 15(4)(b) on the setting up of operational funds specifies that operational programmes financed by them have to “include action to develop the use of environmentally sound techniques by the producer members with regard to both *cultivation practices* and the management of *waste materials*”. It makes explicit reference to the first article of Regulation (EEC) No 2078/92⁵ concerning agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside.

Article 1 of Regulation (EEC) No 2078/92 specifies that environmentally sound techniques aim to encourage:

- the use of farming practices which reduce polluting effects of agriculture,
- an environmentally favourable extensification of crop farming,
- ways of using agricultural land which are compatible with protection and improvement of the environment, the countryside, the landscape, natural resources, the soil and genetic diversity.

As the list of techniques in Article 15(4)(b) is not exhaustive, the fields mentioned in Annex III may also be quoted as areas for the development of environmentally sound techniques: the use of fertilisers and manure, the use of plant-health products and other crop protection methods, maximum residue content in fruit and vegetables of plant-health products and fertilisers, the

⁵ Repealed by Regulation (EC) No 1257/1999.

disposal of by-products and used material, and the destruction of products withdrawn from the market. Article 15(4)(a) also mentions the creation of organic product lines and the promotion of integrated production or other methods of production respecting the environment.

The commitment to environmental concern is strengthened even further by Article 15(4)(c), which spells out that operational programmes have to include “the technical and human resources required to ensure compliance with plant-health standards and rules, and maximum permitted levels of residues”.

A national framework for drawing up general conditions relating to environmental measures has to be established by Member States and then submitted to the Commission. The Commission may ask for modifications to the proposed framework if it finds that it does not enable the aims set out in Article 174 of the Treaty and in the Community programme of policy and action in relation to the environment and sustainable development to be attained.

The wording of the provision indicates that the Regulation envisages the possibility, as a starting point, of a relatively low level of utilisation of environmentally sound techniques and requires this to be improved, without necessarily defining the minimum standard to be attained. The provision aims more to start and implement a process.

Measures which may be classified as “good agricultural practice” and/or Community/Member States' compulsory environmental measures which are excluded from the scope of application of Regulation (EC) No 1257/1999 cannot be included in operational programmes. Such measures must in any case be respected by all farmers, to avoid damaging the environment through farming.

All Member States have sent their national environmental frameworks to the Commission. Good agricultural practices, including compulsory measures, are clearly excluded from the scope of operational programmes. But it is sometimes less clear whether the measures mentioned go beyond good agricultural practice. Where compulsory measures are particularly stringent compared to those of other Member States, there have been requests to apply community requirements pragmatically with a view to ensure that farmers can comply with this higher national standards.

Environmentally sound measures allowed to form part of an operational programme may obviously overlap with agri-environmental measures provided for under Regulation (EC) No 1257/1999. This raises the question of consistency between the various measures and the minimum level required in operational programmes. The minimum requirements laid down in the agri-environmental schemes do not explicitly form part of the operational programmes. Nevertheless, Member States should make sure that any contradiction is avoided between operational programmes and measures carried out under agri-environmental policies. The necessary steps have to be taken to avoid funding the same measures twice. Most Member States do not seem to pay the necessary attention to encouraging real complementarity between these instruments.

Up to now the Commission services have not had the possibility of carrying out an impact assessment of these measures. Most Member States have provided the Commission with a detailed list of eligible environmental measures to be introduced into operational programmes. Although the information in the hands of the Commission is incomplete, the first impression is that the mechanism would be satisfactorily applied.

Another important environmental aspect explicitly mentioned in the regulation concerns the destination of products withdrawn from the market. Producer organisations “must respect the environment, particularly as regards water and landscape quality” (Article 23(2)). In this case too Member States shall establish a national framework for the general conditions relating to withdrawals, incorporating methods which respect the environment. The Commission may ask for modifications if needed. On their side producer organisations have to notify within the reporting system full details concerning the measures taken to ensure environmentally sound practice in connection with withdrawals, to their competent national authorities, which shall forward the information to the Commission.

Most Member States have sent detailed information to the Commission on this issue, but some others have tended to consider that their present national environmental legislation covers in a satisfactory way the requirements of Regulation (EC) No 2200/96 and that no specific framework has to be elaborated.

2.7. The case of nuts

In 1989, Regulation (EEC) n° 1035/72 (Title IIa) introduced specific measures for the nut sector, in order to make good the inadequacy of production and marketing facilities. These measures cover five products: almonds, hazelnuts, walnuts, pistachios and locust beans.

The principal measure is the financing of 10-year quality and marketing improvement plans, presented by producer organisations.

Plans qualify for 55% public funding (of which EU 45%, Member State 10%) subject to a maximum amount per hectare. Financing of the measure is intended to be temporary and digressive in the maximum level of aid paid.

The measures were repealed by Regulation (EC) No 2200/96. However existing plans may continue to term: the last will expire in 2006.

Five Member States have POs using this scheme: E, F, I, EL, P. In total some 92 POs⁶ run improvement plans. They represent over 600 000 ha of nuts. Spain represents by far the greatest area (95%) with FR and IT sharing the remaining 5%. EL and PT have negligible areas.

⁶ This figure can vary due to mergers and cessation of activities etc.

EU expenditure on these specific measures from 1990-1999 was EUR 725 million. Expenditure for plans that have not expired is budgeted from 2000 to 2006 to be a further EUR 250 million.

Spain has been the largest beneficiary of the scheme (95% of total expenditure). Spain has been highly successful in regrouping supply (example: 85% of almonds). In France 90% of walnut area has been included in plans. However Italy, Greece and Portugal have been slow to implement the measures. As a result only a small proportion of nut areas has been included in these Member States.

Reg. 2200/96 also introduced in 1997 a (smaller-scale) flat-rate aid for hazelnuts, to help producers face up to temporarily difficult economic conditions. This scheme ends in 2000.

EU nut production via producer organisations (whether or not in existing plans) is eligible for other additional support measures:

- operational fund scheme of Regulation (EC) No 2200/96 (general support mechanism for fruit and vegetables),
- structural measures of Regulation (EC) No 1257/1999 (rural development plans).

A number of nuts plans expired in 2000.

Expenditure by producer organisations in the more economically viable areas has been on income support but also on structural improvements (orchards/marketing) and has helped producer organisations to become more competitive.

However, for a substantial area, expenditure has been mainly on income support (normal farming input costs) to improve product quality. This area is chronically non-competitive (extensive, less-favoured areas and marginal production) in market terms, although it does play an important role in maintaining rural population and environmental effects (anti-erosion, fire-breaks).

2.8. Citrus processing aid

The modification of the support regime for processed citrus approved in 1996 had a double aim:

- on the production side to avoid that processing become a systematic market outlet for production initially oriented to the fresh market,
- on the processing industry side to allow re-orienting towards new products (eg. chilled citrus juice) for which EU industry may be competitive.

The reformed system of aid for the processing of citrus fruit is based on the following elements:

- contracts between processors and producers through their producer organisations,
- an aid for producers granted through their producer organisations,
- a free negotiation of purchase price for the raw material between producer organisations and the processing industry,
- a system of thresholds for each product (oranges, lemons, grapefruit and small citrus fruits).

An increase in aid was granted for producer organisations which conclude a pluriannual contract specifying minimum quantities. This possibility has been used mainly in Italy and Greece and to a much lesser extent in Spain, where most citrus production is oriented towards the fresh market.

To prevent systematic recourse to processing as an alternative outlet, a maximum quantity for processing was set, the overrunning of which would entail a reduction in aid. In spite of this constraining mechanism - aid was reduced by 42%, 32% and 30% during the 1997/98, 1998/99 and 1999/2000 marketing years, respectively - the price received by producers for 1999/2000 in Portugal and Spain was around or higher than the minimum price in force before 1997. In Italy and Greece the lower prices paid to producers mainly reflect the processing industry's difficulty in adapting to this new situation and also the quality of the raw material. In fact, where the citrus processing industry has been able to adapt to final consumer demand in producing chilled or pasteurised citrus juice, the price paid for the raw material has seen a positive development.

The abandonment of a minimum price had no disruptive effect on the citrus processing sector and clearly initiated a trend towards a better valorisation of citrus by the processing industry in three out of four producing Member States.

Table 9 : Processed oranges - Price Evolution 1996 - 1999

Member State	Orange type	Amount covered by processors	Price paid by processors				Minimum price	Amount received by producers			
			EUR/100 kg					EUR/100 kg			
		1996/97	1997/98	1998/99	1999/2000	1996/97	1997/98	1998/99	1999/2000		
Portugal	Winter orange	4.75	4.49	4.92	5.99	14.18	10.31	11.71	12.95		
	Late	4.75		6.89	7.48	14.18		13.68	14.44		
Spain	Navel	4.75	4.79	5.94	7.21	14.18	10.61	12.73	14.17		
	White	4.75	5.38	6.53	8.41	14.18	11.2	13.32	15.37		
	Late	4.75	6.58	7.72	9.62	14.18	12.4	14.51	16.58		
Italy	White	4.75	1.75	3.04	1.81	14.18	7.57	9.83	8.77		
	Pigmented	4.75	3.35	6.59	5.16	14.18	9.17	13.38	12.12		
Greece		4.75	0.59	1.48	1.22	14.18	6.41	8.27	8.18		

2.9. Coexistence of the F&V regime and the new Rural Development regulation

Measures foreseen in the operational programmes of POs and financed by operational funds may overlap with measures financed within the framework of structural policy, i.e. presently Rural Development Plans of Rural Development Regulation (Reg. (EC) No 1257/1999).

The need for consistency between measures financed by Rural Development and those financed by the COM lead to the categorical imperative that measures included in Rural Development Plans do not counteract the political guidelines of the COM nor weaken them. On the contrary, rural development plans should be complementary to the COM and in particular:

- rural development support should be available to PO members without discrimination,
- rural development plans should not enable non-recognised POs to overcome the COM requirements regarding recognition,
- similarly the regrouping of supply by POs should not be weakened by the inclusion in Rural Development Plans of marketing measures in favour of producers who are not member of POs.

Such a conflict does not exist for those measures already excluded from the scope of the COM by implementing regulation (Regulation (EC) No 411/97) e.g. investment for processing fresh products.

In order to strengthen the consistency and coherence between rural development and COM measures Member States or regions have, if necessary, to specify in their Rural Development Plans measures falling within the scope of the COM. An exception has to be requested and justified (in accordance with Article 31(3) of Regulation (EC) No 1750/1999 and Article 37(3) of Regulation (EC) No 1257/1999). Member States or regions determine the type of measures that may be financed in the Rural Development Plan. These measures then will not be eligible for financing in operational programmes funded by the COM, and vice versa. In order to set a clear cut separation between the two instruments, some regions or Member States have chosen precise criteria such as the amount of investment.

2.10. Budgetary issues

Since 1997 withdrawals have sharply declined, but for 2000 might be higher than calculated in the financial statement of COM(95) 434. After a slow start operational funds have reached the expected amount in 2000. Spending for citrus processing has always - with the exception of 1998 - been higher than expected. In total, spending for citrus, fresh fruit and vegetables has been maintained below the level entered in the '95 financial statement.

Table 10: Budget spending 1996-2000 (million EUR)

	Financial statement		Financial statement		Financial statement		Financial statement		Financial statement	
	1996	1996	1997	1997	1998	1998	1999	1999	2000	2000*
Exports refunds	98.5	73.4	92.2	67.0	85.9	40.8	79.6	23.2	73.3	34.7
Withdrawals	330.7	192.9	216.6	293.2	202.4	138.3	186.1	90.6	156.3	169.2
Operational Funds	128.7	0.0	180.1	6.4	205.8	239.0	231.6	256.4	257.3	264.7
Nuts	105.0	81.3	100.0	77.3	101.3	110.3	102.1	93.6	104.1	96.0
Sub-total	662.9	347.6	588.9	443.8	595.4	528.4	599.4	463.7	591.0	564.6
Other measures	172.0	136.0	107.0	19.0	55.0	104.4	45.0	40.8	50.0	0.0
Total fresh F&V (1)	834.9	483.6	695.9	462.8	650.4	632.8	644.4	504.5	641.0	564.6
Citrus (2)	189.4	234.6	186.5	244.1	182.9	113.2	179.3	202.7	175.7	194.7
Total (1) + (2)	1 024.3	718.2	882.4	706.9	833.3	746.1	823.7	707.2	816.7	759.3

* Real and estimated spending

Differences between spending for operational funds and the yearly aid granted to POs (cf. Table 7 § 2.5) lay in delays between commitments and payments. In this initialisation period delay was spread over 4 years, but should progressively be reduced to three.

National and Community checks

The special corps of inspectors in the fruit and vegetable sector of the European Commission carried out control missions within the Member States throughout the 1999. The objective of these missions was to verify the application of Community regulations relative to common quality norms, and an assessment of quality controls was carried out in order to evaluate the working of official quality control services.

The conclusions of each report have been transmitted to the different Member States concerned in their own language. A summary of the findings made in each Member State will be the focus for discussion during a meeting of fruit and vegetable experts at the beginning of 2001.