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THE COMMON ORGANISATION OF THE MARKET FOR PROCESSED FRUIT AND VEGETABLES

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1. INTRODUCTION

This regime includes the determination of the minimum producer prices and the granting of aid to processors, under the precondition that these prices are respected. Stabilisers are in operation. Aid per "stremma" is granted for raisins, and there are public stockpiling measures in force for both raisins and dried figs. Rules for commerce with third countries are laid down.

2. FIELD OF APPLICATION, TRADE PERIODS

This regime includes

- frozen, dried and pre-prepared fruit and vegetables
- fruit juices, pulps and pastes

The periods of trade are as follows:

- processed products from tomatoes, peaches in syrup, dried figs: 1 July - 30 June
- Williams pears in syrup: 15 July - 14 July
- raisins, dried plums (prunes): 1 September - 31 August

3. PRICES AND AID

The minimum producer price and the aid for processing are determined before the beginning of the trade period by the Management Committee for:

- processed tomato products
- peaches, Williams pears and cherries in syrup or natural juice
- dried figs and plums

The level of the minimum price is determined by taking into account the prices in the previous period, changes in the prices of the raw materials (i.e. fresh fruit and vegetables) and the state of the market.

In the case of figs, monthly increases to the minimum price are envisaged.

The aid is given to the processors with the aim of achieving the competitiveness of Community products and the protection of producers' incomes. A precondition of the granting of aid is that there be respect, on the part of the processor, for the minimum producer price, on the basis of contracts which are made with the producers or with their organisations.

The level of the aid must ensure the disposal of the Community products. For its determination, aid given in the previous year is taken into consideration, as well as the difference in the cost of raw materials between the Community and competitive third countries, and the state of the market.

The aid is paid according to the net weight of the processed product, produced in the Community from the raw material, which complies with the minimum quality requirements.

In the case of raisins (sultanas, Corinthian and Muscatel) aid is granted per "stremma". The amount is determined on the basis of average yields, taking into account the need to conserve the areas which have traditionally been under cultivation and the possibilities for disposal of the product. The aid is granted under the precondition that the product has been harvested and dried for processing. Further aid is granted over a three-year-period to producers who replant their vineyards in order to combat phylloxera.

4. STOCKPILING

The stockpiling organisations recognised by the Member States purchase the quantities of dried figs and raisins which the producers offer them during the last two months of the trade period.

The products must comply with the quality rules which have been laid down.

In the case of raisins, the largest quantity which can be assigned for stockpiling is 27,370 tonnes.

The prices at which figs are bought for stockpiling are equal to the lowest minimum price at the beginning of the trade period, reduced by 5 %. In the case of raisins, the market price for the period 1994/5 is applicable, with yearly adjustments.

The stockpiled products are offered at auction.

The stockpiling organisations receive aid for the period of time for which the products are stored. They also receive, as a monetary equalisation, an amount equal to the difference between the price at which the products were bought and the price at which they are sold.

5. STABILISERS

The products for which there are financial stabilisers are:

a) Processed tomato products

The aid is restricted to the quotas which are determined for each product and each Member State where they are produced. The Member States allocate the quotas to the processors in accordance with the quantities which they have processed in previous years. 2 % of the quota is allocated to new enterprises. The total quota for the Community is as follows:

- tomato paste: 4,317,339 tonnes (Greece: 967,003 tonnes)
- peeled tomatoes: 1,543,228 tonnes (Greece: 25,000 tonnes)
- other products: 736,220 tonnes (Greece: 21,593 tonnes)

b) Raisins

The greatest guaranteed area for which aid is granted is 53,000 ha. Excess of this figure results in a corresponding reduction in the aid for the same trade period.

c) Peaches and Williams pears in syrup

The greatest guaranteed quantity for the Community is 582,000 tonnes for peaches and 102,805 tonnes for pears. An excess of these limits is calculated on the basis of the quantities which were produced during the three preceding periods and results in a corresponding reduction in the aid for the following period.

6.COMMERCE WITH THIRD COUNTRIES

a) Imports

The obligatory issue of import certificates is envisaged for a series of products and the tariffs embodied in the Common Tariff are applied.

For raisins and cherries in the interim period until the year 2000, a minimum import price has been determined and an additional equalisation duty is levied when the price at the time of import is lower than the minimum.

An additional import duty can also be levied for the other products in the sector in order to protect the market and inasmuch as certain preconditions exist. The enactment prices, below which this additional import duty is imposed, are set down in the GATT. The enactment quantities, excess of which leads to the imposition of the additional duty, are determined on the basis of the average over the preceding three years.

b) Exports

Export refunds are granted under the precondition that a certificate of export is issued, for the additional sugars which have been used in the preparation of processed fruit and vegetables and also for certain of their processed products (mainly orange juices and peeled tomatoes).

The level of the refunds and the quantities subsidised are reduced gradually, in accordance with the GATT.

7. THE NEW REGIME

From the period 1997/8 the revised regime for the sector is to be applied; this does not, however, differ radically from the previous one.

The basic differences are:

- the trade periods are to be defined by proceedings of the Management Committee

- the role of the producers' organisations is to be enhanced; through them, in the future, contracts will be made between processors and producers.
- aid of 500 ECU/ha is to be given to asparagus growers, for three years and for a maximum area of 9,000 ha.

8. BASIC REGULATIONS

Reg. 426/86: COM for processed fruit and vegetables

Reg 2201/96: New COM for processed fruit and vegetables

Figure I shows the statutory prices for the period 1996/7

Product - type of price	ECU/t
- Raisins (1 September)	
• aid per "stremma"	278.50
(x) 0.8916 for phylloxera (sultanas)	248.31
(x) 1.1888 for other sultanas	331.01
(x) 1.1142 for Corinthian raisins	310.30