EVALUATION OF THE NATIONAL STRATEGY FOR SUSTAINABLE OPERATIONAL PROGRAMMES IN THE FRUIT AND VEGETABLE SECTOR (2012)

Pursuant to Articles 125-127 of Regulation (EU) No 543/2011

FINAL REPORT

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GLOSSARY

POA: Association of Producer Organisations
AGEA: Agricultural Paying Agency
AGREA: Agricultural paying agency for the region of Emilia-Romagna
ARTEA: Agricultural paying agency for the region of Tuscany
AVEPA: Agricultural paying agency for the region of Veneto
ILD: ‘Intervention Logic’ diagram
MD: Ministerial Decree
OF: Operational Fund
EAGF: European Agricultural Guarantee Fund
EAFRD: European Agricultural Fund for Rural Development
PG: Producers’ Group
ISTAT: National Statistics Institute
MiPAAF: Ministry of Agricultural, Food and Forestry Policies
CMO: Common Market Organisation
PO: Producer Organisation
OPLO: Paying Agency for the region of Lombardy
OP: Operational Programme
NSP: National Strategic Plan
OBP: Output at basic prices
RDP: Rural Development Programme
AR: Annual report of POs
AOR: Annual Operational Reports for RDPs
SIAN: National Agricultural IT system
SIN: National Information System for agricultural development
SINAB: National information system on organic farming
RD: Rural development
VMP: Value of marketed production
1 SUMMARY

This report describes the results of the National Strategy for the fruit and vegetable CMO adopted by Italy for the period 2009–2013

The aim of the study was to evaluate the effectiveness, efficiency and utility of the operational programmes (OPs) adopted by the POs/POAs in the light of the objectives established by the National Strategy and the public and private financial resources mobilised through the operational funds, pursuant to Regulation (EEC) No 1234/2007 and Regulation (EU) No 543/2011.

ISMEA performed the evaluation activity with the assistance of institutional partners and socioeconomic and environmental entities involved at various levels in implementing the operational programmes (OPs). Through the themed surveys and focus groups, the exercise helped raise the partners’ awareness of the importance of monitoring and evaluation, while also prompting debate over the reorientation of the future National Strategy.

The evaluation took place midway through the programming period and refers to findings recorded following the implementation of OPs during the period 2008–2011. This entailed two difficulties of an operational nature.

- The first arose because the period that was evaluated was limited, due to the gradual transition during 2008 from the previous system, under Regulation (EC) No 2200/1996, to the current strategy for 2009–2013 (the data showed that only in 2010 were almost all the OPs adopted in accordance with the strategy to which this evaluation relates).
- The second difficulty was that only part of the investments made became fully effective during the period under observation.

Another operational limitation concerned the over-restricted timeframe for the implementation of the complex evaluation exercise.

As far as methodology was concerned, two more impediments affected the implementation of the evaluation work: the quality and availability of monitoring data and issues with the organisation of the ‘intervention logic’.

The evaluation is based on interim data from the 2008, 2009 and 2010 annual reports and partial data (that does not relate to all POs) from the 2011 annual report sent by AGEA in a version updated on 8 October 2012. Despite this, we believed that the margin of error was acceptable given the advantage of being able to provide the first findings on the four-year period when the National Strategy was applied.
With regard to the ‘intervention logic’ contained in the National Strategy, it should be pointed out that linking the measures across the board to more than one objective meant that it was not possible to allocate the expenditure for each measure to the various objectives and therefore to carry out a sufficiently reasoned evaluation of the relative effectiveness and efficiency of the various measures. Furthermore, because the objectives did not have clearly defined parameters and the targets were partial and one-dimensional, the evaluation was skewed toward qualitative aspects. We were therefore only able to express a partial judgment as to whether the full potential of the Strategy could be developed.

With these provisos, the findings of the valuation nevertheless reveal that, overall, the EU contribution to the operational programmes was useful in achieving the objectives imposed by the National Strategy and that the fruit and vegetable CMO should be reinforced and equipped with new and more effective instruments within the framework of CAP reform, as we will see later on in this executive summary.

The evaluation data on numbers of POs (see section 3.3) for the first four years of the new aid scheme (Regulation (EC) No 1234/2007) – compared to findings following the entry into force of Regulation (EC) No 2200/96 (previous scheme), which predictably encouraged more fruit and vegetable producers to join associations – reveal that the number of producer organisations remained essentially the same, albeit with some year-on-year variability. At territorial level, somewhat different trends emerged between the various geographical districts, with PO numbers strengthening in northern regions, central Italy returning 2011 results that were almost the same as those for 2008 while southern Italy (including the islands) showed a reduction in the number of producer organisations. With regard to the latter finding, we consider that the result at least partly reflects the effect of uncoupling the processing aid. This made the PO system less attractive, particularly in the citrus fruit sector (it is no coincidence that Calabria and Sicily were the two regions that contributed most to the fall in PO numbers, although numbers rose in Apulia and Campania).

The comparative numbers, on the other hand, seem to confirm the findings that emerged during the previous aid scheme. The southern areas maintained the highest proportion, accounting for more than 56% of all producer organisations. This finding reflects the higher concentration of fruit and vegetable crops in these areas compared to the rest of Italy and also the higher number of holdings, despite the fact that the production system is not only marked by a limited tendency to join associations but also appears to be generally more fragmented than other territorial divisions and mainly made up of small and micro enterprises.

Again in relative terms, it should be noted that northern Italy accounted for a significantly higher proportion during the same time period, increasing by nearly three percentage points.

Going back to the national result, the clear increase in the number of POs between 2008 and 2011 was matched by a reduction in the number of associated producers. A direct comparison between those two years shows a decrease of more than 17%, despite an increase from 2009 to 2010.
It should nevertheless be emphasised that, despite a reduction in the number of members, marketed production showed an increase in value and quantity during the period in question. Overall, the fact that the organised component stayed essentially stable should therefore be seen in a positive light considering both the unfavourable economic climate and the overall downturn in demand.

The financial dimension of the organised component also differs greatly between the main geographical divisions.

The tradition of associations (and cooperatives) typical of regions in the north east explains why this area (2011 results) accounted for 63% of the overall operational fund (an amount that reflects both the members’ financial contributions and the EU aid granted), compared to 10% in the north west, 6% in central regions and 21% in southern Italy. It should also be noted that, between 2008 and 2011, the contribution made by the south, again in relation to the overall value of the operational fund, fell by more than two percentage points, which ‘migrated’ almost exclusively to northern regions.

An examination of the results on the use of financial resources (see section 6.6.1) – even though certain actions were not implemented and even though there is still room for improving the way other actions are implemented – reveals a consistent increase in the absolute value of resources allocated to operational funds and a high efficiency of expenditure (particularly in relation to other community aid schemes) during the years examined in the survey, partly due to the intrinsic flexibility of the system.

The spending power index (aid paid/VMP) during the period 2008–2011 ranged from 4% to 4.3%, approaching the maximum level of 4.6%. It should be noted that in the previous scheme, particularly during 2004–2006, this indicator had shown an upward trend, approaching the ceiling of 4.1% in 2006, with a value of 3.9%.

With regard to the implementation of OP measures in 2008–2011 (see section 3.4), actions to improve or maintain product quality, accounting for 27% of OP expenditure on average, together with environmental actions, actions aiming at improving marketing and at production planning, accounted for more than 91% of total OP expenditure between 2008 and 2011. When we subtract these findings from the total, the small financial impact of the other measures is apparent: the only impact being made by crisis prevention and management instruments which, after a faltering start in 2008, accounted for 7–8% per year of the financial resources mobilised by operational programmes, essentially through promotion and communication activities.

Research and experimental production, together with training activities and advice, accounted for well below 1%, while the ‘other actions’ measure category settled at an average of 2%.

The evaluation findings show a high demand for actions aimed at production planning, actions aimed at improving or maintaining product quality and actions aimed at improving marketing, which can be explained by the fact that they are very business-oriented. The effects in terms of increased competitiveness are immediately perceived by all POs/POAs, irrespective of their size category.
The crisis prevention and management instrument framework, however, revealed an intrinsic limitation due to the fact that all types of aid are linked to a single decision-making centre in the form of an individual PO, which does not guarantee a sufficient impact on the market because it is so fragmented and uncoordinated.

The currently available instruments have limitations that emerged very clearly during the latest crises affecting the sector (for example, the Escherichia Coli crisis). In particular, because the activation of the instruments is linked to the organised system, it does not directly involve the entire sector, even though it has positive repercussions on the sector.

With reference to environmental aspects (see section 5.2.2), the findings reveal that the planned actions, which are in line with other National Strategy measures, allowed us to improve the environmental performance of operational programmes and more generally of the fruit and vegetable sector as a whole. One particularly significant finding in this respect is the financial weight of environmental actions, which settled at higher levels than observed during the previous aid scheme.

The overall picture showed significant uptake of actions typically aimed at enterprises/POs/POAs and negligible use of system-based measures. This can be explained by the fact that associations still need to consolidate their operational capacities and also make the membership more aware of the need to activate system-based actions.

As already described, the evaluation process also highlighted certain problems and shortcomings associated with establishing the ‘intervention logic’ and with identifying the objectives, the goals of the National Strategy and the measures eligible for support.

The transposition of all the objectives identified by Regulation (EC) No 1234/2007 into the National Strategy had a twofold effect: while on the one hand it guaranteed internal consistency of the programme, on the other it did not allow national legislation to prioritise the various objectives according to the specific features of the national fruit and vegetable sector and its limitations and development opportunities. In the context of the decision to pursue all the objectives of the Regulation across the board, using nearly all of the available measures at the same time, inadequate organisation of the ‘intervention logic’ had two repercussions: it limited selective and presumably more efficient use of the measures and led to difficulty in organising and developing the evaluation.

The National Strategy was to a large extent influenced by a trade-off between the need to implement selective actions in order to guarantee the effectiveness and efficiency of measures and the need to ensure more extensive participation in the programme. In the light of the radical differences within the production system in particular, the lawmaker considered it necessary to make the National Strategy sufficiently flexible to accommodate the various needs of a complex and diversified sector within the individual operational programmes.
With regard to the effectiveness of the operational programmes, the outcome of the evaluation is essentially encouraging. Taken as a whole, the data in the annual reports indicate that, despite the unfavourable market trend and the removal of coupled aids granted to processing tomato producers and other products for industrial processing, the PO/POA system gained in influence within the national fruit and vegetable sector (see section 5.2.1).

Analysis of market margins, consisting of the difference between prices paid on average to PO members and retail prices also showed that the PO/POA system leads to better remuneration of producers compared to levels recorded at national level.

The reason for this positive trend is growth in the unit value of products offered by members, which is consistent – as shown by findings in the annual reports – with a gradual shift among POs/POAs towards high quality (organic, PDO/PGI labelled) products or products with other forms of added value (integrated pest management, other certifications etc). In line with demand trends, this effect promoted the marketing of members’ products and an increase in market shares arising out of the PO/POA system, especially since certified products, for example Global Gap system products, comply more closely with contemporary distribution needs.

Due to the combined effect of these factors, the overall impact in terms of strengthening the competitiveness of the PO/POA system was therefore generally positive. This effect does not, however, seem to have spread to the wider context of the national fruit and vegetable sector.

Findings for other objectives stated in the National Strategy were not so positive. In particular, we could not identify any supply grouping effect within the PO/POA system, which is still broken down into a high number of producer organisations, many of which are very small in financial terms. This factor limits the implementation of common and shared strategies that are instrumental in upgrading production, increasing demand and concentrating and controlling supply.

With regard to environmental actions, lack of information and a lack of objective values meant that it was not possible to comprehensively evaluate the effectiveness of aid schemes. It was only possible to quantify certain impacts, concerning a reduction in the use of fertilisers, water saving and (indirectly) a reduction in certain emission types. A comparison with similar aid schemes funded as part of rural development programmes nevertheless reveals that the level of effectiveness of environmental actions was satisfactory on the whole.

With regard to the efficiency of operational programmes, the results that emerged tended to be positive in relation to the objectives of promoting the marketing of members’ products and of increasing their commercial value. In these cases, the amount of expenditure paid through the operational programmes and allocated for the achievement of these objectives was relatively low considering the positive results achieved. One particularly clear finding was an increase in the unit value of production marketed by the OPs which, according to our calculations, was achieved with a decidedly small amount of public resources.
As far as environmental actions are concerned, the lack of objective values made it difficult to evaluate the level of efficiency of the aid. A comparison with RDP measures nevertheless helped us to establish if and to what extent the environmental actions were efficient. With regard to integrated production, for example, the analysis described in section 5.1.7 reveals that the level of efficiency of the aid funded by the CMO was essentially similar to that of the rural development aid.

In general – as already discussed – it may be stated that the EU contribution to operational programmes was useful, as well as necessary, in keeping the PO/POA system afloat in a clearly unfavourable market situation. In this context, complementarity with other programmes and/or aid (for example the ‘Frutta nelle scuole [school fruit]’ programme, which achieved such positive results in the past that we aim to continue the programme and reinforce it in the future, involving cooperation and complementarity with the fruit and vegetable CMO and with the organised system) can undoubtedly continue to help improving the effectiveness and efficiency of the OPs. The National Strategy was found to be consistent with the objectives of the CMO in particular and the CAP in general and complies with the principle of subsidiarity. The consistency and complementarity of CMO funding with rural development funding is a topic of crucial importance for those involved in the National Strategy (see focus group results, section 3-6 Annex 5) because it can either increase or reduce PO expenditure through the operational programmes.

Various guidelines and recommendations stemming from the results of the evaluation will be useful for the design of the future National Strategy.

Firstly, in order to increase effectiveness it is advisable to define and quantify priority objectives in future programming in accordance with CAP common evaluation framework guidelines.

Furthermore, in general when defining a new National Strategy based on the results of the evaluation exercise, in addition to clearly stating priority objectives, the partnership with the main stakeholders involved in the planning and future management of the OPs will need to be stronger than it has been in the past, in order to guide choices over strategic needs more effectively. Equally, it is advisable to ensure closer coordination with other national and regional planning instruments (direct and rural development payments) from the implementation planning stage of CAP reform onwards.

The structure of the new CMO should therefore:

- differentiate between the instruments, with OPs being essentially for business-oriented actions to be carried out within POs/POAs and associated holdings, while appropriate innovative instruments could be identified for system-based actions, to be activated within EU and national/inter-regional programmes;
- allow funding to be adjusted according to the public nature of the investment to be promoted, above all in cases where it is geared toward EU priorities (Europe 2020 Community Strategy);
- review the entire range of existing measures.
Based on findings emerging from the evaluation, the design of the new Strategy, on the other hand, should:

- strengthen the partnership between the various stakeholders at national and regional level in order to guide programming choices on strategic sector needs and improve management, monitoring and control.

- give fresh impetus to the process of grouping, raising the minimum threshold for the number of members required for recognition of a PO and reviewing the role of POAs as a higher level grouping;

- redefine choices for the application of certain measures, prompting appropriate discussion over the possibility of introducing finance for mutual funds as well as simplifying the rules on demarcation between the CMO and rural development measures (for this purpose, we suggest establishing clear, uniform demarcation rules at national level);

- update the environmental framework in the light of new developments connected with CAP reform and implementation of the Directive on the sustainable use of pesticides, giving greater emphasis to emission reduction and climate change mitigation.

The activation of system-based actions within specific national/interregional programmes should lead to public funding for national and European measures designed to promote greater coordination on topics of strategic importance, as part of a coordinated, shared approach within the PO/POA system and between this system and individual non-member operators.

On the subject of monitoring and evaluation system governance, a need emerged to make this aspect pivotal to the new National Strategy, thus ensuring more efficient and effective management than under the current programming scheme.

These considerations also concern the need to improve OP evaluation reports. In this regard, we consider it useful to simplify evaluation and reporting obligations by eliminating formal constraints in the interim report and generally introducing a simplified scheme for POs under a particular size.

It also seems crucial to:

- foster a culture of evaluation within POs/POAs, where the idea has not yet really taken root;

- improve the monitoring and indicator set structure;

- improve IT systems, continuing the campaign of computerising the management and monitoring system and encouraging, in particular, integration of the fruit and vegetable CMO with the holding records.
2 INTRODUCTION

2.1 PURPOSE OF THE REPORT

The purpose of this report is to evaluate the National Strategy for the Fruit and Vegetable CMO adopted by Italy for the period 2009-2013 by Ministerial Decree No 3417 of 2008, recently amended by Ministerial Decree No 5460 of 2011. The stated aim of the study was to evaluate the effectiveness, efficiency and utility of the Operational Programmes (OPs) adopted by the POs/POAs with reference to the objectives established by the National Strategy and the financial resources of public and private origin mobilised through the operational funds, as referred to in Regulation (EC) No 1234/2007 and Regulation (EU) No 543/2011.

The evaluation took place midway through the programming period and refers to findings recorded following the implementation of OPs during the period 2008–2011. This entailed two difficulties of an operational nature. The first arose because the period that was evaluated was limited, due to the gradual transition during 2008 from the previous system, under Regulation (EC) No 2200/1996, to the current strategy for 2009–2013 (the data showed that only in 2010 were almost all the OPs adopted in accordance with the strategy to which this evaluation relates). The second difficulty was that only part of the investments made became fully effective during the period under observation.

The purpose of the evaluation is to offer guidelines for improving the system for monitoring/evaluating the current National Strategy and the process of formulating and implementing OPs adopted within the Strategy based on an analysis of the findings. The guidelines can also be used to design the National Strategy and sector intervention during the programming framework subsequent to 2013.

2.2 STRUCTURE OF THE REPORT

The evaluation report, drawn up in accordance with the common structure proposed by the European Commission in its guidance note AGRI-C.2/DOCTRAV/3/2011 of 18.10.2011 def, is made up of two parts: this main text, plus the references and an addendum containing five Annexes providing further information.

After presenting the main results and a summary of the conclusions and recommendations in chapter 1 and some preliminary matters in chapter 2, the report goes on to analyse the context in greater depth in chapter 3 by examining the following: the situation of the fruit and vegetable sector (section 3.1), with a retrospective overview of the past decade, to provide an in-depth examination of structural and financial trends in the sector; the legislative, organisational and executive framework for implementation of the National Strategy through the OPs (sections 3.2-3.5) and a specific focus on the relationships between the fruit and vegetable CMO and other policies to support the first and second pillars of the CAP (section 3.6). The chapter concludes with a summary of the terms of reference, the purpose and the scope of evaluation (section 3.7).
Chapter 4 on methodology outlines the structure of the evaluation (section 4.1) and data sources and problems (section 4.2). Chapter 5 addresses the answers to the evaluation questions at various levels and in accordance with the hierarchy of objectives: measures (operational objectives) → specific objectives → general objectives. In order to obtain a comprehensive picture, allowing proper analysis of the report, we emphasise the need for a thorough reading of the Annexes (particularly for chapter 5). Lastly, chapter 6 includes conclusions (section 6.1) and recommendations (section 6.2) on the level of utilisation of financial resources allocated to the producer organisations as well as on the efficiency, effectiveness, effects and impact of the operational programmes implemented. The aim of this is to obtain guidelines that are helpful for improving the quality of the future National Strategy and in particular to formulate suggestions that are useful for defining objectives, targets, measures eligible for support and the monitoring and evaluation system and also for compliance with the needs of new instruments at EU and national level.
3 THE EVALUATION CONTEXT

3.1 ITALIAN FRUIT AND VEGETABLE SECTOR BETWEEN THE OLD AND NEW PLANNING SCHEMES

Between 2000 and 2011, the Italian fruit and vegetable sector was affected by major changes.

An analysis of statistical data revealed a clear, distinct trend in certain events such as a reduction in utilised area, price increases and a drop in consumption while in other areas, such as collective production and foreign trade, no clear trend emerged, as the sector was affected by significant economic changes associated with climatic risk and the international market trend.

The reduction in area utilised for fruit and vegetables was evident in all the main groups in the fruit and vegetable product basket, with the exception of dried legumes, which showed an opposite trend. The average annual rate of change in the utilised areas was -0.9 %.

During the period examined, extensive fluctuations in output were noted, mainly attributable to climatic trends, but partly also to changes in planting of processing tomatoes, which account for more than one fifth of overall fruit and vegetable production on average.

There was a strong upward trend in producer prices, particularly during the period between 2000 and 2004, which also coincided with the introduction of the euro.

As far as costs were concerned, an increase was recorded in the price of input products, particularly fertiliser and electrical energy, with particularly significant increases between 2008 and 2011 that were partly due to rising oil prices.

Overall, the increase in input product prices exceeded the increase in producer prices charged for fruit and vegetable products and this led to a fall in the agricultural terms of trade, with negative repercussions on producers’ incomes.

With regard to consumption, a substantial reduction in fresh fruit and vegetable purchases by Italian families was observed during 2000-2011, with a relatively sustained annual rate of decrease (-1.2 %). The most critical period for this decrease occurred between 2000 and 2005 while in recent years, purchases have remained stagnant. Conversely, rising retail prices led to an increase in spending on fresh fruit and vegetables, which rose at an average annual rate of 1.7 %. The consumer crisis also affected certain processed products, such as canned tomatoes, which are a mainstay of the Mediterranean diet.

Against this negative backdrop, certain products bucked the trend. The products in question were salads and prepared vegetables, new generation fruit juices (made from 100 % fruit) and certain frozen products. These products boosted sales figures, thanks to their high service content.
Between 2000 and 2011, foreign trade led to a consistent trade surplus, even though the trend was very variable. The main positive contributions to the balance came from exports of fresh fruit and canned tomatoes.

During the same period, an increase in imports was recorded, both in terms of volume and expenditure, for fruit, vegetables and processed fruit and vegetables, particularly products derived from citrus and other fruit. In general, the average price rise led to a considerable increase in expenditure.

As far as the trade surplus was concerned, shipment trends were very variable. Exports of fruit and vegetables increased, particularly during the period 2008–2011. Exports of processed products, chiefly canned tomatoes, displayed a consistent growth rate throughout the period considered.

As with imports, the average price increase led to an increase in export revenues.

(For further details of the Italian fruit and vegetable sector situation, see section 1, Annex 1.)

3.2 NATIONAL STRATEGY IMPLEMENTING PROVISIONS

Amongst the new elements, the reformed CMO for fruit and vegetables required a National Strategy to be established, which would include a national framework for environmental measures\(^1\).

As a whole, the strategy amounts to a medium-term policy paper for the sector, setting out fundamental guidelines and objectives to be achieved following an analysis of the sector and laying down general rules. In other words, it establishes a space within which recognised producer organisations can operate to implement their operational programmes as well as defining the role of the government agencies involved in managing the fruit and vegetable CMO.

The national implementing provisions stemming from the National Strategy are divided into Decrees and Ministerial Circulars, representing three levels of legislative instruments. A Ministerial Decree lays down the procedures governing the activities of the POs and POAs (recognition, approval and implementation of operational programmes, reporting, checks and payment of aid). A Ministerial Circular then sets out, through a series of tables, the decisions made over the eligibility and levels of some expenditure items for operations that may be carried out within operational programmes. Lastly, we note that, as established in the National Strategy and ministerial provisions, AGEA Coordination (responsible for coordinating the various paying agencies) issues circulars laying down guidelines and criteria for certain procedures (submission of aid applications, performance of checks, activation of specific measures, etc) with a view to implementing the legislation in a standard manner throughout Italy.

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\(^1\) The previous aid scheme referred to national regulations concerning the application of environmentally-friendly methods, but did not link them to a broader programming approach.
Amendments and updates to Ministerial Decrees concerning national strategy and national provisions are adopted by agreement with the Standing Conference on Relations between the State and the Regions. Ministerial Circulars, signed by the Minister, are drawn up by agreement with the Regions and AGEA, with the support of a working group including representatives from the Ministry, the Regions, national representative bodies of the P0s/POAs (Centre for fruit and vegetable sector studies), ISMEA and INEA, which has recently been re-established and extended to include CRA technicians\(^2\).

After the previous aid scheme was shelved (for an evaluation of this scheme, see section 2, Annex 1), under the reform an interim National Strategy was adopted in March 2008 for that year, while Ministerial Decree No 3417 of 25 September 2008 introduced the strategy for 2009–2013. This Decree introducing the ‘National Strategy for 2009–2013 on sustainable operational programmes for the fruit and vegetable market’ includes two Annexed documents, one containing a strategy for the management of the organised system and operational programmes and one containing national environmental regulations. The decree has undergone certain changes over the years to take into account experience that has been built up and certain EU legislative requirements.

The Annex to the decree was initially replaced under Ministerial Decree No 8446 of 30 September 2010, applicable to operational programmes in 2011. One of the main changes was to the provisions on the demarcation between CMO and rural development schemes and the provisions governing the balance between the various measures funded under the operational programmes (a ceiling of 70% of the expenditure instead of 60% was established per measure/action).

The next version of the strategy was introduced by Ministerial Decree No 5460 of 3 August 2011. This update transposed new EU provisions on the eligibility of expenditure on environmental management of packaging introduced by Regulation (EU) No 543/2011 (such as the ceiling of 20% of annual expenditure under the scope of the OP to be spent on environmental actions concerning environmental management of packaging). It also rationalised environmental actions, partly in order to improve procedures for expenditure reporting. (The amendment in question does not, however, concern the period evaluated in this report, given that it was applicable to operational programme submitted in 2012). On that occasion, the changes to the environmental regulation had to be submitted for preliminary evaluation by the European Commission, in order to establish whether the regulations were at odds with the objectives set out in Article 174 of the Treaty establishing the European Community and the Sixth Community Environment Action Programme.

(For references to the national implementing legislation, see section 3, Annex 1).

It also appears that new amendments to the relevant legislation are about to be introduced in the immediate future.

\(^2\) CRA: Council for research and development in Agriculture (national body for research and development with general scientific competence for the agricultural, agroindustrial, fishery and forestry sector).
With reference to the environmental management of packaging covered by the National Strategy, particularly within the environmental provisions, Commission Regulation (EU) No 755/2012 of 16 August 2012 established that this activity can no longer be funded as part of the fruit and vegetable CMO, with the exception of actions in this area already planned in current operational programmes.

An additional change to the National Strategy is in the process of being adopted, in order to provide guidelines for an aspect of this importance.

Furthermore, the implementation (by Legislative Decree No 150 of 14 August 2012) of Directive 2009/128/EC, establishing a framework for Community action to achieve the sustainable use of pesticides will mean that all companies are obliged to adopt regulations on the sustainable use of pesticides and integrated pest management, with inevitable repercussions on the financing of the measure for integrated production or integrated pest management itself and the associated technical assistance.

### 3.3 SECTOR GOVERNANCE

Various bodies play a part in the public sector framework for the fruit and vegetable sector and the specific sector covered by the National Strategy. These are: the Ministry of Agricultural Food and Forestry Policies, in its essentially (but not exclusively) legislative role; AGEA Coordination, the national authority responsible for the management, monitoring and evaluation of the National Strategy; the Regions and autonomous Provinces (hereafter referred to simply as ‘Regions’), which are concerned, among other things, with recognition of the POs and POAs and operational programme approvals, and the paying agencies – Avepa (Agenzia Regionale Veneta per le Erogazioni in Agricoltura) for the Veneto region, ARTEA (Agenzia Toscana per i Pagamenti in Agricoltura) for Tuscany, OPLO (Organismo pagatore della Regione Lombardia) for Lombardy, AGREA (Agenzia Regionale per le Erogazioni in Agricoltura per l’Emilia-Romagna) for Emilia-Romagna and AGEA Paying Agency for the other regions.

The checking system is complex (for details, see section 4, Annex 1) and discrepancies can be found at local level between the guidelines on eligibility of expenditure (members are treated differently depending on which region they are located in) as well as, more generally, room for simplification of the system.

However, the Producer Organisations (POs) and Producer Organisation Associations (POAs), which implement and manage the operational programmes and concentrate the supply and marketing of their members’ products, are the backbone of the Common Market Organisation for the fruit and vegetable products sector.
As at 31 December 2011, the number of recognised POs was 276 and the number of recognised POAs 13, while there was only one Producer Group\(^3\).

With regard to recent trends, during the first five years of the new aid scheme, between 2008 and 2012 (referring to the start of the year), the number of recognised POs fluctuated between 274 and 282 units (of course not all of them implemented an OP; see section 3.4), while the number of producer groups dropped from 20 to 1 and the number of POAs stabilised at approximately 13 units after initial growth.

The PO recognition withdrawal rate was 5% in 2008 and 8% in 2009, stabilising at approximately 6% during the subsequent two years.

(For a regional list of the number of POAs and PGs, see table in section 4, Annex 1).

**Table 3.3.1: Trends in PO, PG and POA recognitions and withdrawals** (in numbers)

<table>
<thead>
<tr>
<th>Situation at 1 January of the year in question</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO</td>
<td>276</td>
<td>279</td>
<td>274</td>
<td>282</td>
<td>277</td>
</tr>
<tr>
<td>PG</td>
<td>20</td>
<td>18</td>
<td>8</td>
<td>4</td>
<td>1</td>
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<tr>
<td>POA</td>
<td>9</td>
<td>10</td>
<td>13</td>
<td>14</td>
<td>13</td>
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<tr>
<td></td>
<td>305</td>
<td>307</td>
<td>295</td>
<td>300</td>
<td>291</td>
</tr>
<tr>
<td>Recognitions during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PO</td>
<td>17</td>
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<td>24</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>PG</td>
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<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Recognition withdrawals during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PO</td>
<td>14</td>
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<td>3</td>
</tr>
<tr>
<td>PG</td>
<td>2</td>
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<td>0</td>
</tr>
<tr>
<td>POA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: MiPAAF [Ministry of Agricultural, Food and Forestry Policies]*

UNAPROA, Italia Ortofrutta (set up in March 2012 by a merger between UIAPOA and UNACOAO) and ACI Coop (Italian cooperative Alliance) are the PO representative bodies. Their functions include: concentrating and developing fruit and vegetable production, partly through framework contracts for marketing PO produce; promoting and supplying services to member organisations and representing the organisations in relations with national and EU bodies.

(For further details of the functions of the various stakeholders and for a description of activity and communication flows associated with the National Strategy, see section 4 Annex 1).

\(^3\) Regulation (EC) No 1182/2007 specified that producer groups could only be set up in Member States which acceded to the European Union after 1 January 2004 and in the outermost regions of the Community and the smaller Aegean Islands. In the older Member States, including Italy, this meant that the experiment with producer groups, which until then had only been supported, by national choice, by aid intended to provide incentives for establishing the groups and to facilitate their administrative operation, as opposed to investment aid, gradually came to an end, where five-yearly recognition plans were in place, and stopped altogether in 2012.
Data on the first four years of the new aid scheme (Regulation (EC) No 1234/2007) – compared to findings following the entry into force of Regulation (EC) No 2200/96 (previous scheme), which predictably encouraged more fruit and vegetable producers to join associations – reveal that the number of producer organisations remained essentially the same, albeit with some year-on-year variability.

At territorial level, somewhat different trends emerged between the various geographical districts, with PO numbers strengthening in northern regions, central Italy returning 2011 results that were almost the same as those for 2008 while southern Italy (including the islands) showed a reduction in the number of producer organisations. With regard to the latter finding, we consider that the result at least partly reflects the effect of uncoupling the processing aid. This made the PO system less attractive, particularly in the citrus fruit sector (it is no coincidence that Calabria and Sicily were the two regions that contributed most to the fall in PO numbers, although numbers rose in Apulia and Campania).

The comparative numbers, on the other hand, seem to confirm the findings that emerged during the previous aid scheme. The southern areas maintained the highest proportion, accounting for more than 56% of all producer organisations. This finding reflects the higher concentration of fruit and vegetable crops in these areas compared to the rest of Italy and also the higher number of holdings, despite the fact that the production system is not only marked by a limited tendency to join associations but also appears to be generally more fragmented than other territorial divisions and mainly made up of small and micro enterprises.

Again in relative terms, it should be noted that northern Italy accounted for a significantly higher proportion during the same time period, increasing by nearly three percentage points. This is quite significant, considering that the businesses located in this area, together with their associated organised components, are those with the greatest tendency to export fruit and vegetable products and the best ability to relate with trade operators, particularly those operating through up-to-date channels.

Going back to the national result, the clear increase in the number of POs between 2008 and 2011 was matched by a reduction in the number of associated producers. A direct comparison between those two years shows a decrease of more than 17%, despite an increase from 2009 to 2010.

In southern Italy, furthermore, the higher numbers of POs is not reflected in the results for the number of associated producers, who represent only 20% of the total. Nearly three quarters of producers who signed up to the PO system are concentrated in the north, on the other hand, mainly due to the contribution of Emilia Romagna and the combined effect of the two autonomous provinces of Trento and Bolzano. Compared to the previous aid scheme, the relative impact of the northern regions in terms of associated producers is much higher, which confirms the great attraction of the system in the very areas where the potential advantages of grouping seem to be greatest (for the reasons mentioned above) (see table 3.3.2).
In absolute terms, during the first four years of the new aid scheme, the number of producers fell significantly in mainland southern regions (-34%) and to an even greater extent in the islands (-45%). Central Italy showed a less marked downturn of 11%, compared to a 4% reduction in the north-west and a 10% reduction in the north-east.

The trend in PO numbers, which has remained unchanged, and a clear reduction in the member base led to a reduction in the average size of producer organisations, which fell from 376 to 313 members. The same trend was also observed during the previous aid scheme. A marked north-south split also emerged with regard to this variable, with the average number of producer members rising to 800 in the group of northern regions, while the number is barely over 100 in southern Italy. This finding also implicitly explains the higher number of POs in the south, where the membership base in some ways reflects the fragmentary nature of the local system of production.

The financial dimension of the organised component also differs greatly between the main geographical divisions.

Table 3.3.2 – Regional PO numbers (situation at 31 December of each year)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Piedmont</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>2.2%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>2.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Valle d’Aosta</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lombardy</td>
<td>16</td>
<td>16</td>
<td>17</td>
<td>17</td>
<td>21</td>
<td>5.8%</td>
<td>5.7%</td>
<td>6.2%</td>
<td>6.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Bolzano</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Trento</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1.8%</td>
<td>1.4%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Veneto</td>
<td>16</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>5.8%</td>
<td>6.1%</td>
<td>6.2%</td>
<td>6.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Friuli-Venezia Giulia</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Liguria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Emilia-Romagna</td>
<td>22</td>
<td>25</td>
<td>26</td>
<td>26</td>
<td>25</td>
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<td>9.0%</td>
<td>9.5%</td>
<td>9.2%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Tuscany</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0.7%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Umbria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Marche</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.2%</td>
<td>2.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Lazio</td>
<td>30</td>
<td>32</td>
<td>34</td>
<td>35</td>
<td>34</td>
<td>10.9%</td>
<td>11.5%</td>
<td>12.4%</td>
<td>12.4%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Abruzzo</td>
<td>13</td>
<td>12</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>4.7%</td>
<td>4.3%</td>
<td>4.7%</td>
<td>4.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Molise</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Campania</td>
<td>22</td>
<td>21</td>
<td>22</td>
<td>26</td>
<td>26</td>
<td>8.0%</td>
<td>7.5%</td>
<td>8.0%</td>
<td>9.2%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Apulia</td>
<td>25</td>
<td>28</td>
<td>28</td>
<td>28</td>
<td>31</td>
<td>9.1%</td>
<td>10.0%</td>
<td>10.2%</td>
<td>9.9%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Basilicata</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>4.0%</td>
<td>3.9%</td>
<td>3.6%</td>
<td>2.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Calabria</td>
<td>30</td>
<td>29</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>10.9%</td>
<td>10.4%</td>
<td>8.0%</td>
<td>7.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Sicily</td>
<td>57</td>
<td>52</td>
<td>51</td>
<td>55</td>
<td>45</td>
<td>20.7%</td>
<td>18.6%</td>
<td>18.6%</td>
<td>19.5%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Sardinia</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>2.5%</td>
<td>3.2%</td>
<td>2.9%</td>
<td>3.5%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Total for Italy: 276, 279, 274, 282, 277

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North-west</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>23</td>
<td>27</td>
<td>8.0%</td>
<td>7.9%</td>
<td>8.4%</td>
<td>8.2%</td>
<td>9.7%</td>
</tr>
<tr>
<td>North-east</td>
<td>48</td>
<td>51</td>
<td>52</td>
<td>53</td>
<td>53</td>
<td>17.4%</td>
<td>18.3%</td>
<td>19.0%</td>
<td>18.8%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Centre</td>
<td>39</td>
<td>42</td>
<td>43</td>
<td>44</td>
<td>41</td>
<td>14.1%</td>
<td>15.1%</td>
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</tr>
<tr>
<td>South</td>
<td>103</td>
<td>103</td>
<td>97</td>
<td>97</td>
<td>99</td>
<td>37.3%</td>
<td>36.9%</td>
<td>35.4%</td>
<td>34.4%</td>
<td>35.7%</td>
</tr>
<tr>
<td>Islands</td>
<td>64</td>
<td>61</td>
<td>59</td>
<td>65</td>
<td>57</td>
<td>23.2%</td>
<td>21.9%</td>
<td>21.5%</td>
<td>23.0%</td>
<td>20.6%</td>
</tr>
</tbody>
</table>

Source: Report produced by Ismea using MiPAAF [Ministry of Agricultural, Food and Forestry Policies] data
The tradition of associations (and cooperatives) typical of regions in the north-east explains why this area (2011 results) accounted for 63% of the overall operational fund (an amount that reflects both the members’ financial contributions and the EU aid granted), compared to 10% in the north-west, 6% in central regions and 21% in southern Italy. Between 2008 and 2011, the contribution made by the south, again in relation to the overall value of the operational fund, fell by more than two percentage points, which ‘migrated’ almost exclusively to northern regions.

A large proportion of the resources went to Emilia-Romagna, which increased its share to more than 38% (a similar increase, albeit with a lower percentage, emerged for Trentino-Alto Adige, where the PO membership, unlike Emilia-Romagna, was almost exclusively made up of producers from within the region). In southern Italy, the only region to buck the trend was Campania, while Apulia, Sicily and especially Calabria lagged behind.

### Table 3.3.3 – Operational fund and number of PO/POA system producers – regional data

| Region            | Finalised operational fund (EUR M) | Number of producers | |
|-------------------|-------------------------------------|---------------------|
| Piedmont          | 12.7  | 14.6  | 13.2  | 9.6   | 2,969 | 619   | 3,280 |
| Lombardy          | 22.2  | 22.8  | 29.0  | 28.9  | 2,822 | 1,750 | 1,692 |
| Trentino Alto Adige | 59.5  | 83.8  | 44.3  | 72.9  | 22,123| 20,969| 22,619| 26,741|
| Veneto            | 17.8  | 20.1  | 21.0  | 18.7  | 4,947 | 4,907 | 7,392 | 4,485 |
| Friuli Venezia Giulia | 0.6   | 0.7   | 0.4   | 0.6   | 168   | 170   | 166   | 18   |
| Emilia Romagna    | 121.0 | 139.6 | 147.8 | 146.2 | 37,121| 18,903| 26,291| 26,790|
| Tuscany           | 1.9   | 2.7   | 2.8   | 2.8   | 619   | 653   | 633   | 512   |
| Marche            | 2.5   | 2.3   | 3.7   | 3.6   | 1,075 | 1,008 | 868   | 486   |
| Lazio             | 13.7  | 14.1  | 16.3  | 16.6  | 4,519 | 4,212 | 6,859 | 4,543 |
| Abruzzo           | 3.0   | 3.1   | 32.8  | 3.4   | 1,837 | 1,568 | 6,676 | 1,042 |
| Molise            | 2.3   | 3.1   | 3.8   | -     | 1,107 | 1,296 | 764   |
| Campania          | 18.8  | 21.4  | 24.0  | 23.8  | 2,218 | 2,566 | 2,137 | 2,957 |
| Apulia            | 12.4  | 13.5  | 15.3  | 12.7  | 2,115 | 2,041 | 1,752 | 2,258 |
| Basilicata        | 6.9   | 5.9   | 7.8   | 6.5   | 1,212 | 890   | 936   | 615   |
| Calabria          | 14.2  | 14.6  | 17.0  | 12.7  | 8,807 | 8,234 | 7,310 | 4,535 |
| Sicily            | 17.8  | 18.9  | 21.4  | 20.0  | 10,639| 8,632 | 5,809 | 5,692 |
| Sardinia          | 1.9   | 1.9   | 2.3   | 2.2   | 620   | 781   | 516   | 2,541 |
| North-west        | 34.9  | 37.4  | 42.2  | 38.5  | 5,791 | 5,102 | 4,429 | 5,560 |
| North-east        | 198.9 | 244.2 | 213.6 | 238.4 | 64,359| 44,949| 56,468| 58,034|
| Centre            | 18.1  | 19.1  | 22.8  | 23.0  | 6,213 | 5,873 | 8,360 | 5,541 |
| South             | 57.6  | 61.6  | 100.8 | 59.1  | 17,296| 16,595| 19,575| 11,407|
| Islands           | 19.7  | 20.8  | 23.7  | 22.2  | 11,259| 9,413 | 6,325 | 6,233 |
| Italy             | 329.2 | 383.1 | 403.1 | 381.2 | 104,918| 81,932| 95,157| 86,775|


### 3.4 IMPLEMENTATION OF OPERATIONAL PROGRAMMES IN 2008–2011

2008 marked the changeover from the old aid scheme (Regulation (EC) No 2200/1996) to the new aid scheme (Regulation (EC) No 1234/2007), which involved a very gradual change in the content of operational programmes. Indeed, in 2008, only 14 of the 207 OPs with a finalised operational fund had been approved under the terms of Regulation (EC) No 1234/2007 or modified on the basis of its requirements, while most continued to be based on Regulation (EC) No 2200/1996, which governed the previous aid scheme.
Nevertheless, in 2009, the overall number of OPs set up under Regulation (EC) No 1234/2007 had already risen to 82 %, or 177 OPs out of a total of 213, and the figure rose to 93 % in 2010 with only 18 of the 248 OPs with a finalised operational fund still being approved under Regulation (EC) No 2200/1996 (see table 3.4.1). In other words, within a three-year period, almost all of the operational programmes were brought into line with the new aid scheme (for details of the breakdown of OPs according to aid scheme, see section 5, Annex 1).

Table 3.4.1 - Operational programmes that were approved and incurred expenditure\(^1\), according to aid scheme

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Producer organisations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total OPs under old scheme (^2)</td>
<td>199</td>
<td>193</td>
<td>36</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Total OPs under new scheme (^3)</td>
<td>-</td>
<td>14</td>
<td>169</td>
<td>229</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>199</td>
<td>207</td>
<td>205</td>
<td>247</td>
<td>240</td>
</tr>
<tr>
<td><strong>Proportion of OPs under new scheme</strong></td>
<td>-</td>
<td>6.8 %</td>
<td>82.4 %</td>
<td>92.7 %</td>
<td>97.1 %</td>
</tr>
<tr>
<td><strong>Producer Organisation Associations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total OPs under old scheme (^2)</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total OPs under new scheme (^3)</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>6</td>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

\(^1\) OPs with values greater than zero in lines 11-13 of table 2.3 of annual report.
\(^3\) OPs under the old aid scheme (OPs approved under Regulation (EC) No 2200/1996)

This trend can be explained both by the approval of new operational programmes under Regulation (EC) No 1234/2007 and by the amendment of OPs approved under the previous aid scheme (Regulation (EC) No 2200/1996) to adapt them to the requirements of the new Regulation. POs with an operational programme approved under Regulation (EC) No 2200/1996 were therefore required to reclassify the measures on the basis of National Strategy nomenclature, which inevitably had repercussions on data monitoring.

During the four-year programming period, Italy nevertheless adopted all eight eligible measures, even though it did not adopt all the actions that they encompassed (in particular, of the crisis prevention and management instruments, it did not activate training and support for the cost of setting up mutual funds).

Operations may be carried out at individual members’ holdings (planting new fruit trees, cultivation operations, greenhouses and similar structures, technical equipment for biological control etc) and also at associated structures and POs (processing and marketing systems, employing staff for quality improvement and benchmarking management, withdrawal from the market in the event of a price crisis, etc).
Overall, irrespective of the legislation applicable to individual OPs, the measure that accounted for the greatest volume of expenditure (see table 3.4.2 to table 3.4.5) was the measure covering actions aimed at improving or maintaining product quality, totalling nearly EUR 400 million during the four-year period 2008–2011 and accounting for an average of 27 % of overall OP expenditure. As far as current trends are concerned, leaving aside the transitional year of 2008, in 2009–2011 over EUR 100 million per year was consistently spent on this measure, or between EUR 103 million and EUR 122 million to be more precise, mainly accounted for by the ‘other actions’ component (EUR 70–77 million). The expenditure with the next highest financial impact was that on environmental actions, which started inconspicuously at a level of EUR 42 million in 2008, and immediately jumped to between EUR 100 million and EUR 113 million per year, mainly accounted for by the integrated production action, which accounted for EUR 35–41 million.

The resources allocated to actions aimed at improving marketing were also far from negligible, with expenditure of EUR 357 million over the four-year period, amounting to 24 % of the total, and actions aimed at planning of production, amounting to nearly EUR 260 million and accounting for 17 %.

Ultimately, more than 91 % of total OP spending between 2008 and 2011 was allocated to these four measures – actions aimed at improving or maintaining product quality, environmental actions, actions aimed at improving marketing and actions aimed at planning of production. When we subtract these findings from the total, the small financial impact of the other measures is apparent: the only impact being made by crisis prevention and management instruments which, after a faltering start in 2008, accounted for 7–8 % per year of the financial resources mobilised by operational programmes, essentially through promotion and communication activities. Research and experimental production, together with training activities and advice, accounted for well below 1 %, while the ‘other actions’ measure category settled at an average of 2 %.

Moving on to the financial efficiency of the National fruit and vegetable system, this may be evaluated at different levels, with reference to POs that submitted an OP but also to the value of fruit and vegetable production as a whole, as the maximum potential represented by grouping of the sector.

The first level therefore measures the financial execution of OPs submitted by the POs based on the operational funds. The data show that, despite the fact that there is room for improving the implementation of certain actions, the National Strategy displays high spending efficiency (particularly compared to other EU aid schemes), partly due to the intrinsic flexibility of the system. The POs are able to choose measures to implement from among a very extensive range. They can also adjust activities planned within OP not only year-on-year but also within the same year, and they benefit from an aid payment system that allows advance payments during the year based on progress to date, therefore easing their liquidity requirements. Based on these premises, during the four-year period 2008–2011, the ratio between finalised, i.e. reported, operational fund and estimated fund was found to be very high, at between 82.5 % and 99.9 % – and the ratio between finalised operational fund and approved operational fund was even higher, at between 94.5 and 100.4 %, illustrating the system’s high level of financial efficiency (see table on operational funds, financial support and EU aid in section 1 Annex 4).

When we examined the relationship between aid effectively paid to the POs and the VMP of POs (those with an approved OP), the resulting spending power index was found to range from 4 % to 4.3 % during the four-year period 2008–2011, i.e. approaching the maximum level of 4.6 %.

4 During 2008, some POs and POAs changed their OPs in line with the provisions of Regulation (EC) No 1234/2007 with the aim of activating crisis measures, thus adding 1 % to the operating fund, which was therefore higher than the approved operating fund level in the final figures reported for year n+1.
<table>
<thead>
<tr>
<th>Table 3.4.2 – Total expenditure incurred per operational programme measure/action (investment indicator) (euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008</strong></td>
</tr>
<tr>
<td><strong>Actions aimed at planning production</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions</td>
</tr>
<tr>
<td><strong>Actions aimed at improving or maintaining product quality</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions</td>
</tr>
<tr>
<td><strong>Actions aimed at improving marketing</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions</td>
</tr>
<tr>
<td><strong>Research and experimental production</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions</td>
</tr>
<tr>
<td><strong>Training activities not linked to crisis prevention and management</strong></td>
</tr>
<tr>
<td>a) Organic production</td>
</tr>
<tr>
<td>b) Integrated production or integrated pest control</td>
</tr>
<tr>
<td>c) Other environmental issues</td>
</tr>
<tr>
<td>d) Traceability</td>
</tr>
<tr>
<td>e) Product quality, including pesticide residues</td>
</tr>
<tr>
<td>f) Other issues</td>
</tr>
<tr>
<td><strong>Crisis prevention and management instruments</strong></td>
</tr>
<tr>
<td>a) Withdrawal from market</td>
</tr>
<tr>
<td>b) Green harvesting or non-harvesting of fruit and vegetables</td>
</tr>
<tr>
<td>c) Promotion and communication campaigns</td>
</tr>
<tr>
<td>d) Training activities</td>
</tr>
<tr>
<td>e) Harvest insurance</td>
</tr>
<tr>
<td>f) Support for administrative set-up costs</td>
</tr>
<tr>
<td><strong>Environmental actions</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions namely:</td>
</tr>
<tr>
<td>Previous, namely:</td>
</tr>
<tr>
<td>Production, namely:</td>
</tr>
<tr>
<td>i) Organic production</td>
</tr>
<tr>
<td>ii) Integrated production</td>
</tr>
<tr>
<td>iii) Improved use and/or management of water</td>
</tr>
<tr>
<td>iv) Actions to conserve soil</td>
</tr>
<tr>
<td>v) Actions to maintain habitats favouring biodiversity or to maintain the landscape, including conservation of historical features</td>
</tr>
<tr>
<td>vi) Actions favouring energy saving</td>
</tr>
<tr>
<td>vii) Actions related to reduction of waste production and improvement of waste management</td>
</tr>
<tr>
<td>viii) Other actions</td>
</tr>
<tr>
<td><strong>Transport</strong></td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
</tr>
<tr>
<td>315 970</td>
</tr>
<tr>
<td><strong>Other actions</strong></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
</tr>
<tr>
<td>c) Other actions</td>
</tr>
<tr>
<td><strong>Total expenditure incurred</strong></td>
</tr>
</tbody>
</table>

*Including renting, hire and leasing

Source: Ismea based on annual report data (interim data)
### Table 3.4.3 – Total expenditure incurred per operational programme measure/action (investment indicator) (incidence on OP total)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions aimed at production planning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>30.2 %</td>
<td>14.8 %</td>
<td>13.1 %</td>
<td>13.7 %</td>
<td>17.4 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>0.5 %</td>
<td>12.8 %</td>
<td>10.6 %</td>
<td>11.6 %</td>
<td>9.2 %</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>0.03 %</td>
<td>0.4 %</td>
<td>1.3 %</td>
<td>1.1 %</td>
<td>0.8 %</td>
</tr>
<tr>
<td><strong>Actions aimed at improving or maintaining product quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>0.2 %</td>
<td>8.7 %</td>
<td>9.1 %</td>
<td>7.9 %</td>
<td>6.7 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>-</td>
<td>0.6 %</td>
<td>2.0 %</td>
<td>2.4 %</td>
<td>1.3 %</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>17.0 %</td>
<td>19.2 %</td>
<td>19.1 %</td>
<td>19.2 %</td>
<td>18.7 %</td>
</tr>
<tr>
<td><strong>Actions aimed at improving marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>24.8 %</td>
<td>10.3 %</td>
<td>10.2 %</td>
<td>10.9 %</td>
<td>13.6 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>0.2 %</td>
<td>2.9 %</td>
<td>2.5 %</td>
<td>2.9 %</td>
<td>2.2 %</td>
</tr>
<tr>
<td>c) Promotion and communication activities</td>
<td>9.2 %</td>
<td>3.3 %</td>
<td>4.4 %</td>
<td>5.0 %</td>
<td>5.4 %</td>
</tr>
<tr>
<td>d) Other actions</td>
<td>0.5 %</td>
<td>4.1 %</td>
<td>2.9 %</td>
<td>3.4 %</td>
<td>2.8 %</td>
</tr>
<tr>
<td><strong>Research and experimental production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>0.0 %</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>0.005 %</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.05 %</td>
<td>0.05 %</td>
</tr>
<tr>
<td><strong>Training activities not linked to crisis prevention and management and/or actions to promote the use of advisory services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Organic production</td>
<td>0.001 %</td>
<td>0.01 %</td>
<td>0.01 %</td>
<td>0.01 %</td>
<td>0.001 %</td>
</tr>
<tr>
<td>b) Integrated production or integrated pest control</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.04 %</td>
<td>0.01 %</td>
<td>0.03 %</td>
</tr>
<tr>
<td>c) Other environmental issues</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.03 %</td>
<td>0.02 %</td>
<td>0.05 %</td>
</tr>
<tr>
<td>d) Traceability</td>
<td>-</td>
<td>-</td>
<td>0.0001 %</td>
<td>-</td>
<td>0.00003 %</td>
</tr>
<tr>
<td>e) Product quality, including pesticide residues</td>
<td>-</td>
<td>0.02 %</td>
<td>0.02 %</td>
<td>0.01 %</td>
<td>0.01 %</td>
</tr>
<tr>
<td>f) Other issues</td>
<td>1.4 %</td>
<td>0.1 %</td>
<td>0.04 %</td>
<td>0.05 %</td>
<td>0.03 %</td>
</tr>
<tr>
<td><strong>Environmental actions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>0.03 %</td>
<td>0.8 %</td>
<td>1.1 %</td>
<td>0.9 %</td>
<td>0.7 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>0.1 %</td>
<td>0.4 %</td>
<td>0.7 %</td>
<td>1.1 %</td>
<td>0.6 %</td>
</tr>
<tr>
<td>c) Other actions namely:</td>
<td>12.6 %</td>
<td>24.4 %</td>
<td>26.0 %</td>
<td>23.4 %</td>
<td>22.0 %</td>
</tr>
<tr>
<td>i) Organic production</td>
<td>0.04 %</td>
<td>0.3 %</td>
<td>0.2 %</td>
<td>0.2 %</td>
<td>0.2 %</td>
</tr>
<tr>
<td>ii) Integrated production</td>
<td>0.9 %</td>
<td>9.6 %</td>
<td>10.2 %</td>
<td>8.9 %</td>
<td>7.7 %</td>
</tr>
<tr>
<td>iii) Improved use and/or management of water</td>
<td>0.003 %</td>
<td>1.9 %</td>
<td>1.9 %</td>
<td>1.0 %</td>
<td>1.2 %</td>
</tr>
<tr>
<td>iv) Actions to conserve soil</td>
<td>0.02 %</td>
<td>0.3 %</td>
<td>0.5 %</td>
<td>1.0 %</td>
<td>0.5 %</td>
</tr>
<tr>
<td>v) Actions to maintain habitats favourable for biodiversity or to maintain the landscape, including conservation of historical features</td>
<td>0.002 %</td>
<td>0.5 %</td>
<td>0.2 %</td>
<td>0.6 %</td>
<td>0.3 %</td>
</tr>
<tr>
<td>vi) Actions favourable energy</td>
<td>0.01 %</td>
<td>0.1 %</td>
<td>0.1 %</td>
<td>0.04 %</td>
<td>0.04 %</td>
</tr>
<tr>
<td>vii) Actions related to reduction of waste production and improvement of waste management</td>
<td>0.1 %</td>
<td>4.9 %</td>
<td>4.1 %</td>
<td>2.2 %</td>
<td>2.9 %</td>
</tr>
<tr>
<td><strong>Transport</strong></td>
<td>11.3 %</td>
<td>5.2 %</td>
<td>4.9 %</td>
<td>6.2 %</td>
<td>6.7 %</td>
</tr>
<tr>
<td><strong>Other actions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>3.1 %</td>
<td>3.1 %</td>
<td>1.7 %</td>
<td>1.5 %</td>
<td>2.3 %</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>1.3 %</td>
<td>1.4 %</td>
<td>0.1 %</td>
<td>0.0 %</td>
<td>0.7 %</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>1.6 %</td>
<td>1.6 %</td>
<td>1.6 %</td>
<td>1.4 %</td>
<td>1.6 %</td>
</tr>
<tr>
<td><strong>Total expenditure incurred</strong></td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>
### Table 3.4.4 – Number of POs/POs that have activated the measure/action

<table>
<thead>
<tr>
<th>Measure/action</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions aimed at production planning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>14</td>
<td>114</td>
<td>165</td>
<td>162</td>
<td>455</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>2</td>
<td>12</td>
<td>24</td>
<td>34</td>
<td>72</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>188</td>
<td>108</td>
<td>103</td>
<td>81</td>
<td>480</td>
</tr>
<tr>
<td><strong>Actions aimed at improving or maintaining product quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>7</td>
<td>103</td>
<td>143</td>
<td>126</td>
<td>379</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>1</td>
<td>14</td>
<td>25</td>
<td>27</td>
<td>67</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>189</td>
<td>181</td>
<td>230</td>
<td>227</td>
<td>827</td>
</tr>
<tr>
<td><strong>Actions aimed at improving marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>145</td>
<td>109</td>
<td>147</td>
<td>134</td>
<td>535</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>5</td>
<td>53</td>
<td>65</td>
<td>68</td>
<td>191</td>
</tr>
<tr>
<td>c) Promotion and communication activities</td>
<td>141</td>
<td>69</td>
<td>50</td>
<td>52</td>
<td>312</td>
</tr>
<tr>
<td>d) Other actions</td>
<td>16</td>
<td>130</td>
<td>169</td>
<td>157</td>
<td>472</td>
</tr>
<tr>
<td><strong>Research and experimental production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>1</td>
<td>6</td>
<td>9</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td><strong>Training activities not linked to crisis prevention and management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Organic production</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>b) Integrated production or integrated pest control</td>
<td>0</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>c) Other environmental issues</td>
<td>2</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>d) Traceability</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>e) Product quality, including pesticide residues</td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>f) Other issues</td>
<td>75</td>
<td>10</td>
<td>9</td>
<td>15</td>
<td>109</td>
</tr>
<tr>
<td><strong>Crisis prevention and management measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Withdrawal from market</td>
<td>0</td>
<td>18</td>
<td>25</td>
<td>54</td>
<td>97</td>
</tr>
<tr>
<td>b) Green harvesting or non-harvesting of fruit and vegetables</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>c) Promotion and communication campaigns</td>
<td>4</td>
<td>45</td>
<td>70</td>
<td>84</td>
<td>203</td>
</tr>
<tr>
<td>d) Training activities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>e) Harvest insurance</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>7</td>
<td>27</td>
</tr>
<tr>
<td>f) Support for administrative set-up costs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Environmental actions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>1</td>
<td>28</td>
<td>38</td>
<td>32</td>
<td>99</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>1</td>
<td>9</td>
<td>15</td>
<td>16</td>
<td>41</td>
</tr>
<tr>
<td>c) Other actions namely:</td>
<td>141</td>
<td>195</td>
<td>237</td>
<td>239</td>
<td>812</td>
</tr>
<tr>
<td>Production, namely:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Organic production</td>
<td>5</td>
<td>27</td>
<td>19</td>
<td>28</td>
<td>79</td>
</tr>
<tr>
<td>ii) Integrated production</td>
<td>4</td>
<td>88</td>
<td>144</td>
<td>133</td>
<td>369</td>
</tr>
<tr>
<td>iii) Improved use and/or management of water</td>
<td>2</td>
<td>48</td>
<td>60</td>
<td>47</td>
<td>157</td>
</tr>
<tr>
<td>iv) Actions to conserve soil</td>
<td>2</td>
<td>50</td>
<td>59</td>
<td>60</td>
<td>171</td>
</tr>
<tr>
<td>v) Actions to maintain habitats favourable for biodiversity or to maintain the landscape, including conservation of historical features</td>
<td>2</td>
<td>22</td>
<td>20</td>
<td>23</td>
<td>67</td>
</tr>
<tr>
<td>vi) Actions favouring energy saving</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>vii) Actions related to reduction of waste production and improvement of waste management</td>
<td>9</td>
<td>92</td>
<td>91</td>
<td>79</td>
<td>271</td>
</tr>
<tr>
<td>viii) Other actions Transport</td>
<td>133</td>
<td>94</td>
<td>113</td>
<td>115</td>
<td>455</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchase of fixed assets</td>
<td>182</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>196</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>93</td>
<td>183</td>
<td>207</td>
<td>216</td>
<td>699</td>
</tr>
<tr>
<td><strong>Total expenditure incurred</strong></td>
<td>207</td>
<td>213</td>
<td>248</td>
<td>241</td>
<td>909</td>
</tr>
</tbody>
</table>

1POs with values greater than zero in lines 11-13 of annual report table 2.3.

*Hire and leasing

Source: Ismea based on annual report data (interim data)
### Table 3.4.5 – Number of POs/POAs that have activated the measure/action\(^1\) (proportion of total OPs)

<table>
<thead>
<tr>
<th>Actions aimed at production planning</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Purchase of fixed assets</td>
<td>6.8%</td>
<td>53.5%</td>
<td>66.5%</td>
<td>67.2%</td>
<td>50.1%</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>1.0%</td>
<td>5.6%</td>
<td>9.7%</td>
<td>14.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>90.8%</td>
<td>50.7%</td>
<td>41.5%</td>
<td>33.6%</td>
<td>52.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actions aimed at improving or safeguarding product quality</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Purchase of fixed assets</td>
<td>3.4%</td>
<td>48.4%</td>
<td>57.7%</td>
<td>52.3%</td>
<td>41.7%</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>0.5%</td>
<td>6.6%</td>
<td>10.1%</td>
<td>11.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>91.3%</td>
<td>43.8%</td>
<td>32.1%</td>
<td>36.5%</td>
<td>42.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research and experimental production</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Purchase of fixed assets</td>
<td>7.0%</td>
<td>51.2%</td>
<td>59.3%</td>
<td>55.6%</td>
<td>58.9%</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>2.4%</td>
<td>24.9%</td>
<td>26.2%</td>
<td>28.2%</td>
<td>21.0%</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>90.8%</td>
<td>50.7%</td>
<td>41.5%</td>
<td>33.6%</td>
<td>52.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actions aimed at improving marketing</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Purchase of fixed assets</td>
<td>70.0%</td>
<td>51.2%</td>
<td>59.3%</td>
<td>55.6%</td>
<td>58.9%</td>
</tr>
<tr>
<td>b) Other forms of acquisition of fixed assets*</td>
<td>2.4%</td>
<td>24.9%</td>
<td>26.2%</td>
<td>28.2%</td>
<td>21.0%</td>
</tr>
<tr>
<td>c) Other actions</td>
<td>90.8%</td>
<td>50.7%</td>
<td>41.5%</td>
<td>33.6%</td>
<td>52.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research activities not linked to crisis prevention and management</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Organic production</td>
<td>1.9%</td>
<td>19.5%</td>
<td>8.6%</td>
<td>0.8%</td>
<td>0.9%</td>
</tr>
<tr>
<td>b) Integrated production or integrated pest control</td>
<td>-</td>
<td>-</td>
<td>3.3%</td>
<td>2.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td>c) Other environmental topics</td>
<td>10.0%</td>
<td>3.3%</td>
<td>2.4%</td>
<td>2.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>d) Traceability</td>
<td>0.4%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training activities</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot. 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Support for administrative set-up costs</td>
<td>68.1%</td>
<td>92.5%</td>
<td>97.6%</td>
<td>100.8%</td>
<td>90.5%</td>
</tr>
</tbody>
</table>

*Including rental, hire and leasing

Another aspect of financial efficiency that could be explored is the potential, which has not yet been expressed in terms of theoretical possibilities, of the fruit and vegetable sector as a whole mobilising public aid to support the different types of operation planned as part of the National Strategy. This aspect would therefore be based on the overall value of production declared by the sector. In actual fact, this type of analysis would be hampered by the inherent limitations of the statistical data available, which make it difficult to evaluate the effective grouping level of the fruit and vegetable sector.

Nonetheless, if we apply the 4.3% coefficient to the ISTAT data on output at basic prices, using the average over the three years prior to the reference year, we obtain a theoretical aid value that is consistently higher than EUR 470 million for the fruit and vegetable sector as a whole within the period considered (for details of the various types of financial efficiency assessments, see section 1, Annex 4).

3.5 IMPLEMENTATION OF OPERATIONAL PROGRAMMES AT REGIONAL LEVEL

From an analysis of the data relating to the operational funds, in continuity with the previous programming, the aid payments were found to be significantly concentrated within a limited number of financially large POs, mainly operating in the north.

Organisations present in the north representing fewer than 30% of all Italian POs received 70% of community aid for the EFs from 2008 to 2011 (more than 50% went to the Emilia-Romagna and Alto Adige regions). In the south, where more than 50% of the POs operate, the financial aid did not reach 25% of the total value paid out. The measure relating to improvement of product quality accounted for a proportion of expenditure (out of the OP total) that was markedly higher than the national average (more than 40% compared to 26%) for POs in Lazio, Basilicata and Marche while results for POs in Trentino-Alto Adige and Tuscany showed the opposite trend with an incidence that was limited to 15% and 13% respectively. Trentino-Alto Adige held the record for the measure for improvement of marketing, with an expenditure proportion of more than 36%, while the regions of central and southern Italy returned proportions that were lower than the national average (17% compared to 24%) (see table 3.5.1).

More than 30% of the OP financial budget was spent on production planning measure in the regions of Basilicata and Campania, while Tuscany and Marche earmarked less than 10% for this measure. With regard to environmental actions, it is interesting to note that Piedmont (10.4%) and Basilicata (12%) spent a little over the minimum threshold established by the Regulation. When we consider the POs of various other regions (Lombardy, Sardinia, Apulia and Molise), they show a strong tendency to invest in these actions, with a proportion much higher than the national average (23.5%), with the proportion rising to no less than 46% in the case of Tuscany. Lastly, crisis prevention and management measures registered an expenditure in all regions, albeit with low percentages, with a distinct prevalence by Emilia Romagna (7.9%) and Trentino-Alto Adige (7.1%). A similar situation, but with an even lower incidence, is evident for training and advisory measures. The research and experimental production measure, where expenditure was even lower, was activated only by a minority of regions (in particular Abruzzo and Trentino-Alto Adige).
Table 3.5.1 - Investment indicators for Regions by measure: total for four-year period 2008-2011 (EUR)

<table>
<thead>
<tr>
<th>Region</th>
<th>Measure in 2009</th>
<th>Measure in 2010</th>
<th>Measure in 2011</th>
<th>Measure in 2012</th>
<th>Measure in 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piemonte</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lombardia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veneto</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friuli Venezia Giulia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liguria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emilia Romagna</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toscana</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Umbria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marche</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lazio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abruzzo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campania</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Puglia</td>
<td>304,153,101</td>
<td>341,323,091</td>
<td>349,848,205</td>
<td>366,996,508</td>
<td>382,671,238</td>
</tr>
<tr>
<td>Basilicata</td>
<td>190,916,541</td>
<td>208,335,522</td>
<td>227,673,236</td>
<td>245,519,446</td>
<td>248,264,697</td>
</tr>
<tr>
<td>Calabria</td>
<td>163,659,631</td>
<td>175,935,785</td>
<td>178,306,972</td>
<td>186,477,203</td>
<td>186,477,203</td>
</tr>
<tr>
<td>Sicilia</td>
<td>84,846,646</td>
<td>87,227,452</td>
<td>89,576,401</td>
<td>91,915,401</td>
<td>91,915,401</td>
</tr>
<tr>
<td>Sardegna</td>
<td>55,448,759</td>
<td>58,237,515</td>
<td>59,996,237</td>
<td>61,249,831</td>
<td>61,249,831</td>
</tr>
<tr>
<td>Totale</td>
<td>460,132,599</td>
<td>483,906,422</td>
<td>498,012,758</td>
<td>515,645,564</td>
<td>520,286,508</td>
</tr>
</tbody>
</table>

EVALUATION OF NATIONAL STRATEGY FOR SUSTAINABLE OPERATIONAL PROGRAMMES IN THE FRUIT AND VEGETABLE SECTOR (2012)
Key to Table 3.5.1

<table>
<thead>
<tr>
<th>Italian</th>
<th>English</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azioni intese a pianificare la produzione</td>
<td>Actions aimed at planning of production</td>
</tr>
<tr>
<td>Azioni intese a migliorare o a salvaguardare la qualità dei prodotti</td>
<td>Actions aimed at improving or maintaining product quality</td>
</tr>
<tr>
<td>Azioni intese a migliorare le condizioni di commercializzazione</td>
<td>Actions aimed at improving marketing</td>
</tr>
<tr>
<td>Ricerca, compresa la produzione sperimentale</td>
<td>Research, including experimental production</td>
</tr>
<tr>
<td>Azioni di formazione e azioni intese a promuovere il ricorso a servizi di consulenza</td>
<td>Training actions and actions aimed at promoting access to advisory services</td>
</tr>
<tr>
<td>Misure di prevenzione e gestione delle crisi</td>
<td>Crisis prevention and management instruments</td>
</tr>
<tr>
<td>Azioni ambientali</td>
<td>Environmental actions</td>
</tr>
<tr>
<td>Altre azioni</td>
<td>Other actions</td>
</tr>
<tr>
<td>Totale misure</td>
<td>Total measures</td>
</tr>
<tr>
<td>Totale Regioni su tot Italia</td>
<td>Total Regions out of Italian total</td>
</tr>
<tr>
<td>Piemonte</td>
<td>Piedmont</td>
</tr>
<tr>
<td>Valle d’Aosta</td>
<td>Valle d’Aosta</td>
</tr>
<tr>
<td>Lombardia</td>
<td>Lombardy</td>
</tr>
<tr>
<td>Trentino Alto Adige</td>
<td>Trentino Alto Adige</td>
</tr>
<tr>
<td>Veneto</td>
<td>Veneto</td>
</tr>
<tr>
<td>Fruiti Venezia Giulia</td>
<td>Fruiti Venezia Giulia</td>
</tr>
<tr>
<td>Liguria</td>
<td>Liguria</td>
</tr>
<tr>
<td>Emilia Romagna</td>
<td>Emilia Romagna</td>
</tr>
<tr>
<td>Toscana</td>
<td>Tuscany</td>
</tr>
<tr>
<td>Umbria</td>
<td>Umbria</td>
</tr>
<tr>
<td>Marche</td>
<td>Marche</td>
</tr>
<tr>
<td>Lazio</td>
<td>Lazio</td>
</tr>
<tr>
<td>Abruzzo</td>
<td>Abruzzo</td>
</tr>
<tr>
<td>Molise</td>
<td>Molise</td>
</tr>
<tr>
<td>Compania</td>
<td>Compania</td>
</tr>
<tr>
<td>Puglia</td>
<td>Apulia</td>
</tr>
<tr>
<td>Basilicata</td>
<td>Basilicata</td>
</tr>
<tr>
<td>Calabria</td>
<td>Calabria</td>
</tr>
<tr>
<td>Sicilia</td>
<td>Sicily</td>
</tr>
<tr>
<td>Sardegna</td>
<td>Sardinia</td>
</tr>
<tr>
<td>Totale Italia</td>
<td>Total for Italy</td>
</tr>
<tr>
<td>nord-ovest</td>
<td>north west</td>
</tr>
<tr>
<td>nord-est</td>
<td>north east</td>
</tr>
<tr>
<td>centro</td>
<td>centre</td>
</tr>
<tr>
<td>sud</td>
<td>south</td>
</tr>
<tr>
<td>isole</td>
<td>islands</td>
</tr>
</tbody>
</table>

3.6 RELATIONSHIP WITH RURAL DEVELOPMENT SUPPORT POLICIES AND DIRECT PAYMENTS

As may be seen below, the relationship between the CMO support scheme (Regulation (EC) No 1234/2007) and the rural development scheme (Regulation (EC) No 1698/2005) represents a factor of crucial importance in the management of the operational programmes. This factor amounts to a real problem in applying the National Strategy due to the extreme variability of demarcation rules adopted at local level.

In detail, although the CMO and RD schemes have different budgets and application of management rules (implementation method, timing, definition of the extent of resources available, extent of support), they can support these same types of expenditure, notwithstanding the general rule (Article 5(6) of Regulation (EC) No 1698/2005) that a RD scheme cannot support measures that can be funded by the CMOs. The consequent need for demarcation essentially concerns:

- investments, in other words operations used to develop or purchase an asset with a multiannual duration), that is defined in the same way within the CMO and the RDA schemes. Under the rural development scheme, investments can be made specifically by using measures 121 (modernisation of agricultural holdings) and 123 (increasing the added value of agricultural and forestry products) of axis 1. Under the National Strategy, investments may be made specifically through the actions ‘purchase of fixed assets’ under the measures ‘actions aimed at planning of production’, ‘actions aimed at improving or maintaining product quality’ and ‘actions aimed at improving marketing’;

- agri-environmental actions under the RD scheme are funded by measure 214 of the RDP under axis 2 and under the National Strategy are funded by the measure ‘environmental actions and environmentally-friendly production methods, including organic farming’.

The demarcation requirement also extends to training and advisory actions, with measure 111 (‘vocational training and information actions’) and 114 (‘use of agricultural and forestry advisory services’).

In Italy, the criteria for establishing demarcation between the CMO and rural development programmes are set out in the guidance documents for both support policies, in other words the CMO National Strategy and the rural development National Strategic Plan. The regions are bound to observe these criteria as the entities implementing the RDP (when drawing up the plan, when publishing measure notices and for subsequent investigatory activities prior to approving the aid claims). They must also be observed by the POs, in submitting and managing their operational programme, by the regions, for approval activities and by paying bodies during their control activities.

In the 2010 fruit and vegetable National Strategy and the latest version of the rural development NDP, the demarcation rules were summarised in the same way in both documents.
With regard to structural measures, in other words investments, if these are made directly by the POs/POAs, they are funded within the context of the respective operational programmes while any exceptions must be provided for by each RDP based on the financial entity of the investments and/or the type of beneficiaries. For measures implemented by individual PO members, each RDP must provide for an additional demarcation level based on financial size. This may be broken down by productive sector and/or by operation type and special investment, ensuring that such holding investments do not overlap with those for collective use.

For POs operating and with members in different regions, the demarcation rules laid down by the RDP of the region in whose administrative area the operation and/or investment are carried out must be followed.

Demarcation methods adopted by the regions ultimately reflect the following criteria: type of beneficiary, financial threshold and investment type, or a mix of these elements that some regions have expressed by adopting more complex criteria.

Agri-environmental actions (integrated production and organic production), on the other hand, are funded exclusively by the RDPs. The POs can intervene within the environmental sector, in particular for commitments relating to the application of integrated production and organic farming, only if the corresponding RDP measures/actions have not been activated in the area covering the holding in question. Commitment remuneration levels must, however, be consistent with levels already approved in the relevant RDP or in that of adjacent regions with similar geopedological, environmental and structural characteristics.

As far as commitments relating to other environmental actions are concerned, excluding agri-environmental measures, the POs are allowed to receive a fee only if they are not included in the corresponding measures/actions activated by the respective RDP.

To allow standard access conditions to RDP agri-environmental measures, which are allocated by publishing contract notices, it is possible to arrange appropriate access priority criteria for PO member producers who intends to participate in RDP agri-environmental measures.

In each case, regardless of the programming instrument chosen (CMO or RDP) reference is always made to the undertakings laid down in regional framework structures drawn up in accordance with national guidelines on organic and integrated production.

With regard to training, the general rule followed by most regions is that training activities are generally funded by the RDP. It is also useful to point out that PO members can access the measure if the operational programme of the organisations to which they belong finances the same activities. It may also be the case that only some specific training activities are financed within the operational programmes. In this case, activities that are not financed under the operational programme will be financed through the RDP training measure.
As far as advisory services are concerned, as in the case of the above measure on training, the activities and objectives implemented by both funds are to a certain extent complimentary. To avoid duplicating the activities to be implemented by both funds, the rule adopted in most regions is that advisory activities on topics connected with the specific fruit and vegetable sector aimed at PO members are funded by the single fruit and vegetable sector CMO. Other holding advisory activities that do not refer directly to the sector, or activities directly provided for by the fruit and vegetable CMO implemented by holdings that are not PO members are funded by the RDP.

Within the first pillar, positive cooperation takes place between the school fruit programme and the PO/POA organised system, which is the main implementing agent of the programme.

In the case of direct payments, one of the essential aspects of the 2007 reform was the end of coupled aid for products (tomatoes, pears, peaches, prunes d’Ente and citrus fruits) paid for industrial processing and their conversion to uncoupled aid and incorporation into the single payment scheme. Under certain conditions and for certain products, Member States were also committed to choose an interim area-based payment scheme based before full integration of the direct payment scheme (Articles 54 and 96 of Regulation (EC) No 73/2009).

Italy chose to use this option, providing for a gradual changeover to the single payment scheme for canned tomatoes, pears, peaches and plums for processing, choosing to make the aid payments subject to the producer’s membership of a recognised producers’ organisation. The interim scheme lasted three years, from 2008 to 2010, and an additional two years from 2011-2012 for plums only (for details of the application procedures, see section 6 of Annex 1). In the specific case of canned tomatoes, partial aid linked to cultivation, which was continued to 2010, prompted a drive to make substantial investments, with a production peak in 2009.

In the meantime, the interim scheme was not, however, applied to the citrus food sector, where a direct transition took place from a coupled aid scheme to an uncoupled scheme from 2008 because it was considered because the Italian output of this product was essentially destined for fresh consumption, a soft landing to adapt to market rules was not required. Transposition of the wholesale uncoupling of aid for citrus fruit processing nevertheless led to a collapse in the amount of oranges destined for juice extraction and this also had repercussions on the fresh fruit market.

From 2007 to 2008, the number of POs involved in citrus fruit processing also fell drastically. In other words, with the removal of aid linked to the quantity granted, the processing segment of the citrus food sector lost a major incentive to join groups. (A similar effect was not, however, noted for canned tomatoes, which are characterised by higher crop specialisation).

As a knock-on effect of uncoupling aid for these products, with or without an interim regime, the orchards were also gradually abandoned with a marked reduction in the cultivation operations necessary to keep them inefficient. In many cases, this situation also led to a failure to harvest products and a consequent abandonment of orchards with negative consequences for all allied industries and also for employment levels.
3.7 TERMS OF REFERENCE FOR THE EVALUATION

Commission Regulation (EU) No 543/2011 establishes (Article 127(4) and Article 97(1)(b) that Member States should carry out an evaluation of the National Strategy on sustainable Operational Programmes in the fruit and vegetable sector by 15 November of 2012 (deadline for sending the evaluation to the competent EU services).

By means of Ministerial Decree No 13545 of 21 June 2012, the Ministry of Agricultural, Food and Forestry Policies formally commissioned ISMEA (service institute for the agri-food market)\(^5\) to prepare an evaluation report on the application of the CMO in the fruit and vegetable sector.

By means of Memo Reference No 4081 of 2 August 2012, ISMEA sent the Ministry of Agricultural, Food and Forestry Policies an initial evaluation report on the 2008-2011 fruit and vegetable CMO National Strategy for forwarding to the newly established evaluation process steering committee. The committee, established by Departmental Decree No 5251 of 25 September 2012 approved the above report in its meeting of 4 October 2012.

It must be noted that the timeframe for carrying out the complex evaluation exercise was extremely tight\(^6\).

The evaluation concerned the period from 2008, the year that Regulation (EC) No 1234/2007 came into force, to 2011, the last year for which annual report indicators are available.

The evaluation report considers the level of utilisation of financial resources allocated to producer organisations as well as the efficiency, effectiveness, effects and impact of the operational programmes implemented with the aim of obtaining guidelines useful for improving the quality of any future National Strategies and, in particular, identifying any shortcomings in the definition of objectives, targets or measures eligible for support and the need for new instruments.

ISMEA carried out the evaluation activity with the involvement of institutional socioeconomic and environmental stakeholders with a role in implementation of the OPs (essentially, representatives of regions, paying bodies, AGEA Coordinamento, paying bodies and bodies representing producer organisations as well as representatives of the organic and environmental sector) and in the evaluation process through the above steering committee.

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\(^5\) Public financial body regulated by Presidential Decree No 200 of 31 March 2001 and subject to supervision by the Ministry of Agricultural, Food and Forestry policies.

\(^6\) While waiting for the above Decree to be made official, from May some activities and meetings were held to prepare for the start-up and methodological design of the evaluation process with the aim of making every effort to meet the EU deadlines.
4. METHODOLOGY

4.1 STRUCTURE OF THE EVALUATION

The ‘intervention logic’ plays a crucial role within a Strategy that envisages the development of instruments designed to pursue and optimise an objective function. The ‘intervention logic’ takes the form of a model that illustrates the conceptual links between the proposed measures and the declared objectives as well as the internal breakdown of the objectives.

For the evaluator, the ‘intervention logic’ is therefore the premise on which the evaluation exercise must be based. The evaluation of Strategy effectiveness and efficiency and the evaluation questions on which the evaluation is based cannot exist without a preliminary analysis of the mechanisms by which the National Strategy links the various measures with the desired objectives.

The ‘intervention logic’ must therefore be defined a priori in the formulation of the National Strategy. Given that the Strategy is responsible for identifying the expected a priori effects of the measure on the various objectives, an examination of its internal coherence therefore constitutes the first stage of the evaluation. This stage is strictly necessary to enable us to identify the evaluation questions (second stage) and to enable us to evaluate the measured a posteriori effects (third stage) or the results achieved by implementing the various measures with regard to the three tiers of objectives (operational, specific and general).

Evaluation of the ‘intervention logic’ therefore constitutes a requirement for proceeding to the concluding stage of the evaluation. It amounts to a comparison between expected effects (ex ante) and measured effects (ex post) that provides essential elements for evaluating programme effectiveness and efficiency as far as the available information permits.

The evaluation was therefore based on an ‘Intervention Logic’ Diagram (ILD) that summarises logical links between the objectives envisaged in the National Strategy and the planned measures (see Figure 4.1.1). In transposing the proposals in the European Commission Guidance Note7, we chose to adopt an ILD that was as consistent as possible with the ‘common “intervention logic” model’ contained in the Guidance Note applying only the minimal adaptations required to fit the specificities of the National Strategy. This approach appears to be acceptable in the Italian case because the National Strategy activated all the measures laid down by the Regulations while also transposing all the specific and general objectives enshrined in the relevant Regulations (Regulation (EC) No 1234/2007 and Regulation (EU) No 543/2011). (For further details of the ILD definition procedure and its component elements see sections 1 and 2 of Annex 2).

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7 ‘evaluation of national strategy for sustainable operational programmes in the fruit and vegetable sector (2012)’
AGRI-C.2/DOCTRAV/003/2011, final version of 18 October 2011.
Evaluation of the National Strategy requires not only an a priori definition of the expected effects on the objectives to be pursued but also the parameterisation of these objectives and the setting of a target for each objective, in other words a parameter level judged optimal to be achieved at the end of the programme. Evaluation of the effectiveness and efficiency of the Strategy and its constituent measures requires knowledge of minimum objective achievement levels. In the absence of these targets, programme effectiveness and efficiency cannot be evaluated in quantitative terms but only in qualitative terms. A qualitative evaluation cannot therefore be based on the relative and absolute deviation of a given indicator from the stated optimal level of the indicator but merely consider the trend displayed by this indicator and state the extent to which this corresponds to programme expectations. In this specific case, the National Strategy identified targets only for certain objectives and without referring to the maximum financial requirements to achieve these results. This therefore allowed only a quantitative evaluation of OP effectiveness limited to the ‘verifiable quantitative objectives’ indicated by the Strategy. With regard to the efficiency of the OPs and their effectiveness with regard to objectives for which targets have not been set, it was only possible to express a judgement based on a qualitative evaluation (see section 1 Annex 2).

The evaluation questions are derived from the ILD adopted for the evaluation. These essentially reflect the proposed common evaluation questions in the Guidance Note. A data analysis was performed for each question and an evaluative judgement was drawn up based on a set of criteria and indicators identified by the evaluator and given in the Annex (see Annex 3).

The valuation, which extends throughout the four-year period 2008-2011, hinges around the fruit and vegetable National Strategy implemented during the 2008-2013 programming period, concerning the aid scheme referred to in Regulation (EC) No 1234/2007 (single CMO) and therefore focuses on OPs with a definitive operational fund greater than zero (taken from lines 11-13 of annual report table 2.3).
Although it is based on analysis of overall data relating to OPs implemented, the analysis, which takes the form of an analysis of the link existing between measures implemented and objectives achieved, is therefore focused as far as possible on the OPs covered by this aid scheme, which may be obtained from lines 17 and 18 of annual report table 2.3, in other words:

- OPs approved under Regulation (EC) No 2200/1996 and amended on the basis of the requirements laid down in Regulation (EC) No 1234/2007 (Article 203a(3)(b) of Regulation (EC) No 1234/2007) and
- OPs approved under Regulation (EC) No 1234/2007,

thus excluding OPs approved under Regulation (EC) No 2200/1996 and not amended on the basis of Regulation (EC) No 1234/2007. This choice is supported by the fact that for the latter OPs, in the transition from the old to the new aid scheme, reclassifying the measures to the new aid scheme coding proved difficult and in any case meant that the annual reports contained no common performance indicators, due at least partly to legislative provisions (for OPs approved under Regulation (EC) No 2200/1996 and not amended on the basis of Regulation (EC) No 1234/2007 the requirement for Producer Organisations to draw up result and impact indicators is not binding). The resulting database refers to OPs that will from now on be referred to as OPs under the ‘new aid scheme’. With these limitations, the database was obtained by adding OP data relating to both POs and POAs, because the latter contained operational programme data not attributable to individual POs in their annual reports.

With regard to the evaluation of effectiveness and efficiency in the achievement of specific and general objectives, the timeframe of results for OPs under the new aid scheme proved insufficient for a reliable analysis in most cases. The incompleteness of the 2011 findings and the limited number of POs under the new Strategy from 2008 only allows us to draw up an evaluation, which is in any case only partial, for 2009 and 2010. The new Strategy does not seem to have fully absorbed the old strategy until the two final years of 2010 and 2011. This led the evaluator to carry out an analysis of the total for the old and new aid scheme when considering the change for 2010 (or 2011) compared to 2007. For this reason, it has not been possible to rule out a dragging effect on the result and impact indicators.

4.2 DATA SOURCES AND PROBLEMS

When defining indicators used for responding to evaluation questions, both secondary data and primary data were used as information sources.

Secondary sources:
- Common performance indicators in the annual report (in the absence of supplementary indicators defined at national level),
- other data contained in the annual reports and taken from the operational programmes,
- information contained in the OP evaluation reports,
- statistical data (areas, productions, source/wholesale prices, value of production at basic prices, consumption) taken from various statistical databases (ISTAT, ISMEA, AGEA and SINAB).

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8 The notes on the drawing up of the 2008 annual report state that for ‘old’ operational programmes, those approved under Regulation (EEC) No 2200/1996, from 2009 it is also necessary to provide the information referred to in the initial common result and impact indicators, but only if available.
Primary sources (information collected by the evaluator):
- Structured interviews with producer organisations and producer organisation associations;
- non-structured interviews with individual POs and contacts of Administrations involved in OP planning, management, monitoring and control activities;
- focus groups with ‘privileged witnesses’.

4.2.1 Annual report data

The main database for the 2012 evaluation of the activity of fruit and vegetable producer organisations and the implementation of the relevant operational programmes consists of the common performance indicators contained in the annual reports. These consist of: initial indicators; investment indicators; product indicators; result indicators; impact indicators (for an examination of the annual report compilation system see section 5 of Annex 2).

These indicators constitute the fundamental database used to construct the indicators used to respond to the evaluation questions.

As already mentioned, the time interval considered in the evaluation starts from 2008, the year of entry into force of Council Regulation (EC) No 1234/2007 up to 2011, with the aim of basing the evaluation exercise on a sufficiently long time period and on a database that is as up-to-date and consolidated as possible (see next section on problems).

The PO data were added to the POA data, on the assumption that any data duplication problems in the annual report versions used had been overcome.

To obtain additional information on implementation of the strategy, the analysis of indicators, particularly investment indicators, was carried out at regional level, considering the region where the PO was recognised.

In addition to the indicators, the evaluation also considered other annual report data, particularly data in Section 2 (operational fund, VMP, etc.).

Problems
- Availability and quality of 2008-2009-2010 data

The evaluator was forced to use data from 2008, 2009 and 2010 annual reports that was not yet finalised as a basis for the evaluation. These data were still undergoing revision and supplementation in response to findings reported by the Commission, the last dating back to summer 2012.

In an attempt to align the database as closely as possible with the final version of the above reports, and the basis of a decision made by the steering committee in the evaluation of 4 October 2012, we chose to use a version that was more up to date than the version delivered in August to the competent

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9 Even though the recognition application must be submitted to the region where the PO achieves the greatest marketed production volume (Article 2 of Ministerial Decree No 5463 of 3 August 2011) it is clear that the member base may extend well beyond regional boundaries. Despite this, we felt that an analysis conducted by PO recognition region can nevertheless provide interesting information for a territorial evaluation of the Strategy, including its interrelationships with other regional policies.
Commission services, having been partly revised in the light of the most recent observations received. The evaluation is therefore based on data in 2008, 2009 and 2010 annual report versions updated to 8 October 2012. These data must therefore also the considered provisional and susceptible to further changes.

With the aim of carrying out a constant check on the progress and problems identified from time to time in monitoring data, the evaluator opted to set up a limited working group with AGEA Coordinamento and MiPAAF.

During the analysis activities, the evaluator was forced to exclude some anomalous data from the evaluation (evident material errors).

- The fact that the deadline for monitoring and evaluation requirements coincided with the availability of 2011 data.

Because it was linked to an administrative requirement (submission by the Member State of the annual report), the availability of data used in the valuation exercise was affected by the calendar of deadlines established by EU and national legislation. Regulation (EU) No 543/2011 states (Article 97(b)) that the annual report should be submitted to Brussels on 15 November each year, with reference to the previous season (for an examination of the deadlines to be met by POs with regard to the OP and the corresponding executive Plans, see section 4 Annex 1). The same Regulation establishes that on the evaluation report should be delivered to the Commission in conjunction with the 2011 annual report on 15 November 2012 (Article 127(4)). Only the 2008, 2009 and 2010 reports would therefore have had to have been available before 15 November 2012.

Since the evaluator nevertheless wished to extend the evaluation period to include 2011, he/she arranged, in conjunction with MiPAAF, to bring forward the deadline for drawing up the 2011 annual report on the application currently in use (SIAN annual report). This made it possible to obtain access to advance data received in the state of consolidation available at the delivery date (8 October 2012). The data are therefore consolidated in some cases by the regions and in other cases by the POs alone, or they are still being processed. (Consolidation by the paying bodies is excluded because their validation was premature at that stage).

The 2011 data included in this evaluation report should therefore be considered provisional and not exhaustive (even though they refer to a high number of POs/POAs: no fewer than 240) and, as such, containing possible discrepancies in relation to the data reported in the 2011 annual report (and reports for previous years), which will be delivered to the competent Commission services on 15 November 2012. We nevertheless felt that the margin of error was acceptable considering the benefit of obtaining initial information on the fourth year of application of the National Strategy.

- Nomenclature of measures and actions and limits of common indicators

In the fruit and vegetable CMO, the definition of measures tends to coincide with the definition of the objective pursued, loosening the link with the type of intervention performed within the objectives. This situation is evident for actions aimed at planning of production, actions aimed at improving or maintaining product quality and actions aimed at improving marketing. In other words, in these specific cases, the same type of intervention can often be included in different measures according to the objective they help to achieve or rather the objective that they mainly pursue, given that there may be more than one objective for each intervention. (This situation applies not only to general items such
as ‘purchase of machinery and equipment’ but also more specific items, such as ‘purchase of logistical platforms’, which can be funded within actions aimed at planning of production or actions aimed at improving marketing).

The broad technical content of the measure, defined in terms of objectives, also translates into a list of actions that in turn represent general containers: purchase of fixed assets, other forms of acquisition of fixed assets such as rental, hire and leasing, and other actions.

Based on these premises, the list of common indicators, particularly of product indicators, is bound to be limited to variables that can ‘measure’ a very extensive range of interventions. It is no coincidence that the product indicators for the three measures mentioned is essentially the number of participating holdings. (Conversely, other measures with more clearly identified content, such as research and experimental production, information actions and actions for the promotion of advisory services, or crisis prevention and management measures, also have actions with more identifiable content and therefore possess common indicators that are more susceptible to evaluation. (The case of environmental actions is hybrid).

Incidentally, Italy has not established supplementary indicators to fill the intrinsic gaps in the common indicators by extending the monitoring database on the basis of national specificities.

- Absence of expressed targets/objectives

In establishing a monitoring system for the fruit and vegetable sector, EU legislation provided for the drawing up of common performance indicators to evaluate the progress, efficiency and effectiveness of the OPs but did not also order the identification of quantified targets, which are not therefore systematically traceable either in the OPs or in the National Strategy. The National Strategy, in particular, contains only four target values relating to: VMP of the POs, number of fruit and vegetable producers belonging to the POs, total fruit and vegetable area cultivated by PO members and marketed production volume (see section 1 Annex 2).

The Strategy evaluation system subsequently outlined by the Commission10, which reflects the methodology used in rural development, implicitly requires a preliminary definition of targets. If these are not present, the premises for the evaluation of effectiveness cannot be applied since these indicate the level to which the objectives are achieved.

Faced with this situation and considering it arbitrary to establish targets for the operational programmes and National Strategy after the event, the quantitative effectiveness evaluations used in the evaluation focused on the four target values established in the National Strategy.

4.2.2 Operational programme data

In addition to the indicators contained in the annual reports, it was also considered appropriate to use a breakdown of expenditure data at individual intervention level, in accordance with the following relationship:

Objectives → Measures → Actions → Interventions

Information on expenditure per intervention is not available within the annual report (which gives expenditure only by measure and action) but it is contained in the operational programme/executive plan (the latter is an annual expression of the format).

Italy has not categorised the interventions according to measure, meaning that the same intervention type may be financed under different measures in accordance with the objectives of each measure. Despite this, considering the limits intrinsic in the available performance indicators, considering expenditure by intervention type makes it possible to integrate the available information with a qualitative indication of the technical content of the measures and of the actions currently being implemented.

The evaluator therefore obtained elementary information\(^{11}\) from all the paying bodies involved in managing the National Strategy (for more information on the SIAN application system see section 5 Annex 2) and, given that the coding adopted by the bodies is essentially the same, it was able to align expenditure recording by intervention type within National Strategy measures/actions within a single layout. The system of expenditure recording by intervention used is therefore exhaustive for the situation in Italy.

**Problems**

- Data quality

Although this information is very useful, it also has its limits. Recording of expenditure by intervention is available only from 2009, the year in which the information set contained in the operational programmes became fully computerised. The data that emerge from the SIAN application for the annual report do not necessarily reflect those contained in the operational programme applications managed by the paying bodies involved (they may not be as complete and up-to-date). For environmental interventions that are very disparate\(^ {12}\), some discrepancies were noted in the allocation of data between the different environmental actions, which affected the quality of some of the information in the database.

Despite this, the limitations remain negligible when we consider the advantage offered by their use in terms of knowledge of the effective content of measures and actions. We therefore decided to use expenditure by intervention as an indicator in response to evaluation questions, but in terms of proportional incidence on the overall expenditure within the measure of which the expenditure is part and not in terms of absolute value.

**4.2.3 Operational programme evaluation reports**

Under the terms of Article 127(4) of Regulation (EU) 543/2011, the results of interim monitoring and evaluation of OPs shown in annual reports on progress status and in final reports sent by the POs are to be used, amongst other sources, for evaluation of the National Strategy.

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\(^{11}\) The data in question relates to the IT systems of the paying bodies: AVEPA for POs in the Veneto region, ARTEA for those in Tuscany, OPLO for those in Lombardy and SIN (national IT system for agricultural development), through the website of SIAN, which is the IT system of the AGEA paying body (in particular the ‘SIAN operational programme’ application) for Emilia-Romagna (which chose to use SIN as its IT system even though it had activated a regional paying body for payments linked to operational programmes) and also for the other regions.

\(^{12}\) The number of interventions amounts to 19, which are in turn often divided into sub-interventions, each with different environmental effects.
The specific investigation, conducted on a sample of 60 reports examined by the evaluator, made it possible to acquire useful elements to complement the evaluation process and highlight certain aspects specific to individual POs. These provided a starting point for further investigations and information that could be used to draw up recommendations addressed to public and private entities involved in the management of fruit and vegetable policy and improve the programming, management and monitoring and evaluation stage in future years.

Once the analytical stage was complete, we also selected 14 cases that were considered worthy of further examination. For this purpose, we drew up a chart dedicated to the individual PO, broken down into two sections: one descriptive and one presented through the use of tables and synoptic diagrams (see section 4 Annex 2).

**4.2.4 Interviews with POs/POAs**

*Structured interview*

A structured interview was carried out with all the organisations that implemented an operational programme/executive product approved under the terms of Regulation (EC) No 1234/2007 or amended on the basis of the requirements in this framework throughout at least one year during the period 2008-2011.

The questionnaires, which were delivered by telephone between August and the first half of September 2012, aimed to obtain information about the usefulness of measures, problems emerging during the application stage\(^{13}\) and the part they played in achieving specific objectives as well as obtaining information on the content of environmental actions implemented (in addition to collecting specific data, such as prices paid to members).

The ultimate aim of the survey using questionnaires was to obtain specific elements that could be used to answer evaluation questions and assign a value to the indicators, in other words data that could be used for a qualitative-interpretive analysis for the purposes of the valuation. In particular, the survey made it possible to calculate an indicator of the usefulness of the measure (to be used when responding to the corresponding evaluation question), calculated in terms of % distribution of PO/POA responses on a scale designed to evaluate the extent to which each measure meets the specific requirements it is called upon to satisfy.

The questionnaires were delivered by telephone to the PO/POA contact, PO/POA manager or agricultural technician in charge of monitoring the operational programme, with the cooperation of national representative bodies, which provided a list of POs/POAs and the contact details of the individual to be interviewed.

Overall, 210 POs and 10 POAs were interviewed, while it was not possible to interview another 49 of the facilities identified within the sample because they could not be traced or were not available.

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\(^{13}\) The question about the usefulness of the measures was delivered to all the POs, irrespective of whether they applied the corresponding measure during the current programming period. Only POs that effectively implemented the measure were required to express an opinion about any problems.
An Excel database was set up to enter the questionnaires and simple frequencies, frequencies as an absolute value and frequencies as a percentage of total valid responses out of the total number of interviewees were generally calculated for data processing. Responses to questions on the usefulness of measures were expressed separately for individual POs and the PO responses were stratified with a dimensional parameter represented in this particular case by the overall VMP (line 3 of annual report table 2.3), given that the size of facilities is considered to be an important factor in determining guidelines on measures. Stratification was carried out on the basis of the following VMP classes, expressed in millions of EUR: < 3; 3-10; 10-50; >50.

Unstructured interviews

Specific aspect of individual measures were investigated by means of unstructured telephone and face-to-face interviews carried out within POs that played a significant part in the application of the measures in question, identified during focus groups (see section 4.2.4).

In particular, this type of investigation was carried out with reference to the harvest insurance financed under the National Strategy and the first mutual fund experiments, currently carried out outside the OPs.

We also interviewed representatives of MiPAAF, AGEA Coordinamento, and the Regions about matters relating to sector governance.

4.2.5 Focus groups

On 10 and 11 October 2012¹⁴, four focus groups were held, one on the subject of ‘Governance and procedures in the fruit and vegetable sector’ and the other three on ‘National strategy and measures to support the fruit and vegetable sector’, the latter broken down into thematic areas under the following headings:

1. ‘Governance and procedures’ in the fruit and vegetable sector

2. ‘National Strategy and fruit and vegetable sector support measures: investments and competitiveness’ focusing on the following measures: actions aimed at planning of production, actions aimed at improving or maintaining product quality, actions aimed at improving marketing, research and experimental production, training actions and actions aimed at promoting access to advisory services, other actions;

3. ‘National Strategy and fruit and vegetable sector support measures: crisis prevention and management’, with details of the following actions: market withdrawal, green harvesting or non-harvesting, promotion and communication, harvest insurance and, in perspective, support for administrative expenses for setting up common investment funds

4. ‘National Strategy and fruit and vegetable sector support measures: environmental framework’ with details of environmental actions and methods covered.

(For details of content, a worksheet and composition of the focus groups, see section 2 Annex 3. The focus group results can be consulted in sections 3-6 Annex 5).

¹⁴ The focus groups were held at a late stage of the valuation because their purpose was to establish a forum for discussing the main results of the evaluation exercise.
5. ANSWERS TO EVALUATION QUESTIONS

As a foreword to this chapter, containing the answers to the evaluation questions, it should be noted that the answers have been drawn up concentrating on OPs that are covered by the new aid scheme set out in Regulation (EC) No 1234/2007 (lines 17 and 18 of annual report table 2.3).

5.1 EVALUATION QUESTIONS RELATING TO SPECIFIC MEASURES UNDER THE NATIONAL STRATEGY

5.1.1 Actions aimed at planning of production

For more information on the contents of the measure, criteria used in the answer and data sources, see section Annex 3)

QUESTION 1.1 To what extent have the actions aimed at planning of production contributed to developing Producer Organisations' performance in relation to planning of production?

Comment on the indicators

In 2008, 191 POs/POAs adopted and implemented the measure. Thirteen of these had OPs approved in accordance with the new National Strategy. In 2010, a maximum number of POs/POAs (199) was recorded, which remained essentially stable in 2011. With regard to the number of holdings involved, these rose from 364 in 2008 to more than 44 000 in 2010-2011.

An analysis of the investment indicators also reveals that the overall expenditure during the four years amounts to a little under EUR 159 million with regard to OPs under the new Strategy with a trend that remained stable in 2009-2011. The action relating to ‘purchase of fixed assets’ showed the most substantial amount of spending, equal to 85% of the total over the four-year period considered. This was followed by rental, leasing and other forms of acquisition of fixed assets, with 7%, and ‘other actions’ with 8%.

With regard to the interventions financed, the most important was ‘planting out of orchards and all multi-annual plants’ in terms of percentage expenditure paid out (37%), although its incidence fell over time. An increase in the expenditure percentage was, conversely, recorded for machinery and equipment purchase, which rose from 13% to 23% between 2009 and 2010 and became the main expenditure item within the measure when it rose to 34% in 2011. Other interventions worthy of interest concerned the purchase of stores and covers for greenhouses, tunnels and other types of cover with multiannual duration.
Evaluation judgement

Actions aimed at planning of production certainly contributed to the development of producer organisation performances in terms of production planning, as was demonstrated by the fact that many POs signed up, in terms of the number of OPs contained and the overall amount of expenditure incurred. Based on the type of interventions carried out, the aim of the measure was essentially the planting out of multi-annual plants and the purchase of machinery and equipment, which altogether accounted for more than 60% of the expenditure paid overall under the measure in 2009-2011.

QUESTION 1.2 To what extent are the actions aimed at planning of production:
(a) in accordance with needs?
(b) coherent with other measures of the National Strategy?
(c) coherent with measures of the Rural Development programme(s) having the same objectives?

1. In accordance with needs

The 220 POs/POAs interviewed believed that this measure was very capable of developing performance in terms of production planning. Forty-two percent reported medium-high utility and 31% reported high utility. It is interesting to find that all POs/POAs, small and large, agreed on this evaluation. In the case of POs with VMP up to 50 million, the incidence of responses allocating the measure a medium-high or high level of utility was 73-74%, and this figure reached 78% for the larger POs, rising to 82% for the POAs.

With regard to factors that have a negative impact on the measure, 36% of the POs/POAs mentioned the restrictive application of the measure while 8% reported that the measure was not clearly defined in the application legislation. Other critical factors included the demarcation between CMO and RDP (4%), the difficulty of drawing up programming in advance, the complexity of application and bureaucracy, the shortage of resources and the necessarily limited impact of the measure, given the limited size of the PO. The remaining 37% of POs/POAs did not identify any negative aspects, however. These findings were also borne out by the judgements expressed within the focus groups.

2. Coherence with other measures of the National Strategy

There is evident cooperation and complementarity with other National Strategy measures, particularly with ‘actions aimed at improving product quality’ and ‘actions aimed at improving marketing’, because the objectives they pursue are clearly interconnected and the interventions carried out display characteristics of complementarity. For details, see section 9 Annex 3.

3. Coherence with measures of the RDPs

The objectives of actions aimed at planning of production are consistent with those laid down in measure 121 ‘modernisation of agricultural holdings’ and measure 123 ‘adding value to agricultural and forestry products’ (for further discussion of the RDP measure objectives, see section 10 Annex 3).
It could be interesting to compare investments made under the CMO with those made under the rural development measures. It should nevertheless be stated that the rural development monitoring system provides detailed information only for measure 121 and only for the vegetable sector, while only aggregate information for all sectors is available for measure 123 (see section 11 Annex 3).

Annual Implementation Report (AIR) monitoring data showed that 1,643 vegetable holdings obtained aid under measure 121 between 2007 and 2011, with overall investments that amounted to approximately EUR 254 million for overall public expenditure of EUR 74 million.

Evaluation judgement

The interview results and focus groups showed that the measure is compliant with needs. Ninety-two percent of interviewees expressed favourable opinions on the utility of the measure.

Even though 37% of POs did not identify any negative aspects, problems nevertheless emerged over the application and its ability to achieve the required objectives, due first and foremost, to the restrictive application of the measure (36% of responses) and to a lesser extent (8%) to an unclear definition of the extent of the measure. The problems encountered included the demarcation between CMO and RDP, difficulty of drawing up programming in advance, scarcity of resources and the necessarily limited impact of the measure, due to the limited size of the PO.

With regard to the coherence with other measures of the National Strategy (internal coherence), there is evident cooperation and complementarity with other National Strategy measures, particularly with ‘actions aimed at improving product quality’ and ‘actions aimed at improving marketing’, because the objectives they pursue are clearly interconnected. For rural development, we observed coherence with interventions under measure 121 ‘modernisation of agricultural holdings’ and measure 123 ‘adding value to agricultural and forestry products’

5.1.2 Actions aimed at improving or maintaining product quality

(For more information on the contents of the measure, criteria used in the answer and data sources, see section 2 Annex 3)

QUESTION 2.1 To what extent have the actions aimed at improving or maintaining product quality contributed to developing performance in relation to product quality?

Comment on indicators

During the course of the four-year period considered, the overall number of POs that adopted the measure rose by 25%. The number of POs that adopted OPs based on the new Strategy also rose.

An analysis of indicators shows that the overall expenditure over the four years amounted to EUR 339 million in OPs under the new Strategy. The highest incidence of expenditure (65%) was recorded for the action relating to ‘other eligible actions’ as observed on the basis of the product indicator (number of participating holdings). During the period analysed, a rising trend was noted for spending on the action ‘other forms of acquisition of fixed assets’ (rental, leasing, etc), even though the amounts were marginal compared to those for other actions in the measure.
In the POs that adopted OPs under the new Strategy between 2008 and 2011, overall investments for the purchase of fixed assets amounted to approximately EUR 106 million. A significant increase in investments was noted in 2010 (+30% compared to the 2009 results).

With regard to interventions, the most substantial spending (33%) went on the improvement and innovation of cultivation technique. The other items in decreasing importance were investment in the purchase of machinery and equipment with an average incidence of 14%, and the acquisition of staff, with 9%. The following expenditure items were also significant: technical assistance to maintain and raise product quality level (8%), the acquisition of technical staff expert in quality (7%), the purchase of covers for greenhouses, tunnels, etc and other types of cover with multi-annual duration (4%).

With regard to effects, annual report data showed an incremental change in marketed production volumes of added-value products (in other words organic, PDO/PGI system, certified integrated production and other quality certifications) for OPs under the new National Strategy. These were more striking, on average, than the general trend, which also reflected the rest of the PO/POA system outputs. During some years and for some quality segment productions, this different rate of progress appears even more clearly. In 2010, in particular, a change (again incremental) in the overall volume of marketed production emerged that was much more contained in terms of volumes than that of added value products, among which certified integrated productions and other quality certification were particularly prominent.

**Evaluation judgement**

An analysis of indicators reveals the positive contribution of actions aimed at improving and maintaining product quality on the development of quality performance. This judgement is based first and foremost on the widespread application of the measure within OPs and the increase in expenditure for the measure. The measure accounts for the highest proportion of expenditure within OPs (it represents 27% of total resources used overall by OPs under the old and new aid schemes). An examination of the interventions that attracted expenditure over the three years from 2009 to 2011 among the different actions of the measure shows that the highest proportion of expenditure was concentrated in improvements and innovations in crop technique (33%).

**QUESTION 2.2** To what extent are the actions aimed at improving or maintaining product quality:

(a) in accordance with needs?
(b) coherent with other measures of the National Strategy?
(c) coherent with measures of the Rural Development programme(s) having the same objectives?

1. **In accordance with needs.** The POs/POAs acknowledged that actions aimed at improving or maintaining product quality are very useful. The extent to which this measure succeeds in achieving its objective was believed to be high by 40% of interviewees and medium-high by 41%, while none of the POs/POAs consider that it failed to meet needs. The incidence of responses in the medium-high or high utility classes fell in inverse proportion to the size of the facility: 82-83% for POs with VMP up to 50 million, while it fell to 78% for those with a VMP of more than 50 million and dropped again to 73% for POAs.

Restrictive application of the measure is the problem most commonly highlighted by POs/POAs (29%), followed by unclear definition of the measure (9%). The problems highlighted include scarcity of resources, excessive bureaucracy and problems of demarcation with the CMO. These trends were also confirmed by judgements expressed within the focus groups.
2. Coherence with other measures of the National Strategy

There is evident cooperation and complementarity with other National Strategy measures, particularly with ‘actions aimed at improving product quality’ and ‘actions aimed at improving marketing’, because the objectives they pursue are clearly interconnected. For further details, see section 9 Annex 3.

3. Coherence with measures of the Rural Development programme(s) having the same objectives

The objectives of actions aimed at improving or maintaining quality production are consistent with those laid down in measure 121 ‘modernisation of agricultural holdings’ and measure 123 ‘adding value to agricultural and forestry products’. The objectives are also coherent with measure 132 ‘supporting farmers who participate in food quality schemes’ and 133 ‘information and promotion activities’, with reference to quality products in all cases. We also note coherence with measure 214 ‘agri-environmental payments’ which promotes the adoption of quality systems for the purposes of environmental protection, such as organic farming. For details of this subject, see section 10 Annex 3.

Evaluation judgement

The first aspect to be noted is that the measure is perceived as useful for achieving the set objectives. To summarise, none of the POs/POAs consider that the measure is unable to meet needs, while for 40% of interviewees, the extent to which this measure succeeds in achieving its objective is high and medium-high for 41%.

With regard to coherence, the measure meets the rule of internal coherence (National Strategy) and external coherence (other RDP measures). With regard to the first of the two aspects, we note that the measure is coherent with ‘actions aimed at the planning of production’ and with those ‘aimed at improving marketing conditions’. The second level of coherence requires a connection with measures and aid under rural development policies. This approach reveals a relationship with the objectives of measure 121, 123, 132 and 133. We also note coherence with measure 214 that promotes membership of the associated quality system through payments for organic production.

5.1.3 Actions aimed at improving marketing

For more information on the contents of the measure, criteria used in the answer and data sources, see section 3 Annex 3.

QUESTION 3.1 To what extent have the actions aimed at improving marketing contributed to developing performance in relation to product marketing?

Comment on indicators

During the four-year period between 2008 and 2011, the overall number of POs that implemented the measure increased to more than 200 units from 2010. If we examine OPs based on the new Strategy, we note that in 2008 all 14 POs implemented the measure. In 2009, this number rose to 163, to reach 213 in 2010. Partial results for 2011 set the level at 206 units.

An analysis of investment indicators shows that overall expenditure paid out between 2008 and 2011 to finance POs that adopt the measure with OPs under the new National Strategy amounted to approximately EUR 252 million. An analysis by year showed a steady increase. Expenditure paid for the purchase of fixed assets between 2008 and 2011 showed an average incidence of 48% and this percentage remained relatively stable during the years observed.
This result is followed by promotion and communication activities, which accounted for 23% of expenditure over the last two years.

For POs adopting OPs under the new Strategy, the number of holdings participating in the measure increased exponentially and in 2001 the level exceeded the threshold of 60,000 units, although these data are partial. No fewer than 193,428 actions were performed in promotion and communication activities, given that each day corresponds to one action.

Data on the operational programmes of POs adopting the new Strategy reveals that during the three-year period 2009-2011 more than 62% of the total expenditure by measure was concentrated in three interventions, in other words the purchase of machinery and equipment (44%), the purchase or improvement of air conditioning and processing systems (11%) and the purchase of processing and storage warehouses (7%).

Evaluation judgement

Actions aimed at improving marketing contributed to the development of product marketing performance, as may be seen from the high and growing number of POs implementing the actions and the constantly rising trend in expenditure paid out.

To confirm the limited capacity of POs to have a decisive impact on rebalancing of supply chain relationships (see following sections), it should nevertheless be noted that this measure was often used to have an impact on ‘internal’ tangible investments (e.g. improvement of infrastructure and machinery resources) rather than on intangible aspects (e.g. increasing know-how, training of human resources) in order to enhance the tendency toward ‘external’ growth to bring about an improvement in marketing conditions. In detail, it emerged that 62% of the total expenditure by measure was focused on three interventions relating to the ‘purchase of fixed assets’ action (purchase of machinery and equipment; purchase or improvement of air conditioning and processing systems and the purchase of processing and storage warehouses). Within the measure, promotional activities assume different connotations according to the sizes of the POs but also according to the type of production, i.e. whether the goods belong to the fresh or processed segment. For industrial products, and partly also ‘fourth range’ products, larger scale promotional campaigns can be carried out while interventions tended to focus more on point-of-sale promotions for fresh products because these establish a more direct relationship with the consumer.

QUESTION 3.2 To what extent are the actions aimed at improving marketing:
(a) in accordance with needs?
(b) coherent with other measures of the National Strategy?
(c) coherent with measures of the Rural Development programme(s) having the same objectives?

1 In accordance with needs

The POs/POAs belief that actions aimed at improving marketing are very able to meet their objectives (to develop product marketing performance). Three quarters of POs believe that this utility is medium-high or high, while only 5% declared themselves to be dissatisfied. Although this perception is widespread among all facilities interviewed, it grows in direct proportion to the size of the facility. The utility of actions aimed at improving marketing is perceived as medium-high or high by 66% of POs with VMP of less than EUR 3 million, by 71% of those with VMP in the 3-10 million category and by 78-80% of those in the category of 10 million or more, while the level rises to 91% within POAs, none of which reported reasons for discontent. Those who adopted the measure reported that the main problem was essentially the unclear definition of the measure in the application legislation (25% of POs/POAs). These trends are also confirmed by the judgements expressed in the focus groups.
2. Coherence with other measures of the National Strategy

There is evident cooperation and complementarity with other National Strategy measures, particularly with ‘actions aimed at planning of production’ and ‘actions aimed at improving marketing’, because the objectives they pursue are clearly interconnected. For further details, see section 9 Annex 3.

3. Coherence with measures of the Rural Development programme(s) having the same objectives

The objectives of actions aimed at planning of production are consistent with those laid down in measure 121 ‘modernisation of agricultural holdings’ and measure 123 ‘adding value to agricultural and forestry products’ (for further discussion, see the answer to question 1.2).

Evaluation judgement

The measure was found to be very able to develop product marketing performance. In particular, a survey conducted with POs/POAs revealed a medium-high or high level of utility for 40% of interviewees. Only 5% were dissatisfied. The main problems highlighted can be summarised as an unclear definition of the measure in the application legislation.

Internal cohesion of the measure highlights a close connection with some of the interventions relating to actions aimed at planning of production and actions aimed at improving and maintaining product quality, while under the RDP, coherence was noted with measure 121 (modernisation of agricultural holdings) and measure 123 (adding value to agricultural and forestry products).

5.1.4 Research, including experimental production

For more information on the contents of the measure, criteria used in the answer and data sources, see section 4 Annex 3.

QUESTION 4.1 To what extent have actions of research and experimental production contributed to developing new products and/or techniques?

Comment on indicators

The overall number of POs that adopted the measure from 2008 to 2001 is relatively limited (28). All were under the new Strategy but the number grew slightly over the years. The overall expenditure over the four years for research and experimental production actions amounts to little more than EUR 1 million. The greatest incidence (70% out of the total for the four years) was recorded for the action relating to ‘other eligible actions’, as already observed on the basis of the number of participating holdings. A decrease was also noted during the period observed in total expenditure for the measure.

The role of ‘other actions’ is essentially attributable to the intervention concerning the introduction of varietal innovations for the recovery of native species and varieties, which represents 40% of overall expenditure for the measure during 2009-2013. An important contribution was also made, within the category of ‘other actions’, by the purchase of plant disease know-how in order to activate new defence strategies (13% of the total). Under the action for the purchase of fixed assets, on the other hand, the introduction of innovative techniques to reduce environmental impact or improve product quality and accounted for the greatest expenditure, equal to 29% of the total for the measure.
Evaluation judgement
This measure was found to be marginal compared to other measures present in the national strategy both with regard to the POs/POAs implementing it, which nevertheless showed a growing trend over the four years, and also with regard to the expenditure paid out (an incidence lower than 1% of the overall result for all measures). The expenditure paid out under this measure mainly concerned interventions relating to the introduction of varietal innovations, with the recovery of native species and varieties already tested by research and development institutes and the introduction of innovative conservation techniques aimed at reducing environmental impact or optimising product goods quality.

QUESTION 4.2 To what extent have actions of research and experimental production contributed to developing technical and economic performance and promoting innovation?

The results for this measure reveal a low level of introduction of new techniques, procedures and/or products from the beginning of the operational programme.

QUESTION 4.3 To what extent are actions of research and experimental production:
(a) in accordance with needs?
(b) coherent with other measures of the National Strategy?
(c) coherent with measures of the Rural Development programme(s) having the same objectives?

1. In accordance with needs
The opinion of the POs/POAs on the utility of research and experimental production actions is relatively patchy and does not reveal any marked satisfaction with the actions. Out of all the POs/POAs interviewed, only 15% allocated these actions a high or medium-high utility. Conversely, 42% believed their utility to be medium-low or actually considered that they did not meet their needs. This finding can nevertheless be explained by the nature of the measure, which has no direct effect on holding competitiveness and could therefore be unattractive for smaller POs. When the results of the survey are broken down, larger POs, with more than EUR 50 million of VMP were seen to express the most positive judgements: 33% assigned them a high or medium-high utility, while 22% considered that they did not meet needs or that their utility was medium-low.

The main problem highlighted lay in the type of measure, due to difficulties in aligning the OP timeframe with the duration of the research project, but also difficulties in reporting applications. Focus group findings (see section 4 Annex 5) revealed that implementation of the measure was also affected by the fact that research and development project findings are uncertain and the results obtained cannot be contained within the PO/POA but must be made public.

2. Coherence with other measures of the National Strategy

Although the research and experimental production measure plays an indirect part in achieving the POs’ objectives, it is no less important. It actually lays the foundations for competitive advantage on the market and for this reason it creates synergies with other Strategy measures. It does not include intervention types to be financed that are similar to those found in other measures. Amongst other things, it displays coherence with environmental actions if the purpose of the research is to reduce impacts on the environment.
3. Coherence with measures of the Rural Development programme(s) having the same objectives

The National Strategy measure relating to research and experimental production is coherent with measure 124 of the RDP (Cooperation for development of new products, processes and technologies in the agricultural and food sector and in the forestry sector). The purpose of this measure is to provide incentives for collaboration and cooperation between the main stakeholders in the agri-food sector and entities within the research sector. See section 10 Annex 3 for further discussion of RDP measure objectives.

Evaluation judgement

The POs do not perceive this measure to be highly useful, because they do not directly appreciate its utility, even though it is useful, given that research and development lay the foundations for competitive advantage on the market. In other words, the measure does not directly effect holding competitiveness and may not therefore be attractive to smaller POs. In any case, it is affected by reporting difficulties. An analysis of the external coherence of the measure reveals a connection with RDP measure 124 and a certain coherence with other Strategy actions in general.

5.1.5 Training actions and actions aimed at promoting access to advisory services

For more information on the contents of the measure, criteria used in the answer and data sources, see section 5 Annex 3).

QUESTION 5.1 To what extent have actions related to training and advisory services contributed to ensuring access to technical training and knowledge for Producer Organisations' members and/or personnel?

Comment on indicators

Cumulative data for the four years shows that most POs fall under ‘other matters’ (37) and under the action ‘product quality, including pesticide residues’ (28), followed by ‘other environmental issues’ and ‘integrated production’.

Between 2009 and 2010, the number of training days delivered under this measure dropped sharply, from 6,901 days to 660. The greatest number of training days delivered was for the action relating to ‘integrated production’. Between 2009 and 2011 (partial data), the overall number of overall days was 5,194, most of which were delivered in 2009.

An analysis of investment indicators reveals a falling trend in the resources allocated to this measure, dropping from a little under EUR 771,000 in 2009 to EUR 517,000 in 2010 and the results confirmed this trend also in 2011. Comparing the level of resources allocated for each action reveals that ‘organic production’, ‘integrated production’ and ‘other environmental issues’ were the resources that attracted the highest expenditure.

During the three-year period 2009-2011, POs/POAs allocated more than half of their financial resources (53%) on average to the technical assistance intervention under the heading of other environmental issues. Details of the percentage incidence of expenditure for each year nevertheless showed a sharp downturn in the expenditure for this activity over time, dropping from a little under 70% in 2009 to 4% in 2011.
Training in integrated production or integrated parasite control represents another important intervention that accounted for 20% of expenditure while the same intervention showed an incidence of more than 13% for the other environmental issues. In both cases, details for the three-year period revealed a gradual increase in the percentage incidence of spending, to the point that in 2011 the main intervention was training in other environmental issues, attracting 32% of expenditure for the measure, followed by training activities within integrated production or integrated parasite control, with 25% (see section 5 Annex 3).

**Evaluation judgement**

Results for training seminars delivered dropped sharply between 2009 and 2010. They focused mainly on integrated production and most were held in 2009. Expenditure followed a decreasing trend during the four years considered and mainly focused on organic production, integrated production and other environmental issues. More than half of the expenditure was used for technical assistance activities in the latter categories, in particular.

**QUESTION 5.2** To what extent have actions related to training and advisory services contributed to promoting knowledge and improving human potential to the benefit of Producer Organisations’ members and/or personnel?

**Evaluation judgement**

From the implementation of the training measure and the promotion of advisory services, it may be deduced that this achieved positive effects. Monitoring data reveal that the number of people who completed training programs rose steadily over the last four years. The same applies for the use of advisory services, where the numbers also rose gradually.

**QUESTION 5.3** To what extent have the actions related to training and advisory services been efficient with respect to achieving their objectives?

**Evaluation judgement**

Between 2008 in 2011, the average spending for people attending training courses held by POs adopting the new Strategy fell over the years. The level fell from a little under EUR 2000 of average expenditure in 2009 to 581 in 2010. The level fell still further in 2011, although the analysis of this result is provisional and not final due to incompleteness of data. Similarly, average spending also fell for the number of companies requiring advisory services (see Annex 3.5).

**QUESTION 5.4** To what extent are the actions related to training and advisory services
a) in accordance with needs?
b) coherent with other measures of the National Strategy?
c) coherent with measures of the Rural Development programme(s) having the same objectives?
1. In accordance with needs

POs/POAs believe that the level of utility of training and consultancy is not high and essentially similar in both cases. POs/POAs reporting a medium-low ability to meet needs by this measure accounted for 35% of facilities interviewed, while for 19% of interviewees, the utility of the measure was medium-high or high. The responses were probably also influenced by the type of intervention funded, which does not have immediate repercussions on holding profit. This could explain why this measure is more successful among the POAs.

Based on the results of interviews, the main problems with the measure are the complexity of the administrative procedures and the restrictive application applied to the action (including in terms of topics subject to training) together with difficulties that emerged during the reporting stage. The focus group results confirm the difficulty encountered by government departments in assessing the reported expenditure (see section 5 Annex 3).

2. Coherence with other measures of the National Strategy

Although the training and advisory measure plays an indirect role to achieving PO objectives, it is still important in this respect. It lays the foundations for competitive advantage on the market and greater environmental sustainability. It does not include types of intervention to be financed that are similar to types that can be financed through other Strategy measures. For further details, see section 9 Annex 3.

3. Coherence with measures of the Rural Development programme(s) having the same objectives

Under the fruit and vegetable CMO National Strategy, training and advisory actions include objectives that are consistent with measure 111 ‘Vocational training and information actions’ with regard to training and consistent with measure 114 ‘Use of advisory services by farmers and forest holders’ with regard to advisory services. Annual Implementation Report data broken down by sector is not available for these measures. For further information, see section 10 Annex 3.

5.1.6 Crisis prevention and management instruments

**QUESTION 6.1** To what extent have the set of crisis prevention and management instruments selected under the National Strategy contributed to crisis prevention and management?

Details with respect to the contribution of different crisis prevention and management instruments:

a) market withdrawals?
b) green harvesting or non-harvesting?
c) promotion and communication?
d) harvest insurance?
Market withdrawals – comment on indicators

The number of POs that activated the market withdrawal action during the three-year period 2009-2011 tripled, rising from 18 in 2009 to 55 in 2011. The number of actions undertaken also increased. This product indicator treats market withdrawal of the same product in different periods of the year and market withdrawal of different products as different actions.

Over the time period considered, spending increased by approximately 33% and the overall incidence of market withdrawal expenditure represents approximately 17% of total spending for the measure.

From an analysis of expenditure for Operating Programme interventions for individual POs adopting the new National Strategy, it may be seen that during the three-year period 2009-2011, 83% of expenditure on average related to free distribution. Even though biodegradation and composting slowed down greatly over the past two years, it nevertheless remained the second most popular market withdrawal method, together with animal feed, in 2011. The incidence of biomass production remained limited: this action requires a continual supply that POs are often unable to guarantee. Even organisations would require a form of supply planning that would fall under the heading of crisis prevention rather than crisis management.

With regard to administrative and procedural aspects, the focus group (see section 5.5) highlighted certain organisational inefficiencies within prefectures and the absence of updated lists of charitable organisations, which could reduce the impact of this measure.

Green harvesting or non-harvesting – comment on indicators

The overall number of POs that activated the measure during the three-year period 2009-2011 amounted to 35, of which 32 in 2011 alone, which reflects a considerable increase over the past year. This also applies to the number of actions undertaken (green harvest and non-harvesting) between 2010 and 2011.

The overall expenditure allocated to this action during the period considered represents approximately 2% of total expenditure for the measure. When the trend for individual years is analysed, it may be noted that this result fluctuates with a sudden drop in 2010 and a considerable increase in 2011.

Promotion and communication – comment on indicators

The number of POs that implemented the action on promotion and communication under the crisis prevention and management measure grew steadily over the years. In 2008, the measure was implemented only by four POs. Between 2010 and 2009, an increase of more than 50% was recorded. The ratio between the number of POs/POAs that implement this action out of the total number of POs/POAs that implement the measure in general highlights its acknowledged relative importance. In 2008, for example, the four POs that adopted the measure implemented only this action. Between 2009 and 2010, this action was pursued by approximately three quarters of all POs/POAs that implemented the measure.

During the four-year period investigated, the average expenditure paid for this action amounted to approximately EUR 14.6 million and peaked in 2010 at EUR 21 million.
The number of activities undertaken by POs/POAs under this action, with regard to the number of days dedicated to promotion and communication activities was found to increase over time.

**Harvest insurance – comment on indicators**

The definition of harvest insurance under the fruit and vegetable sector CMO is broader than that applied under horizontal aid schemes (currently Article 68, still in the first pillar and in the future in the second pillar with the RD). Within OPs, EU legislation permits activation of support for harvest insurance schemes in the form of policies covering yields following natural disasters or weather calamities and in the form of policies designed to cover the commercial losses of POs and/or members following natural disasters, weather calamities and/or plant diseases. In the case of fruit and vegetables, the insurance for productive yields generally deploys EU funds allocated under Article 68 in addition to national health fund resources (for data on the 2011 season, see section 2 Annex 5).

Harvest insurance has been funded under OPs from 2009 and its use is not widespread. During the three-year period 2009-2011, it was activated by 13 POs overall, only three of which applied it regularly. Out of the total expenditure paid out through this measure, an overwhelming proportion, fluctuating between 70% and 90%, was paid by a single PO, Alto Adige. The investment indicator for this PO was consistently above EUR 3 million – 3.6 million in 2009, 3.15 in 2010 and more than 3.05 in 2011, in relation to overall expenditure for the action amounting to EUR 4.91, 3.49 and 3.51 million during the same period.

The overall value insured through harvest insurance under the National Strategy dropped from EUR 73.7 million in 2009 to EUR 30-35 million over the two-year period. For the purposes of comparison, we may consider that the value insured by the fruit and vegetable sector through the subsidised agricultural insurance financed under Article 68 of Regulation (EC) No 73/2009 and the National Health Fund exceeded EUR 1.67 billion in 2011 (see section 2 Annex 5).

**Evaluation judgement**

The recent crises afflicting the fruit and vegetable sector revealed the limited effectiveness of the currently available instruments, which in any case only involve the organised sector and are also inflexible to apply.

With regard to withdrawals and green harvest/non-harvesting, in particular, one evident limit to effectiveness was the fragmentary nature of interventions, which were left to the discretion of individual POs and effective only within POs, thus having limited impact on the market. Specific problems arise in this area in the case of withdrawals due to the small compensation payments and the limited quantities for withdrawal and, in the case of non-harvesting/green harvesting, the difficulty in applying the instrument (see specific sections above).
QUESTION 6.2 – To what extent are eligible crisis prevention and management instruments in accordance with needs?

1. Conformity with needs

The POs/POAs perceive the utility of the various instruments available for crisis prevention and management differently in terms of their ability to achieve a specific objective, in other words to prevent and manage market crises. Promotion and communication actions attract the highest approval: more than half (52%) of POs/POAs interviewed award them a utility level of medium to high, and 29% rate them as medium-high or high (some make their judgement dependent on continuity and consistency of the actions implemented over the years). Opinions are less enthusiastic for the other actions. In particular, 40% of POs/POAs allocated a medium to high utility level for market withdrawal, 34% for green harvest and non-harvesting and 25% for insurance, while the proportions are between 12 and 14% if the responses are screened only for medium-high or high levels of utility.

In a symmetrical relationship, the proportion of POs/POAs that believe the actions do not meet needs at all or have medium-low utility is minimal for promotion and communication (30%) and rises in the case of green harvest/non-harvesting (41%), market withdrawal (45%) and insurance (48%).

We also note the relatively high proportion of POs/POAs that are unable to express an opinion in the case of insurance and green harvest or non-harvesting, with one out of four being unable to answer (27% in the former case and 25% in the latter). For details of the interview results, see Annex 3.6.

Graph 5.1.6.1 – extent to which crisis prevention and management measures meet needs

Source: ISMEA interviews with POs/POAs.
The perceived utility of actions naturally varies according to the characteristics of the facilities interviewed. For this reason, at another level of analysis, the responses were differentiated between POAs and POs and, within POs, in accordance with the size category represented by the VMP. It was found that the perceived level of utility for withdrawals and green harvest/non-harvesting was particularly low for large POs, or POAs. The usefulness of promotion and education actions is chiefly acknowledged by the POAs.

In detail, the opinion that the utility of withdrawal is medium-low or does not even meet requirements is more widespread among POs with more than EUR 50 million of VMP than among other interviewees, with a joint incidence of 78%, which leaves no room for favourable opinions. Twenty percent and 16% respectively of POs with VMP between EUR 10 and 50 million and, at a subordinate level, smaller POs (those with VMP of under 3 million) acknowledge the medium-high or high utility of the measure respectively although this does not amount to a prevailing opinion.

The same applies to green harvest/non-harvesting. POs with EUR 10-50 million of VMP are more likely than others to allocate them substantial utility (high or medium-high). At the other extreme, however, the largest POs (with more than EUR 50 million VMP) and POAs are more likely to consider the action to be inadequate. Conversely, POAs are more likely to appreciate the promotion and communication actions (for crisis prevention and management): more than half (55%) allocate them a medium-high utility. No less than 45% of the smallest POs (under EUR 3 million VMP), on the other hand, consider that the action completely fails to meet their needs (in addition, a further 3% allocated them a medium-low utility and 13% were unable to respond).

When called upon to decide whether certain factors had a negative impact on the utility of the various crisis prevention and management actions (by asking a question with a single, closed answer, under the heading ‘other’ which the interviewee could complete), and if so on which ones, the POs/POAs highlighted specific factors for each one: the low level of withdrawal prices for market withdrawal; the complexity of administrative procedures for green harvest or non-harvesting; unclear definition of the measure in application legislation in the case of promotion and communication actions. Lastly, the over-high cost of insurance premiums and the difficulty of finding historical data to determine the level of risk in the case of harvest insurance reflected the same incidence (see Table 5.1.6.1).

<table>
<thead>
<tr>
<th>Action</th>
<th>Factor</th>
<th>Percentage responses¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market withdrawal</td>
<td>Low level of withdrawal prices</td>
<td>34%</td>
</tr>
<tr>
<td>Green harvest/non-harvesting</td>
<td>Complexity of administrative procedures</td>
<td>40%</td>
</tr>
<tr>
<td>Promotion and communication actions</td>
<td>Unclear definition of the measure in applicative legislation</td>
<td>31%</td>
</tr>
<tr>
<td>Harvest insurance</td>
<td>Over-high cost of insurance premiums</td>
<td>25%</td>
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<tr>
<td></td>
<td>Difficulty in obtaining historical data to define the level of risk</td>
<td>25%</td>
</tr>
</tbody>
</table>

¹Calculated for POs activating the action
Source: ISMEA interviews with POs
Together with these factors, which are analysed in detail below, the role of the financial mechanism governing the finance is cross-cutting. On the one hand, this makes it possible to reserve an expenditure for crisis measures that cannot exceed 30% of overall expenditure under the operational programme, setting a specific cap on intervention capacity when crises occur. On the other hand, following the general rule of the first pillar, it involves the loss of funds that are not spent by the end of the relevant financial year (which ends on 15 October) and is therefore subject to the random nature of crises. This factor probably leads to a preference for crisis prevention and management actions that are able to ensure ‘guaranteed expenditure’: in this particular case promotion and communication actions, which are amongst other things considered to meet the objective of preventing and managing market crises more effectively. Another aspect is the fragmentary nature of the interventions or rather their inability to mobilise a critical mass. This is clear in the case of promotion and communication actions but also evident in the case of market withdrawal, in terms of the limits to the quantity that can be withdrawn and the impossibility of including companies outside the CMO in the withdrawals. Market withdrawals and green harvest/non-harvesting are affected by a time lag between the time when the action is activated and the occurrence of the crisis. Annex 3.6 provides details and evaluations of the responses provided for each of the actions included in the measure.

5.1.7 Environmental actions

QUESTION 7.1 To what extent have environment actions contributed to providing environmental services?

Interventions under the environmental guideline contribute to the supply of environmental services, each in accordance with specific objectives identified from time to time. The environmental services provided reflect the particular nature of the fruit and vegetable sector, which is characterised by an averagely high level of use of inputs (fertilisers, pesticides, water, etc), by the production of waste linked to the primary production stage and also by a conversion and marketing stage. In particular, interventions express environmental effects in terms of:
- reducing the environmental impact of pesticides and fertilisers
- improving soil quality and reducing erosion
- reducing the environmental impact of waste
- water saving
- energy-saving

Evaluation judgement

The environmental impact of using pesticides and fertilisers is reduced by means of organic production, integrated production, checking and adjustment of spraying equipment, the use of precision machinery and low environmental impact technical equipment and tools, the use of micrografted plants, soil management and the development and modernisation of collective systems for pesticide distribution and equipment washing. Soil quality is improved and erosion is reduced through organic and integrated production and by means of soil management actions. The reduction of environmental impact caused by waste is, in turn, achieved through the environmentally-friendly management of waste, packaging and organic residues. Water saving is achieved through water protection action (replacement and improvement of spraying equipment) and various actions to optimise water resources. Energy-saving, lastly, is achieved through combined transport and action to reduce gaseous emissions.
Monitoring data reveal that the most significant actions were those aimed at the reduction of fertilisers and pesticides and those aimed at reducing the environmental impact of waste. Overall, the average number of producers affected by environmental actions was approximately 70,000 and the number of hectares involved was more than 245,000\(^\text{15}\) see section 3.5 and Annex 3.7 for a discussion of implementation at regional level. In general terms, we noted that POs located in southern Italy and the islands were more likely to invest in environmental actions. Further details on actions and interventions carried out are given in Annex 3.7.

**QUESTION 7.2a)** To what extent have environment actions in the area of production contributed to soil protection?

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Actions promote production systems that can be used to maintain or increase the content of stable organic matter in the soil (o.m.)</td>
<td>1. Organic production 2. Soil management</td>
<td>Use of organic fertilisers Crop rotation Green fertiliser</td>
</tr>
<tr>
<td>2. Actions promote production systems that can be used to reduce soil surface erosion effects</td>
<td>1. Integrated production 2. Organic production</td>
<td>Crop rotation Alley cropping</td>
</tr>
</tbody>
</table>

The first criteria is met by commitments under organic production systems over crop rotation and the use of organic fertilisers from green fertilisation financed as part of ‘soil management’ as well as alley cropping as part of integrated production practices.

Surface erosion effects are reduced by the rotation required as part of organic production and integrated production and by the limitations, particularly in the latter case, imposed on working soil on sloping ground as well as by the obligation for alley cropping.

**Evaluation judgement**

Altogether, the three environmental actions considered affect an average farming area of approximately 127,000 hectares\(^\text{16}\), equal to approximately 51% of the total fruit and vegetable area of the POs.

It is impossible to quantify results and impacts achieved in terms of organic matter increase or maintenance due to shortcomings in the IT and monitoring system. The results of RDP evaluations nevertheless indicate that the contribution of organic matter from alley cropping may amount to between 65 kg/hectare per year and 625 kg/hectare/year while those deriving from the crop rotation required under organic production and green fertilisation schemes range from a minimum of 90 kg/hectare/year to a maximum of 1,200 kg/hectare/year (see Annex 3.7).

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\(^\text{15}\) These approximate data were obtained by taking the average of beneficiaries and areas served during the 2008-2011 seasons (including duplicate accounts).

\(^\text{16}\) The areas indicated in the answer to this question and the next referred to the average observed during the period 2008-2011. We preferred to use an average result for reasons of clarity and brevity. Annual data on areas, produces and so on given in Annex 3.6.
With regard to erosion reduction too, the available information does not allow us to estimate results and impacts. Existing evaluations of studies can nevertheless be used to put forward certain hypotheses. The first consideration relates to the effect of rule of conditionality, which involves the construction of drainage channels\(^\text{17}\). Research has shown that, under certain circumstances, forming channels may reduce the risk of erosion, sometimes to a substantial extent\(^\text{18}\). Planting orchards with cover crops has significant additional effectiveness, estimated at between 40% and 65%, while the effect arising from the application of crop rotation is estimated at lower levels, between 10% and 40% (see Annex 3.7).

**QUESTION 7.2b)** To what extent have environment actions in the area of production contributed to water protection

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>The actions support production systems in which widespread surface and underground water resource pollution factors are eliminated/reduced (pesticides, weedkillers, fertilisers)</td>
<td>1. Integrated production</td>
<td>Adoption of fertilisation plans based on balance of nutrients</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Crop rotation</td>
</tr>
<tr>
<td></td>
<td>2. Organic production</td>
<td>Use of organic fertilisers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Crop rotation</td>
</tr>
<tr>
<td></td>
<td>3. Other actions</td>
<td>Adjustment of spraying equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use of low environmental impact technical methods and equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Soil management (fertilisation plans)</td>
</tr>
<tr>
<td>The actions lead to water saving in irrigation practices</td>
<td>1. Protection of water quality and water-saving</td>
<td>Replacement of spraying systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improving the efficiency of existing spraying systems</td>
</tr>
</tbody>
</table>

The first criteria is satisfied through commitments that involve a reduction in unit soil intake of nitrogen and phosphorus and also in their transfer to surface and underground waters, through leaching, percolation and surface flow mechanisms. As detailed in the Annex, the actions that give rise to these positive effects are integrated and organic production. The second criteria is met by interventions that allow irrigation water saving. In particular, these include interventions to replace or improve irrigation systems, for which the environmental guidelines require savings of between 10% and 25% of overall irrigation volumes.

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\(^{17}\) This is the regulation on Good Agricultural and Environmental Conditions (BCAA) 1.1 ‘minimal management of land respecting specific local conditions’, laid down in Ministerial Decree No 30125 of 22 December 2009.

\(^{18}\) In research on maize, creating temporary water channels reduced the risk of erosion by 94% (see section 5.2 – Report on application of conditionality in Italy). In RDP evaluations considered, the average reduction arising out of the conditionality obligation is between 4% and 6%.
Evaluation judgement

The environmental actions considered affect an area of approximately 141,000 hectares on average, equal to 57% of the total fruit and vegetable UAA of POs. Of these areas, 119,000 hectares refer to the objective of qualitative protection and 22,000 hectares to that of quantitative protection.

The data shown in the operational programme annual reports and evaluations, appropriately verified, can be used to estimate results achieved in terms of water protection. The annual reduction in nitrogen and phosphorus loads is estimated at 6.9 kg and 7.1 kilograms per hectare respectively, while the result in terms of water-saving is 268 m³ per hectare and per year. The resulting impact during the four years of implementation of the environmental guideline is therefore estimated as:

- reduction in nitrogen load = 4650 t
- reduction in phosphorus load = 4800 t
- water saving = 94 million m³.

With regard to the reduction of fertilisers, we also consider it appropriate to provide data for the impact per hectare and per year. This value is equal to 4.5 kg for nitrogen and 4.7 kg for phosphorus and it is higher on average than that quantified in RDP evaluations for agri-environmental actions of a similar nature (see Annex 3.7).

**QUESTION 7.2c)** To what extent have environment actions in the area of production contributed to habitat and biodiversity protection

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The actions support production methods favouring the maintenance/increase of biodiversity by reducing/eliminating toxic weedkillers and pesticides</td>
<td>1. Integrated production</td>
<td>Ban on the use of toxic pesticides</td>
</tr>
<tr>
<td>2. Organic production</td>
<td>Ban on the use of synthetic chemical pesticides</td>
<td></td>
</tr>
<tr>
<td>3. Other actions</td>
<td>Adjustment of spraying equipment Use of low environmental impact technical methods and equipment Use of micrografted plants</td>
<td></td>
</tr>
</tbody>
</table>

The criterion is met by using production systems that reduce the contribution of chemical input and require the adoption of cropping arrangements or periods of ground cover, such as organic production, integrated production or other methods.

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19 As indicated in the European Commission Guidance Note for drawing up the indicators AGRI-C.2/DOCTRAV/001/2011 (Corr. 2), data refer to the result observed for the total fruit and vegetable area of Ops in which relevant actions have been implemented. For details see Annex 3.7
Evaluation judgement

Physical monitoring data from operational programme annual reports indicate that the number of hectares affected by actions aimed at preserving habitats amounts to 5,700 on average. Considering also integrated areas, the figure rises to approximately **119,000 ha, equal to 48%** of the fruit and vegetable area subject to the operational programme. We also note the absence of specific interventions for biodiversity and habitat such as the establishment or conservation of hedges, copses, etc.

In this case too, a lack of information means that we are unable to quantify the results and impact. Numerous surveys also carried out as part of the interim evaluations under RDP 2007-2013 showed a positive correlation between the presence of agri-environmental undertakings (integrated farming and organic farming) and parameters of bird species richness and abundance of the associated populations. Evaluations carried out with regard to the reduced use of pesticides and weedkillers revealed positive results arising from organic and integrated production. In one case, for example, a 50% reduction in the exposure toxicity ratio (ETR) was estimated for integrated farming and 100% for organic farming (see Annex 3.7).

**QUESTION 7.2d)** To what extent have environment actions in the area of production contributed to landscape preservation?

Actions and associated interventions under the environmental Strategy were not carried out with the direct aim of contributing to landscape preservation. Despite this, activities may be identified among environmental actions that may have a positive correlation in terms of rural landscape protection. This particularly applies to the maintenance of fruit and vegetable productions that are part of or integrated within the landscape.

Evaluation judgement

Within Italian rural landscapes, it is possible to identify a subset that is directly linked to the cultivation of fruit and vegetable products. Landscapes associated with the cultivation of fruit and vegetable products, catalogued as Italian Historical Landscapes, are shown in table 5.1.7.1.

It is also possible to identify many Italian landscapes that, although they cannot be defined as historical, are strictly linked to fruit and vegetable cultivation and have been present in certain areas for many years. Table 5.1.7.2 shows a non-exhaustive list.

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21 ‘Paesaggi rurali storici per un catalogo nazionale [historical rural landscapes for a national catalogue’, published by GLF La Terza
Numerous POs operate within these areas that, for the purpose of developing and marketing the output of their members, contribute to maintaining a rural landscape that would decline or be abandoned if the producers present in the area did not find it economically feasible to continue. In this context, it should be noted that the process of uncoupling direct payments or releasing the supply of payments from the cultivation of given crops, has encouraged the phenomenon of abandonment or semi-abandonment of these areas in certain situations. In these areas, the action of the POs therefore be particularly useful in protecting landscapes associated with fruit and vegetable growing.

Table 5.1.7.1 – Italian historical landscapes associated with fruit and vegetable growing

<table>
<thead>
<tr>
<th>Regions</th>
<th>Italian historical landscapes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abruzzo</td>
<td>Piana del Fucino</td>
</tr>
<tr>
<td>Lazio</td>
<td>Chestnut groves of Canepina</td>
</tr>
<tr>
<td>Sicily</td>
<td>Citrus orchards of Conca d’oro</td>
</tr>
<tr>
<td>Liguria</td>
<td>Sweet chestnut groves of Alta Val Bormida</td>
</tr>
<tr>
<td>Liguria</td>
<td>Irrigated vegetable and chestnut terraces of Alta Valle Sturla</td>
</tr>
<tr>
<td>Liguria</td>
<td>Hazelnut terraces of Tigliano</td>
</tr>
<tr>
<td>Lombardy</td>
<td>Lemon groves of Lake Garda</td>
</tr>
<tr>
<td>Emilia-Romagna</td>
<td>Chestnut groves of Lavino di Mezzo</td>
</tr>
<tr>
<td>Tuscany</td>
<td>Monumental chestnut groves of Scesta</td>
</tr>
<tr>
<td>Umbria</td>
<td>Piana di Castelluccio di Norcia (cultivation of lentils and other legumes)</td>
</tr>
<tr>
<td>Campania</td>
<td>Terraced lemon groves on the Amalfi coast</td>
</tr>
<tr>
<td>Campania</td>
<td>Hazelnut terraces of the Lauro Valley and Baiano area</td>
</tr>
<tr>
<td>Campania</td>
<td>Terraced orchards on the hillsides of Naples</td>
</tr>
<tr>
<td>Basilicata</td>
<td>Chestnut groves of Vulture Melfese</td>
</tr>
<tr>
<td>Apulia</td>
<td>Gargano citrus oasis</td>
</tr>
</tbody>
</table>

Source: adapted by ISMEA from an inventory of Italian historical landscapes

Table 5.1.7.2 – Examples of typical fruit and vegetable landscapes

<table>
<thead>
<tr>
<th>Regions</th>
<th>Typical fruit and vegetable landscape</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calabria</td>
<td>Citrus groves of the Gioia Tauro plain</td>
</tr>
<tr>
<td>Lazio</td>
<td>Vegetable growing areas of Terracina and the plain of Fondi</td>
</tr>
<tr>
<td>Lazio</td>
<td>Hazelnut groves of Monti Cimini</td>
</tr>
<tr>
<td>Apulia</td>
<td>Fruit orchards</td>
</tr>
<tr>
<td>Sardinia</td>
<td>Vegetable growing area of Cagliari</td>
</tr>
<tr>
<td>Sicily</td>
<td>Citrus orchards of the plane of Catania</td>
</tr>
<tr>
<td>Veneto</td>
<td>Vegetable growing areas (radicchio) of Trevigiano</td>
</tr>
<tr>
<td>Trentino-Alto Adige</td>
<td>Apple orchards of Trentino</td>
</tr>
<tr>
<td>Trentino-Alto Adige</td>
<td>Vegetable growing area of Val di Gresta</td>
</tr>
</tbody>
</table>

Source: adapted by ISMEA
QUESTION 7.2e) To what extent have environment actions in the area of production contributed to climate change mitigation?

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
</table>
| 1. The actions contribute to the mitigation of climate change by reducing emissions arising out of the use of fertilisers | 1. Integrated production | Adoption of fertilisation plans based on balance of nutrients
Crop rotation |
|  | 2. Organic production | Use of organic fertilisers
Crop rotation |
|  | 3. Other actions | Use of precision agricultural machinery
Soil management (fertilisation plans) |
| 2. The actions contribute to the mitigation of climate change by fixing atmospheric carbon in the soil (carbon sink) | 1. Protection of water quality and water-saving | Use of organic fertilisers
Crop rotation |
|  | 2. Soil management | Green fertilisation |

Actions meeting the criteria are covered by organic production and integrated production, by precision agriculture and by the soil management action, which finances the carrying out of tests preparatory to the drawing up of a fertilisation plan. The second criterion is met by organic production and the soil management action, which finances green fertilisation.

Evaluation judgement

Altogether, the environmental actions considered involve an agricultural area of approximately **127 000 ha**, calculated as an average value in the years of reference, equal to **51%** of the total fruit and vegetable area of farmers belonging to the POs. It is only possible to estimate impact in terms of omitting to add nitrogen fertilisers to the soil. On this subject, it is estimated that for the four-year period considered, the reduction in the emissions of nitrogen protoxide was approximately equal to 70 t, corresponding to 22 400 t of CO₂ equivalent (see Annex 3.7).

QUESTION 7.2f) To what extent have environment actions in the area of production contributed to air quality preservation?

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
</table>
| 1. The actions contribute to air quality preservation by reducing ammonia emissions | 1. Integrated production | Adoption of fertilisation plans based on balance of nutrients
Crop rotation |
|  | 2. Organic production | Use of organic fertilisers
Crop rotation |
|  | 3. Other actions | Use of precision agricultural machinery
Soil management (fertilisation plans) |
Environmental actions as part of production contribute to improving air quality by reducing emissions of ammonia ($NH_3$) in the atmosphere. Environmental actions meeting the criteria are those that give rise to a reduction in or more rational use of nitrogen fertilisers. These include, in particular, integrated production, organic production, the use of precision agricultural machinery and the action for soil management – chemical analysis.

**Evaluation judgement**

Altogether, the environmental actions considered affect an agricultural area of **127 000 ha**, equal to **51%** of the total fruit and vegetable area of farmers belonging to the POs. In view of the lack of information on this subject, particularly with regard to the types of fertilisers for which a reduction has been observed, it is not currently possible to quantify the results and the impacts achieved by the actions.

**QUESTION 7.2g)** To what extent have environment actions in the area of production contributed to reducing waste production?

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>The actions contribute to reducing and/or improving the management of waste produced during the production stage</td>
<td>1. Environmentally-friendly waste management</td>
<td>Disposal of plastics and other materials (special non-hazardous waste) at unauthorised collection centre for subsequent reuse and/or recycling</td>
</tr>
</tbody>
</table>

The criteria is met by delivering special non-hazardous waste deriving from fruit and vegetable production to authorised collection centres or specialised companies that collect the material from the holding.

**Evaluation judgement**

The data in the annual reports do not permit an estimation of the results achieved. Data relating to agricultural holdings and hectares that have adopted ‘actions aiming to reduce waste production and improve waste management’ mainly refer to interventions for the management of packaging and plastics associated with the post-production stage and only on a secondary level to the management of primary production wastes. The results and impacts in terms of waste reduction were, in turn, quantified by an extremely limited number of POs.

Data from supplementary surveys nevertheless allow us to state that the percentage of POs activating and reporting on the intervention was 38% and we may therefore estimate the approximate quantity of waste collected during the period 2009-2011 to be 38 000 t (see Annex 3.7).

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22 Ammonia emissions are very dependent on the type of fertiliser used (e.g. urea, ammonium nitrate, organic fertilisers, etc)
23 For example, used drip lines, pesticide containers, polystyrene multi-wall containers, mulching covers, out-of-date chemical products etc.
24 Interviews with the OPs and databases of operational programmes kept by the paying bodies AGEA, ARTEA, AGREA, AVEPA and OPLO.
Another source of quantitative information is the questionnaire delivered to the POs, which includes a question about the efficacy of the intervention in terms of reducing/improving waste management. Forty-five percent of POs who responded judged the intervention to be effective or very effective. This percentage rises to 56% when we consider only POs who effectively activated the intervention (see Annex 3.7). It should also be pointed out that some of the operational programme evaluations examined contain positive opinions on the effectiveness of the measure (see Annex 2.3, summary of reports of POs 4 and 10).

**QUESTION 7.3** To what extent have environment actions in the area of transport contributed to:
(a) energy efficiency, (b) reducing use of more polluting fuels?

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing actions contribute to the</td>
<td>12. Combined transport</td>
<td>Adoption of different intermodal transport systems</td>
</tr>
<tr>
<td>[incomplete]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport actions reduce the use of more polluting fuels</td>
<td>12. Combined transport</td>
<td>Adoption of different intermodal transport systems</td>
</tr>
</tbody>
</table>

The aim of improving energy efficiency and reducing the consumption of fuels used for the transport of fruit and vegetable products is satisfied through the adoption of combined transport systems, which allow an improvement in the overall energy efficiency per ton of goods transported.

**Evaluation judgement**

The intervention does not appear to be very widespread. Lack of information also prevents us from producing reliable estimates of results and impacts. According to a rough estimate, under optimum conditions, the fuel (diesel) saving arising out of the introduction of inter-modality could even amount to 37.5 L per ton and kilometre of goods transported (see Annex 3.7).

**QUESTION 7.4** To what extent have environment actions in the area of product preparation for sale and marketing or processing contributed to reducing waste production?

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Environmental actions meeting the criteria</th>
<th>Agricultural commitments and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions contribute to a reduction and/or better management of waste</td>
<td>1. Environmentally-friendly</td>
<td>Reuse of packaging</td>
</tr>
<tr>
<td>produced during the marketing stage</td>
<td>managing of packaging</td>
<td>Recovery of waste from packaging (composting, recycling, etc)</td>
</tr>
<tr>
<td></td>
<td>2. Environmentally-friendly</td>
<td>Use of packaging with improved characteristics</td>
</tr>
<tr>
<td></td>
<td>management of waste from oil</td>
<td>Collection and recycling of resins and plastics</td>
</tr>
<tr>
<td></td>
<td>3. Recovery of organic waste</td>
<td>Management of a collection centre or store for resins and plastics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Composting of organic residues</td>
</tr>
</tbody>
</table>

25 We lack specific information on the type of transport vehicle used, by unit weight and distance
The criterion is met through: re-use of packaging, recovery of organic waste and wastes from packaging, collection and delivery of resins and plastics to authorised collection centres or specialised firms and the purchase of packaging with specific characteristics.

**Evaluation judgement**

The data in the annual reports do not allow an accurate estimate of results and impacts. Certain data are nevertheless available on the reduction or improved management of waste and packaging. These values amount to: 10 – 170 kg in the case of packaging and 10 – 280 kg in the case of plastic or organic waste, by ton of marketed protection.

Another source of information is the questionnaire, which shows that the intervention was implemented by 72% of POs. Interventions for the management of waste from oil and the recovery of organic residues were less widespread, on the other hand, since they were implemented by 7% and 4% of POs respectively. The questionnaire also confirms that packaging management is an intervention that is judged to be effective or very effective by 63% of the POs interviewed (75% of which activated the intervention). With regard to the environmentally-sound management of waste from oil, 20% of POs considered the intervention to be effective or very effective. This percentage increases to 39% when we consider POs that activated the intervention (see Annex 3.7) it should also be pointed out that the valuations of some of the operational programmes considered showed the positive effect of the interventions in terms of reducing waste produced (see Annex 2.3, summary of reports of POs 4, 7 and 10).

**QUESTION 7.5) To what extent have the environmental actions been efficient with respect to achieving their objectives?**

**Evaluation judgement**

The answer to this question presents certain operational difficulties due to the absence of objective values and a lack of quantified indicators in the operational programmes. The only possible analyses concern organic and integrated production and refer to a comparison between resources used and effect achieved by the CMO and RDP. It should nevertheless be stated at the outset that these estimates must be treated solely as a guide. The following considerations may nevertheless be drawn:

a. The action relating to organic production seems to be more efficient than the corresponding RDP measure (public spending of EUR 85 per hectare as opposed to EUR 123 per hectare for the RDP). Disadvantage is enhanced by the fact that the RDP payment refers to all crop types and not only to fruit and vegetables. According to estimates made by processing rural development monitoring data, the average RDP payment for organic fruits and vegetables is equal to EUR 180-190 per hectare.

b. For integrated production, the payment under the RDP is equal on average to EUR 87 of public funds invested per hectare. In this case too, the payment for fruit and vegetable crops is nevertheless greater and amounts to an average value of EUR 170 per hectare. The average payment per hectare of integrated production carried out under the CMO, on the other hand, is equal to EUR 123 per hectare, again in terms of public expenditure.
c. It should be considered that the nature of payments made under the CMO and RDP or not at all comparable. Under the CMO, a proportion of spending is used for the remuneration of technical assistance services for integrated and organic production and so on in addition to for remuneration of lost earnings and additional costs arising out of fulfilment of legal requirements. In rural development, on the other hand, the payment concerns only the remuneration of lost earnings and additional costs. Another difference concerns the financing system, which is fully public for the RDP and jointly financed by the private sector for the CMO. These differences make it difficult to objectively identify the relative efficiency levels of both instruments, which in any case could be judged essentially equivalent. For further information on the above data, the Annex 3.7

QUESTION 7.6 To what extent are eligible environment actions: a) in accordance with needs?, b) coherent with other measures of the National Strategy?, c) coherent with measures of the Rural Development programme(s) having the same objectives?

Evaluation judgement

1. In accordance with needs. The investigations carried out and the data reported by the monitoring systems show that the actions are essentially compliant with needs. This statement is based on an analysis of the objectives identified by the environmental guideline, the results of interviews carried out at the POs, an analysis of resource allocation and an estimate of the efficiency level of each intervention, where possible. Because no objective values were identified, the answer to the question can only be based on this quantitative type of analysis.

With regard to the four thematic priorities identified by the environmental guideline, the POs were asked to identify the level of importance of each priority. The results, shown in the graph, indicate that the POs attach great importance to quantitative and qualitative water protection and the environmentally-friendly management of waste and more moderate importance to soil preservation and climate change mitigation.

Graph 5.1.7.1 – Importance assigned by POs to environmental guideline priorities

Source: adapted by ISMEA from interviews with POs/POAs
The use of financial resources in the period 2009-2011 seems to confirm that the choices of POs were essentially in line with the needs highlighted. Interventions with positive effects in terms of water protection, involved 51% of total resources on average. With regard to interventions aimed at environmentally-sound waste management, this percentage drops to 29%. Some explanation must be given with regard to soil management. If we look at actions with positive direct effects on the soil (integrated production, green fertilisation, etc) the value is extremely low and stops at 1%. If we consider integrated production, which often includes commitments favourable to the soil\textsuperscript{26}, the level rises to 40%. Similarly, for the topic of emissions, interventions with direct effects in terms of reducing energy consumption or increasing organic matter in the soil (carbon sink) amounted to approximately 5% of the total. If these are added to resources aimed at integrated production, this percentage nevertheless reaches 44%. See Annex 3.7 for the utility of individual interventions.

2. Coherence with other measures of the National Strategy?

Environmental actions are coherent with certain measures of the National Strategy. The level of coherence varies from measure to measure. In the case of training activities, the level of complementarity and coherence with environmental actions is high: the training topics funded include organic production, integrated production and other environmental topics. The same may be said for the measure on research, under which activities aimed at reducing environmental impact are financed.

Other measures where a certain level of coherence and complementarity are observed include the measure for planning of production and the measure for improving product quality, which includes interventions such as the purchase of equipment, the setting up of irrigation and micro-irrigation systems or greenhouse covering that are backed in a synergistic manner by environmental guideline actions with a view to reducing the environmental impact of fruit and vegetable production. Specifically, environmental actions that are combined with those listed above include: waste management (correct disposal and recycling of used drip lines, covers, etc), water quality protection and water-saving (improving the efficiency of irrigation systems) and others.

No elements of coherence and complementarity are noted with other measures under the Strategy, in other words the measure to improve marketing and the measure for crisis prevention and management.

3. Coherence with RDP measures

The environmental actions and relevant rural development measures are coherent. As shown in Annex 3.7 and 3.9, coherence exists both at the level of objectives and that of the instruments deployed, which is particularly evident in the case of water-saving, energy saving and the promotion of environmentally-sound production systems.

The RDP measures pursue environmental objectives mainly through measures for the sustainable management of agricultural land and, on a secondary level, through those aimed at: the improvement of human capital and knowledge (training, information and advice on environmental topics), physical capital (environmental investments in agricultural holdings and processing companies, and improvement of irrigation networks) and quality products (support for organic certification). In accordance with specific aspects of the sector, environmental actions tend to focus on surface management and also on the post-harvest and waste management stage.

\textsuperscript{26} Crop rotation, crop cover, etc.
Certain critical elements are nevertheless present concerning more strictly operational aspects, mainly on the subject of demarcation. An initial aspect concerns payment for organic and integrated production that must be equal to that provided under the RDP of the region in which the producer operates according to the environmental guideline. For integrated production, commitments must also be defined by the integrated production guidelines (disciplinari di produzione integrata – DPIs) and identified at regional level. As highlighted by interviews carried out with POs and the environmental focus group, even though this system is justifiable if it relates to the need to guarantee coherence and demarcation with the RDPs, it has given rise to a lack of homogeneity in payment levels, in commitments and in rules applicable to producers, generating management difficulties for POs with members located in more than one region. A second aspect concerns the demarcation criterion adopted for investments, which is based on the financial size identified by the RDPs and varies from region to region. In this case too, management difficulties have been identified, particularly for POs that operate in more than one region.

5.1.8 Other actions

Question 8.1 To what extent have other actions been applied and how have they contributed to the National Strategy?

Comment on indicators

1. Implementation. The ‘other actions’ measure includes all interventions not included in previous measures but consistent with the objectives identified by the National Strategy. It is possible to analyse the extent to which it has been applied by analysing monitoring data contained in the annual reports. For more detail of the criteria used to answer the evaluation questions for the measure, see Annex 3 section 8.

Throughout the four-year period considered, the overall number of POs that adopted the measure varied from 201 in 2008 and 217 in 2011 (old PO and new Strategy), while the number of holdings participating in the measure is not high, amounting to levels of between 3 000 and 5 000 units over the last two years of implementation.

An analysis of investment indicators in the annual report shows that the overall expenditure over the four years amounted to nearly EUR 34 million, of which approximately 60% relating to expenditure by POs that observe the new Strategy. The ‘other actions’ action covers approximately 73% of the overall expenditure for the measure under the new Strategy. A year-on-year analysis shows that the result dropped by approximately 40% for the last two years of application.

The measure essentially involves two types of intervention. The highest percentage of expenditure is used for machinery and equipment (69%) and, to a lesser extent, the setting up of facilities for the provision of services to PO members (31%).
Evaluation judgement

For the ‘other actions’ measure, which nevertheless represents only 2% of overall expenditure, because the National Strategy does not include a clear definition of interventions involved and their objectives, it is not possible to formulate an appropriate evaluation judgement. An analysis of annual report investment indicators shows that overall expenditure for the four years amounted to nearly EUR 34 million, of which approximately 60% relate to expenditure by POs under the new Strategy.

**Question 8.2** To what extent are other actions:
(a) in accordance with needs?
(b) coherent with other measures of the National Strategy?

1. **In accordance with needs**

It is so difficult to identify the level of utility of the ‘other actions’ measure by reference to any known value under the OPs and the National Strategy that most POs/POAs were either unable to respond (41%) or considered that the measure did not meet needs (20%). These opinions were relatively widespread irrespective of the size of the facility interviewed.

2. **Coherence with other measures of the National Strategy**

It is difficult to evaluate the coherence of the CMO National Strategy ‘other actions’ measure with the rest of the National Strategy.

**5.2 COMMON EVALUATION QUESTIONS RELATING TO THE WHOLE NATIONAL STRATEGY**

**5.2.1 Questions relating to specific objectives**

(For details of the comprehension of questions relating to specific objectives, the indicators used, the sources and the tables, see Annexes 3.12 to 3.17).

**Objective 1 – PROMOTING THE PLACING ON THE MARKET OF MEMBERS’ PRODUCTS**

(promoting actions for the placing on the market of products from member holdings)

**QUESTION 1.1** To what extent have the operational programmes implemented under the National Strategy contributed to promoting the placing on the market of the products of the members of producer organisations?

Details with respect to the contribution of:

a) actions aimed at planning of production;
b) actions aimed at improving or maintaining product quality;
c) actions aimed at improving marketing
Comment on indicators

Although the PO/POA system did not achieve the target updated to 2011 (a year for which only partial data is available), but exceeded it in 2010 (+1.6%) it shows a trend that is slightly more volatile and above all more stable than that of national production. The PO/POA system share of marketed production also showed a tendency to consolidate.

In 2011, the reason for the fall in the share of total national production was the partial nature of the data and also the fact that 2011 was the first year when aid for processed fruit and vegetables, applying to peaches, pears and the relevant tomato sector, was fully fed into the single payment.

The trend in product volumes also shows that in 2010, the year when the new Strategy was implicated, sustained growth was noted in volumes produced by POs/POAs as well as a trend that ran counter to the national production trend.

When we analyse the incidence of PO/POA production out of the national total, we also see a consolidation of this share, which was also very evident in 2010.

The relationship between marketed quantity and number of producers shows that a good proportion of growth recorded between 2008 and 2011 was due to an increase in the number of producers.

We also note that the result for average size per member of the new Strategy is greater than that recorded overall for the PO/POA set.

It should also be noted that the number of producers appears to be anomalous in 2008 compared to the set of five years considered.

On the basis of expenditure data we may see that whereas in the previous scheme this objective was mainly supported by actions aimed at planning of production and actions aimed at improving marketing, under the new Strategy actions aimed at improving or maintaining product quality were more important.

This shift may have taken place for two reasons: greater accessibility to this measure compared to others and/or greater expected efficacy with regard to this measure.

Interviews with operators revealed that actions aimed at improving or maintaining product quality were perceived as particularly effective with regard to this objective.

Evaluation judgement

Trends recorded in quantities marketed by the PO/POA system during the period in question suggest that the Operational Programmes approved under the National strategy provided a positive, though relatively limited, contribution to promoting the marketing of PO members’ products.
This opinion is supported by the positive trend in volumes marketed by POs during the periods in question with regard to the trend revealed by the overall national result; by the positive shift in relation to the target updated 2010 and the consideration that, as of 2008, aids for processed fruit and vegetables were partially uncoupled for the tomato and totally uncoupled for citrus fruits.

It should nevertheless be emphasised that the increase in the quantity marketed by POs corresponded to more sustained growth in the number of producers, which helped to reduce the average volumes marketed by each member. This finding suggests that the entrance of new members mainly concerned producers with low production potential.

One encouraging finding was that members belonging to POs/POAs under the National Strategy are larger on average than PO/POA members in general, albeit confirming the general trend.

In pursuing the above objective, data on expenditure on individual measures and the perception of operators seem to show that the relative contribution provided by actions aimed at improving or maintaining product quality, under the National Strategy, are more important than other measures.

**QUESTION 1.2** To what extent have the operational programmes implemented under the National Strategy been efficient with respect to the objective of promoting the placing on the market of the products of the members of producer organisations?

**Comment on indicators**

Based on the 2010 finding, the amount spent out of the operational fund to increase the volume of production marketed by POs by one ton amounts to EUR 374, corresponding to EUR 0.37 per kilogram. The charge to the EAGF nevertheless remains EUR 0.19 per kg due to the 50% joint financing.

**Table 5.2.1.1 – Ratio between the total weighted expenditure of measures A, B and C in the years considered and the volume marketed in 2010**

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<tr>
<td>EUR/ton</td>
<td>373.79</td>
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<tr>
<td>EUR/kg</td>
<td>0.37</td>
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<tr>
<td>EAGF contribution (EUR/kg)</td>
<td>0.19</td>
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*Source: Ismea from annual reports (2008, 2009 and 2010 provisional; 2011 partial)*

Because the National strategy does not establish an efficiency target, it was not possible to express an evaluation judgement on this value.
Objective 2 – ENSURING THAT PRODUCTION IS ADJUSTED TO DEMAND, IN TERMS OF QUALITY AND QUANTITY

QUESTION 2.1 To what extent have the operational programmes implemented under the National Strategy contributed to ensuring that the production of the recognised producer organisations is adjusted to demand, in terms of quality and quantity?

Details with respect to the contribution of:
(a) actions aimed at planning of production;
(b) actions aimed at improving or maintaining product quality;
(c) actions aimed at improving marketing;

Comment on indicators
The only indicators that can be used and quantified offer general information on the qualitative adjustment of production to demand.

Lack of availability of secondary data on the adjustment of production to demand in quantitative terms means that the evaluation can only be based on elements obtained from the questionnaires submitted to the operators.

See the comments to question 6.1, therefore, for an indirect response to this question.

With regard to qualitative adjustment, changes in volumes of marketed production for ‘added value’ products (organic, PDO/PGI certified integrated production, other quality certifications) are more relevant on average, sometimes even significantly, compared to the general trend of marketed production. This was particularly evident in 2010, particularly with reference to certified integrated productions and other quality certifications.

With regard to expenditure, see the comments made previously.

All the measures provided under the new Strategy for the pursuit of this objective are perceived as highly or moderately effective, particularly with regard to actions aimed at planning of production and actions aimed at improving or maintaining product quality.

Evaluation judgement

Empirical evidence does not allow us to express a judgement on achieving the objective of quantitative adjustment of production to demand. Some indications on this aspect can be deduced from the response to the question on price stabilisation. With regard to the qualitative adjustment of production to demand, the calculated indicators tend to suggest a shift in production in favour of added-value products. This trend appears to be consistent with the trend in consumption and with the quality requirements demanded by large-scale distribution (on this subject, see the following publications: 2012 economic financial report – PDO and PGI products, placing of designation of origin products within large-scale organised distribution, by ISMEA, 2011 ISMEA-Qualvita Report on Italian PDO/PGI/TSG agrifood productions and report on organic products – focus group on international and national demand, by ISMEA).
QUESTION 2.2 To what extent have the operational programmes implemented under the National Strategy been efficient with respect to the objective of ensuring that the production of the recognised producer organisations is adjusted to demand, in terms of quality and quantity

Comment on indicators

As discussed for the previous question, the absence of information necessary for quantification of effectiveness indicators means that we cannot evaluate the efficiency of the above measures with regard to the objective of ensuring the adjustment of production to demand in quantitative and qualitative terms. The crossover between questionnaire responses and the trend in spending proportions for the three measures indicated reveals a gradual reduction in the weighting of the expenditure for actions aimed at improving marketing conditions to the advantage of the other two measures. This trend appears to be consistent with responses provided by the operators that indicate the relative higher effectiveness of actions aimed at handling of production and actions aimed at improving all maintaining product quality.

Evaluation judgement

The possibility of calculating the quantitative indicators formulated to respond to this question and the absence of an effectiveness target established by the national Strategy means that no evaluation judgement can be expressed. The operators’ perception of the relative effectiveness of the different measures appears to be consistent with the relative trend of expenditure subdivided between the measures.

Objective 3. BOOSTING PRODUCTS' COMMERCIAL VALUE

QUESTION 3.1 To what extent have the operational programmes implemented under the National Strategy contributed to boosting the commercial value of the products of the recognised producer organisations?

Details with respect to the contribution of:

a) actions aimed at planning of production;
b) actions aimed at improving or maintaining product quality;
c) actions aimed at improving marketing;

Comment on indicators

The unit value of the PO system marketed production is generally lower than the unit value of national fruit and vegetable production at basic prices (PBP). This may depend on the different breakdown by sector. This gap has been taken up over the years until, by 2011, the unit value of PO marketed production actually exceeded the unit value of national fruit and vegetable production. The annual average unit value growth rate between 2007 and 2010 amounted to 1.1% with the unit value of national production essentially stagnating (+0.04%). The same finding emerges when the time axis is extended to 2011, which indicates 2.5% growth in the unit value relating to POs as opposed to a drop of 0.6% recorded by ISAT in the unit value of national production.
With regard to the implied target (i.e. calculated as a ratio between the two targets expressed in the National Strategy) indicated in the National Strategy (EUR 348 per ton, updated to 2010), the result is decidedly better both in absolute terms and in terms of the annual average variation.

A lack of information on the share of added-value production out of the total in the PO/POA system does not show whether the increase in unit value can be attributed to a change in the goods mix or an improvement in production with regard to quality and market placement.

On the basis of the findings that emerged in question 2.1. The more favourable trend in added-value production compared to that of the PO/POA system in general nevertheless suggests that the increase in the initial value may be at least partly attributable to a qualitative production improvement.

Answers to the questionnaires put to the operators revealed an appreciation of the effectiveness of measures relating to actions aimed at improving or maintaining product quality and those aimed at improving marketing. The judgement on the effectiveness of actions aimed at planning of production was much less enthusiastic and a considerable proportion of answers, amounting to more than one third, reflected the lack of effectiveness or lack of influence of such actions.

**Evaluation judgement**

The results of the analysis carried out on the unit values of marketed products suggest that the Operational Programmes implemented under the National Strategy made an objective contribution to increasing the commercial value of recognised PO products. This judgement is confirmed both by the fact that the target was exceeded and by the counterfactual analysis (comparison with the national trend).

The qualitative information gathered suggests that the contribution made by actions aimed at improving product quality and marketing conditions was considered positive and higher than that of actions aimed at planning of production.

**QUESTION 3.2** To what extent have operational programmes implemented under the National Strategy been efficient in respect of the objective of boosting the commercial value of the products of the recognised producer organisations?

**Comment on indicators**

The indicator that relates the expenditure incurred for achieving the above objective and the results obtained in terms of increasing the unit value of production marketed by the PO/POA system shows that Operational Programmes activated under the National Strategy incurred an expenditure per project unit equal to 62% of the increase in the unit value of the product marketed by the POs. In other words, an increase in unit value of one Euro was recorded on average for each EUR 0.62 spent. It should, however, be pointed out that because the EU aid is equal to 50%, it could also be claimed that an increase of one Euro per ton was achieved through an EU contribution of EUR 0.31.
Evaluation judgement

The relationship between unit spending incurred for operational programmes and the increase in the unit value of production marketed by the PO allows a positive judgement on the efficiency of operational programmes in achieving this objective.

The increase in the unit value of marketed production was actually found to be greater than the sum of expenditure per product unit. It exceeded the EU contribution by an even greater amount.

In the absence of an efficiency target to measure the objective of increasing the commercial value of recognised producer organisation products, it is not, however, possible to express an outright evaluation judgement based on a reference target value.

Objective 4 – OPTIMISING PRODUCTION COSTS

QUESTION 4.1 To what extent have the operational programmes implemented under the National Strategy contributed to optimisation of production costs of recognised producer organisations and/or their members?
Details with respect to the contribution of:

a) actions aimed at improving or maintaining product quality, and
b) other actions.

Comment on indicators

The result indicators present in the annual reports do not differentiate between the other actions measure, which aims at achieving the objective in question, and actions aimed at planning of production and improving marketing, which are not assumed to affect this objective according to the intervention rules.

Indications emerging from the result indicators for achieving the objective of optimising costs should therefore be considered gross of actions aimed at planning of production and improving marketing conditions.

During all the years subject to the evaluation no impact was recorded on costs in the measures considered in the great majority of POs. A greater number of POs that recorded an increase in VMP were nevertheless recorded than those who recorded a cost increase.

In general, it may therefore be stated that even where a cost increase is noted, this increase should have been reflected by an increase in production on average. In order to evaluate the change in costs and that of the VMP recorded for each PO/POA contextually, a correspondence matrix was drawn up that, when referring to the last year of programming, revealed that approximately 90 out of 254 POs/PO pays could be considered ‘virtuous’ since they gave rise to a positive change in VMP for a zero or negative change in costs. Conversely, only eight POs/POAs declared a cost increase in the absence of a VMP increase.

More than 150 POs recorded a situation of essential neutrality, on the other hand.
With regard to measures that contributed to the objective of cost optimisation, actions aimed at improving and maintaining product quality played an overwhelming role in investment indicators, accounting for 80 to 90% of total expenditure on operational programmes aimed at this objective.

The same finding was expressed in the judgements of operators who evaluated measures for quality to be effective, unlike the other actions, which the absolute majority of cases considered to have no influence.

Evaluation judgement

The analysis carried out shows that under many circumstances the operational programmes made an effective contribution to optimising production costs, particularly considering the joint effect on marketed production. In particular, investments carried out as part of operational programmes were associated with an increase in production costs in only a few cases. In most cases, VMPs do not seem to have had a significant impact on production costs. In particular, it should be emphasised that for nearly one third of the POs/POAs, an increase in VMP was recorded with essential production cost stability.

These results lead to a moderately positive overall judgement being expressed on the effectiveness of OPs with regard to the objective of optimising production costs.

Where this objective was achieved, measures predominantly aimed at this purpose, in other words actions aimed at improving or maintaining product quality, whose effectiveness was also borne out by field surveys, were used almost exclusively.

**QUESTION 4.2** To what extent have the operational programmes implemented under the National Strategy been efficient with respect to the objective of optimisation of production costs of recognised producer organisations and/or their members?

Evaluation judgement

Due to the concomitant change in unit VMPs and costs, it has not been possible to estimate the overall effect attributable to measures associated with the aim of optimising reduction costs and neither has it been possible to construct a quantitative indicator that is able to evaluate the efficiency of the OPs in terms of production cost optimisation.

**Objective 5 PROMOTING CONCENTRATION OF SUPPLY**

**QUESTION 5.1** To what extent have the operational programmes implemented under the National Strategy contributed to promoting concentration of supply?

Details with respect to the contribution of other actions.

Comment on indicators

Between 2007 and 2010, an increase was recorded in the share of the production volume marketed by the POs/POAs compared to the total volume of Italian fruit and vegetable production and in the VMP, again comparing the result for the PO/POA system compared with the total value of marketed Italian fruit and vegetable production.
These shares increased from 44 to 46% for volumes and from 39 to 42% for values (under the previous aid scheme, the average aggregation level of fruit and vegetable holdings was assessed at approximately 30%, see Annex 1.2).

We note that this trend was achieved even though there were cases where certain organisations (see Annex 2.5) split with the aim of pursuing commercial strategies or achieving greater autonomy of action.

This latter incidence nevertheless appears to be overestimated because the PO/POA system VMP is calculated on the basis of higher prices (which include preservation, packaging and certain other processes) than those used by ISTAT to calculate the value of national fruit and vegetable production.

Despite the partial nature of the result, the VMP for 2011 maintains the rising trend. This is consistent with the positive trend in the unit value observed and already discussed in the evaluation response 3.1.

The National Strategy did not set any target for the overall weighting of the PO/POA system compared with national results. Some indications can nevertheless be drawn from the ratio between the values observed within the PO/POA system and the updated targets. These indicators have already been discussed in evaluation question 1.1.

The concentration level of the VMP within the same PO/POA system has also been analysed through indicators B1, B2 and B3.

The change in the ratio between marketed quantities and PO/POA number and the change in the relationship between VMP and the number of POs/POAs was found to be negative during the period analysed. Both the quantity and the value of the production marketed on average by the POs/POAs fell from 2007 to 2010.

Despite the partial nature of the 2011 results, they nevertheless reflect an improvement compared to 2010 in terms of VMP.

The VMP concentration ratio for all POs/POAs present over the various years was calculated using the Gini coefficient. The results of this analysis revealed essential stability, despite a negligible increase in concentration compared to 2008.

We note that it was not possible to carry out an analysis of the measure where ‘other actions’ aimed at strengthening the operational capacity of the POs/POAs contributed to concentrating the supply because the result for fixed capital investment assigned to this measure cannot be considered reliable. In the ‘other actions’ measure, particularly during the initial period, the investments assigned to this measure are not homogeneous with regard to the objective pursued because different coding systems were used for the measures and actions over the years.

**Evaluation judgement**

The analysis carried out required respondents to break down the evaluation judgement with regard to the efficacy of OPs implemented under the National Strategy in promoting supply concentration.
Overall, the PO/POA system increased its relative weighting, albeit to a limited extent, in both volume and value in relation to the national fruit and vegetable sector as a whole. The system nevertheless displayed a high degree of internal fragmentation without displaying any tendency to improve despite measures implemented as part of the National Strategy.

It is not therefore possible to express a positive judgement with regard to the efficacy of the National Strategy in respect of this objective. It should nevertheless be emphasised that the partial reduction (followed by total suppression) of coupled aid for canned tomatoes and the full uncoupling of the aid for citrus fruit processing made some producers less interested in taking part in the PO/POA system.

QUESTION 5.2 To what extent have operational programmes implemented under the National Strategy been efficient with respect to the objective of promoting concentration of supply?

Evaluation judgement

Due to the same considerations expressed over the non-homogeneity of the investment indicator with regard to the ‘other actions’ measure, it was not possible to analyse the efficiency of the National Strategy in achieving the objective of supply concentration. No evaluation judgement was therefore expressed on this subject.

Objective 6 – STABILISING PRODUCER PRICES

QUESTION 6.1 To what extent have the operational programmes implemented under the National Strategy contributed to stabilising producer prices to the benefit of Producer Organisations' members?

Details with respect to the contribution of:

- crisis prevention and management instruments and, in particular: a) market withdrawals; b) green harvesting or non-harvesting; c) promotion and communication.
- actions aimed at planning of production.

Comment on indicators

An analysis of indicators used to evaluate the contribution of the National Strategy to the stabilisation of production prices reveals little use of the withdrawal instrument by the PO/POA system. Volumes withdrawn overall over the three-year period 2009-2011 represent only a very limited proportion of the quantities marketed by producer organisations. Annual report data revealed that this incidence peaked at 0.5% in 2009 and then settled at even lower levels during the other two years considered.

Qualitative indications from focus groups suggest that this low level of use can mainly be explained by two factors. The first is the low prices paid to producers for withdrawn products, which greatly limits the appeal and affordability of this instrument. The second factor could be defined as opportunistic behaviour between POs/POAs. In essence, each PO/POA seems to prefer to abstain from activating withdrawals, leaving the others to take the initiative (which would bring benefits at system level) and opting for a wait-and-see attitude. This type of behaviour appears to be determined by a supply concentration that has not yet effectively consolidated. This means that no common, shared strategy by the PO/POA system as a whole is prevalent with regard to this objective.
The quality of available data with regard to prices, particularly prices for supply to POs (only annual data) offers no statistically significant findings that can be used to express a definitive judgement over the impact of operational programmes on the price stabilisation objective. None of the qualitative indications collected on price trends identified at national levels and identified within the PO/POA system revealed improved performance in terms of greater price stabilisation.

With regard to effectiveness in the crisis prevention and management measure, the survey carried out among operators revealed a prevalence of negative judgements. Sixty-three percent of interviewees considered that the measure was not very effective or had no impact. This percentage rises to 75% when the judgement referred to the specific action of withdrawals and 83% in the case of green harvest or non-harvesting. The annual reports reveal that the latter was hardly ever carried out during the operational programmes. This appears to be consistent with quantitative results arising out of an analysis of annual report data, which show extremely limited use of such instruments.

The judgement expressed by operators on the promotion and communication action also remained mainly negative, although it was considered to be relatively more effective than other measure actions.

The investment indicators confirmed findings emerging from field surveys, revealing a high concentration of expenditure in promotion and communication actions (with percentages amounting to as much as 75%) and only a slight contribution by market withdrawals.

**Evaluation judgement**

Taking into account results emerging from annual report data and judgements collected from operators. It is not possible to express a positive evaluation on the effect of operational programmes implemented under the National Strategy with regard to the contribution of price stabilisation to production to the benefit of producer organisation members. In particular, it cannot be claimed that the PO/POA system returned an improved performance with regard to improved price stabilisation compared to national findings. This result appears in any case to be consistent with the low level of use of instruments aimed at achieving this objective.

**QUESTION 6.2** To what extent have the operational programmes implemented under the National Strategy been efficient with respect to the objective of stabilising producer prices to the benefit of Producer Organisations' members?

**Comment on indicators**

The investment indicators confirmed findings emerging from qualitative surveys carried out in the field. These reveal a strong concentration of expenditure in promotion and communication actions (with percentages as high as 75%) and only a very slight contribution by market withdrawals. Green harvest or non-harvesting actions are also nearly entirely absent from the expenditure indicators.
Evaluation judgement

In accordance with the low efficacy displayed by operational programmes implemented under the National Strategy with regard to achieving the aim of stabilising production prices for the benefit of producer organisation members, it may be stated that a low level of efficiency was also achieved in this case.

5.2.2 Questions relating to overall objectives

(For a better comprehension of questions relating to overall objectives, indicators used, sources and tables, see Annexes 3.18, 3.19 and 3.20).

Objective 1 – IMPROVING COMPETITIVENESS

QUESTION 1.1 To what extent have the operational programmes implemented under the National Strategy contributed to improving competitiveness of national/regional producer organisations in the fruit and vegetables sector?

Comment on indicators

The PO/PO a system shows a significantly more dynamic trend than the general trend in the sector as revealed by ISTAT data. Compared to 2007, VMP increased by approximately 9% in 2010 and by as much as 15% in 2011.

Conversely, the value of national production remained essentially stable during the period considered.

Compared to the target set in the National Strategy and updated throughout the years considered, the VMP always remained well above the target value and showed a steady increase in the positive deviation from the target level.

These findings are reflected by an appreciable increase in the share of the reported production value marketed by POs/POAs, as already discussed with reference to question 5.1.

The PO/POA system performance was achieved with essential stability of the national fruit and vegetable production value in a situation where the production value of the entire branch of agriculture showed a more variable trend without revealing any categorically positive trend.

The weighting of the National fruit and vegetable sector within agriculture as a whole nevertheless showed minor year-on-year fluctuations despite remaining above 20% at all times. All this reveals that the PO/POA system was able to guarantee improved competitive performances when evaluated against the national fruit and vegetable sector and the entire branch of agriculture.
When analysing margins calculated as the difference between consumer price and production price, we note that for nearly all products under examination, the producer organisation system margin was less than the national average (ISMEA data). This allows the POs/POAs to guarantee their members a price that is generally higher than the one they would have obtained outside the system.

This occurred on average in all the years examined even though no improvements was noted in this already favourable situation.

Evaluation judgement

The contribution of the National Strategy to improving competitiveness of the fruit and vegetable sector was evaluated on the basis of the capacity of the producer organisation system to attract resources compared to the National fruit and vegetable sector as a whole and its ability to remunerate products contributed by its members more favourably in order to reduce the market margin compared to the average for the national fruit and vegetable sector as a whole.

It should be emphasised that the characteristics of the data used means that the judgement expressed is mainly qualitative. In general, the analysis shows that the competitive performance of the producer organisation system was more favourable than the average for the national fruit and vegetable system and the overall results for the agricultural sector. This performance means that the PO/POA system is able to reduce market margins, ensuring that the product contributed by members is more favourably priced. These findings mean that a generally positive judgement can be expressed on the contribution of the National Strategy to strengthening competitiveness within producer organisations. We cannot, however, overlook the difficulty encountered by the PO/POA system in generating positive spillover to roll out the improvement in competitive performance throughout the national fruit and vegetable sector as a whole.

Objective 2 – IMPROVING ATTRACTIVENESS OF PRODUCER ORGANISATION’S MEMBERSHIP

QUESTION 2.1 To what extent have the operational programmes implemented under the National Strategy contributed to improving attractiveness of producer organisation's membership?

Comment on indicators

Annual report data show an increase in the number of producers joining POs/POAs compared to the result for 2007. Results for subsequent years nevertheless show a decline in the number of members in 2009 and a slight rise again during the next year. This trend can to some extent be explained by the partial reduction of uncoupled aid (and then its total abolition) in canned tomatoes and the wholesale uncoupling of aid for citrus fruit processing, which made it less appealing for some producers to take part in the PO/POA system.

Comparison with the target data indicated by the National Strategy shows that the target (updated 2010) was exceeded by 1.2%.
The change in the area of members was also positive compared to the 2007 finding.

It should nevertheless be emphasised that the 2007 result is much lower than results during subsequent years.

In 2008, the areas actually rose sharply and then tended to stabilise during subsequent years at approximately 350 000 ha. In this case too, the partial or total uncoupling of the aid for processing was also a consideration.

A comparison between areas for 2010 against the target updated to the same year shows that this was exceeded by approximately 3%.

These data are confirmed by the trend in the ratio between PO/POA system areas and the result for the national fruit and vegetable area. We note an increase in this ratio between 2007 and the final years of the period considered, while a particularly high value was recorded for 2008 (40%), which subsequently stabilised at approximately 29%.

**Evaluation judgement**

An analysis of data observed makes it possible to express a relatively positive judgement on the attractiveness of producer organisations, when based on a comparison of findings taken from annual reports compared to targets set by the National Strategy for number of producers and areas.

The trend in results throughout the period analysed is more difficult to interpret. In particular, particularly high values were recorded in 2008 both in terms of the number of producers and the area results.

It should also be considered that the positive trend in national VMP (recorded on the basis of data in annual reports) is not reflected in the trend in areas and member numbers. This could nevertheless be verified over time, particularly with the more significant POs/POAs in terms of contribution to VMP and a change in the breakdown by sector in favour of crops with a higher average yield and/or with a higher unit prices. If this process is actually occurring, particularly within what may be defined as the ‘sticking point’ of the system, this could implicitly give rise to a positive contribution in terms of system appeal (as a kind of emulative effect).
Objective 3. Maintaining and protecting the environment

QUESTION 3.1

To what extent have the operational programmes implemented under the National Strategy contributed to maintaining and protecting the environment?

In particular, to what extent has the National Strategy contributed to:
- Soil protection?
- Water protection?
- Habitats and biodiversity preservation?
- Landscapes preservation?
- Climate change mitigation?
- Air quality preservation?
- Reducing waste production?

Comment on indicators

As discussed in the previous questions, the lack of information required to quantify effectiveness indicators does not allow a full evaluation of the manner in which the objective of maintaining and protecting the environment was achieved.

As we may see from the following table, the financial incidence of environmental actions performed by OPs under the new Strategy increased over the years and amounts to 26.2% of the total on average. This level is higher than that observed during the previous strategy\(^{27}\), which is the minimum referred to in CMO and rural development legislation\(^{28}\). In absolute terms, the total expenditure incurred for environmental actions during the period 2008-2011 exceeded EUR 306 million.

<table>
<thead>
<tr>
<th>Environmental actions</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidence out of total OP (%)</td>
<td>16.5%</td>
<td>25.8%</td>
<td>28.0%</td>
<td>25.4%</td>
<td>26.2%</td>
</tr>
<tr>
<td>EUR .000</td>
<td>4 576</td>
<td>90 984</td>
<td>111 951</td>
<td>98 563</td>
<td>306 074</td>
</tr>
</tbody>
</table>


The number of environmental actions performed by the POs is another indicator that helps to explain the spread of environmental topics within OPs. As the table shows, a substantial proportion of POs implemented more than two environmental actions. This threshold is specified in the legislation (as an alternative to the financial threshold) in order to guarantee the spread of environmental topics within the CMO).

\(^{27}\) Quantified in the impact analysis under Regulation 2200/96 as 16%.

\(^{28}\) Article 103(iii)(1)(b) of Regulation (EC) No 1234/2007 states that operational programmes should include at least two environmental actions or dedicate at least 10% of resources to environmental interventions. From rural development, Article 17 of Regulation (EC) No 1698/200 states that at least 25% of resources should be allocated to axis 2 (environment)
Table 5.2.2.2 – Environmental actions by OP

<table>
<thead>
<tr>
<th>Number of actions by OP</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 action</td>
<td>21%</td>
<td>14%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>2 actions</td>
<td>43%</td>
<td>39%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>&gt;2 actions</td>
<td>36%</td>
<td>37%</td>
<td>51%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: ISMEA from annual report data

With regard to the number of producers and areas subject to environmental actions, it should be stated at the outset that these refer only to actions relating to the primary production stage and in any case indicate gross values. This information is therefore partial and if it is used to calculate the incidence out of the total producers/areas affected by OPs, the results could be misleading. Data relating to hectares and producers are nevertheless shown in the following table.

Table 5.2.2.1 – incidence of expenditure for environmental actions

<table>
<thead>
<tr>
<th>Environmental actions</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Tot 08-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hectares</td>
<td>4 125</td>
<td>375 458</td>
<td>318 232</td>
<td>230 845</td>
<td>928 660</td>
</tr>
<tr>
<td>Participating holdings</td>
<td>1 007</td>
<td>125 225</td>
<td>66 943</td>
<td>74 766</td>
<td>267 941</td>
</tr>
</tbody>
</table>

Source: ISMEA from annual report data

This is followed by a brief discussion of indicators concerning individual environmental priorities. See the relevant evaluation questions for discussion (section 5.1.7).

**Soil protection** was promoted by increasing organic matter and erosion protection. The actions that contributed to increasing organic matter (o.m.) content were integrated production, organic production and green fertilisation. An estimate of the results achieved is influenced by various factors, such as intervention type, location and nature of the soil. As a rough guide, the actions could have increased o.m. levels to an extent ranging from 65 to 1200 kg per hectare and per year. Erosion protection was promoted by organic and integrated production. In this case too, approximate estimates suggest that the reduction in the risk of erosion ranges from 10% to 65%. These estimates, taken from the RDP interim and ex-post evaluations are intended as a guide and cannot be used to quantify the impact.

**Water protection** was achieved by reducing the use of fertilisers and water saving. The reduction in fertilisers was achieved through organic and integrated production and other specific actions. Water saving was achieved by replacing and improving irrigation plans and by means of other optimisation interventions. It is estimated that the annual reduction in the fruit and vegetable UAA subject to the OP as a whole is 4.5 kg per hectare for nitrogen fertilisers and 4.7 kg per hectare for phosphate fertilisers. This value is higher on average than that observed for similar RDP agri-environmental measures. The impact of the strategy may be quantified as 4 650 t of nitrogen fertilisers and 4 800 t of phosphate fertilisers saved (2008-2011). With regard to water saving, with somewhat high specific effectiveness indicators and estimated as a saving of approximately 1 081 m³ per hectare irrigated per year, it is estimated that the water volumes saved amount to 94 million m³.

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29 An area/producer subject to two environmental actions is therefore counted twice.
The operational programmes contributed to **protecting habitats and biodiversity** by reducing the use of pesticides, particularly toxic ones and promoting diversified crop rotation and cover crops. The environmental actions affected were organic production, integrated production and others. None of the interventions present were associated with the conservation of particular habitats such as hedges or walls, however. The available data do not allow any estimate of the results and impact of the strategy but only some approximate estimates of the results obtained, according to which the reduction in the use of toxic pesticides may range from 30% to 70% in the areas subject to the commitment.

With regard to **landscape protection**, the positive effect of the strategy is based on the following consideration: in Italy many typical agricultural landscapes are linked to the presence of one or more fruit and vegetable crops. Operational programmes that influence particular areas and/or products promote the financial sustainability of crops and therefore landscape conservation. This is a qualitative judgement because it has not been possible to identify any indicators in this area.

With regard to **reducing climate change** and **improving air quality**, the actions under the National Strategy have had a positive effect because they reduce the use of fertilisers, particularly nitrogen fertilisers and promote an increase in the organic matter content of soil. In this case too, actions generating positive effects are integrated and organic production as well as some specific actions such as the use of precision machinery or combined transport. Given the lack of information, it was only possible to estimate climate change mitigation arising out of nitrogen fertiliser saving. An estimate of the impact on emission reduction achieved throughout the period 2008-2011 is 22 400 t of CO₂ equivalents.

The operational programmes contributed to a **reduction in waste** produced during interventions for the environmentally-sound management of waste and packaging. As mentioned previously, the available data do not allow a quantification of the results obtained. With regard to the management of waste from production (containers, used drip lines, etc) it may be very roughly estimated that the amount of waste properly managed and disposed of amounted to more than 35 000 throughout the three year period 2009-2011. With regard to processing and marketing. The only data available relates to the quantity of waste treated per ton of marketed product, and ranges from 10 to 170 kg for packaging and 10 to 280 kg for plastic or organic waste.

**Evaluation judgement**

An analysis of the above data allow us to express an essentially positive judgement on the ability of operational programmes to contribute to environmental safeguarding and protection. Introduction of the new strategy marked a distinct increase in resources allocated to environmental actions and it has therefore been possible to observe incidences of greater than 25% on overall spending. This finding, together with the variability and numbers of actions undertaken and the significant levels of areas and producers involved confirms a particular propensity of POs for this type of action.

Operational programmes contributed to environmental safeguarding and protection by influencing two main strategies: on the one hand, promoting the spread of environmentally-sound production methods such as integrated production (which affects nearly half of the areas and producers involved...
in the OPs) and another contributing to the reduction of the environmental impact of fruit and vegetable production by means of more specific actions aimed at water saving, emission reduction and, above all, waste reduction or improved management.

Failure to identify additional indicators together with the incomplete quantification of some common indicators and the lack of objective values means that we are unable to express a complete and quantified judgement on all the environmental priorities identified (soil protection, emissions, etc). It may nevertheless be concluded that environmental actions have had positive effects, mainly in terms of the qualitative and positive protection of waters but also by virtue of the many environmental effects achieved by integrated production in terms of soil protection, protection of biodiversity and emission reduction. As far as waste is concerned, the results of the analysis suggest encouraging results for given interventions. Lack of data prevents us from formulating judgements over the packaging management action. This intervention nevertheless meets a particularly strongly-felt need on the part of operators.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 CONCLUSIONS

6.1.1 Degree of utilisation of financial resources

An examination of data shows that although there are margins for improving the implementation of certain actions, the spending efficiency of the National Strategy is high (particularly compared to other EU aid schemes). This is partly due to the intrinsic flexibility of the system.

- During the four-year period 2008-2011, the ratio between the final, i.e. reported, operational fund and estimated fund was very high, between 82.5% and 99.9% and the ratio between the final operational fund and approved operational fund was even higher: between 94.5 and 100.4%\(^{30}\), reflecting the high financial efficiency of the system (see table on operational fund, financial support and EU aid in section 1 Annex 4).

- During the four-year period 2008-2011, the ratio between effective aid paid to the POs and the VMP of the POs ranged from 4% to 4.3%, i.e. close to the maximum level of 4.6%. Note that during the previous scheme, in particularly during 2004-2006, this indicator showed a tendency to increase, approaching the threshold of 4.1% when a level of 3.9% was achieved in 2006 (see section 2 Annex 1). It should also be noted that this spending power index increases in direct proportion to the marketed production value, achieving the highest levels over all four years considered in PO categories with VMP greater than EUR 50 million and minimum values among POs with VMP below EUR 10 million.

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\(^{30}\) During 2008, some POs and POAs changed the OP in line with the provisions of Regulation (EC) No 1234/2007 with the aim of activating crisis measures, with the consequent addition of 1% to their operational fund. The reported results were therefore greater than approved operational fund levels in year n +1.
6.1.2. Problems and shortcomings in the definition of the ‘intervention logic’, objectives, targets of the National Strategy and measures eligible for support.

The National Strategy implicitly identifies an ‘intervention logic’, fully reflecting the specific objectives laid down in Regulation (EC) No 1234/2007 and linking these with the required measures. The Strategy also defines general objectives by applying the approach of linking them so that they are consistent with the strategic thrust of the National Strategic Plan on Rural Development. When organising the ‘intervention logic’, the national administration did not, however, consider it necessary to organise operational objectives in order to reflect the detailed mechanisms through which the measures activated would be able to pursue the specific programme objectives. Furthermore, they were indicated only for certain specific objectives of the targets expected by the end of the programming period. These last two aspects involved difficulties: in setting up the evaluation since they made it possible to distinguish the aid supplied by the various actions to each objective only statistically but not conceptually; in the quantitative evaluation of measure effectiveness and efficiency, since it was only possible to measure the deviation of the result from the target in certain cases.

Overall, the valuation of the ‘intervention logic’ identified by the National Strategy produced patchy results.

- Total transposition of all objectives identified by Regulation (EC) No 1234/2007 gave rise to a twofold effect: while on one hand it insured internal programme cohesion, on the other hand it did not allow national legislation to allocate priority to the various objectives based on the specific nature of the national fruit and vegetable sector, its limitations and its development opportunities. In a context where it was decided to pursue all Regulation objectives indiscriminately using nearly all the available measures at the same time, the lack of satisfactory organisation of the ‘intervention logic’ had two repercussions: on the one hand it limited selective and presumably more effective use of the measure; on the other hand it involved difficulties in setting up and developing the evaluation.

- The risk of partial organisation and weighting of objectives is that the use of measures is guided more by ease of access than by their true effectiveness with regard to objectives perceived as priority by legislation and the operators. It should also be emphasised that for a highly differentiated productive sector such as the Italian fruit and vegetable sector, the definition of a relatively unselective intervention could have allowed a greater and more generalised use of measures. Although the National Strategy proved unclear in terms of its perception of the law maker’s priorities, the evaluator nevertheless decided to examine this aspect at least with regard to the perception of operators. This aspect was also subject to evaluation.

- The weak organisation of the National Strategy ‘intervention logic’ meant that the evaluation was also beset by considerable difficulties. Firstly, the wholesale, cross-cutting linking of measures to more than one objective without further information in this regard meant that the expenditure for each measure could not be allocated to different objectives and it was not therefore possible to carry out a sufficiently reasoned evaluation of the relative efficacy of the various measures and their efficiency. Furthermore, insufficient parameterisation of the objectives and the identification of partial and one-dimensional targets made it possible to carry out an evaluation that was mainly qualitative and, as such, unsuited for expressing a judgement on the Strategy’s ability to develop its potential in full.
6.1.3 Evaluation of measures included under the operational programmes implemented

A lack of objective values that could be related to common indicators made it impossible to evaluate the effectiveness of the National Strategy measures and the evaluation therefore focused mainly on the utility of measures.

Actions aimed at planning and production, actions aimed at improving or maintaining product quality and actions aimed at improving marketing

Actions aimed at planning and production, actions aimed at improving or maintaining product quality and actions aimed at improving marketing showed a high level of utility that may be attributed to their very business-oriented approach. Effects in terms of increasing competitiveness can immediately be perceived as useful by all POs/POAs, irrespective of their size category. In the case of actions aimed at planning production and actions aimed at improving marketing, the perceived utility, though high, increases in direct proportion to the size category of the POs. The opposite was found for actions aimed at improving product quality because in this case the smaller POs believe that such actions are more useful.

Research and experimental production actions and training actions and actions aimed at promoting the use of advisory services.

The POs/POAs do not believe that these measures are very useful in general, probably because their effect on competitiveness is in any case indirect and therefore less easy to perceive. This assumption is supported by the fact that POAs are more likely to acknowledge the utility of these two measures. This type of intervention is in fact particularly consistent with the functions of POAs, which perform activities in common with associated POs and can more easily invest prospectively.

Crisis prevention and management measures

The guidelines on crisis intervention measures, in a context where such episodes occur frequently (for example peaches and nectarines in the 2009 and 2011 marketing campaigns and the problem of E. coli in the spring of 2011), displayed intrinsic limits including the fact that all types of intervention are implemented by the individual PO.

The container of crisis prevention measures includes interventions of different types. Some focus on crisis prevention: these include promotion and communication and harvest insurance, in particular (and also mutual funds, not applied by the National Strategy). Others, including green harvest/non-harvesting and market withdrawals (and training, also not included in the Strategy), are more directly aimed at dealing with the crisis.
Within the set of available actions, the POs/POAs acknowledged the greater utility of promotion and communication actions, which represent the most commonly used type of intervention. The heading of prevention, also covers unused mutual fund instrument, which certainly offers significant potential that is as yet unfulfilled.

With regard to crisis management, the currently available instruments show certain indubitable limits that emerged with particular clarity during the most recent crises that affected the sector (e.g. Escherichia coli). Firstly, since their activation is related to the organised sector, they do not directly involve the entire production sector even though they have positive knock-on effects on this sector.

**Market withdrawal.** Market withdrawal showed application limits essentially linked to the low level of withdrawal prices, as evidenced by the fact that only one PO in three activated the measure (see section 5.1.6). According to the focus group results, this limit persisted despite the raising of the level decided by the Commission in summer 2012, with Regulation (EU) No 701 30 July 2012. Given that free distribution accounts for the vast majority of withdrawals (in 2010, this represented 98% of spending on withdrawals and 83% in 2011), the setting up of a database by charitable organisations could help to make it easier to apply the measure.

**Green harvest or non-harvesting.** This measure shows as yet unfulfilled potential as an instrument of intervention in the event of crisis. The complexity of the administrative procedures, revealed also as a main problem by the survey conducted with the POs/POAs (see response 6.2 in section 5.1.6) had a slowing effect in the application of this action (see section 3.4). In particular, it is difficult to establish that the crop status complies with requirements laid down by EU legislation for activation of green harvest or non-harvesting. This section also displays various positive aspects.

Green harvesting is certainly more efficient than withdrawals in financial terms: both actions remunerate the product at 20% of the end product value, but the withdrawal price includes compensation for additional transport costs, screening and packaging. It also allows fast intervention and is particularly effective for fruit and vegetable products. Amongst other things, new legislation introduced in summer 2012 extends the potential for application of the measure in the future.

Financing of mutual funds, which is also an instrument with great potential in terms of income stabilisation was not implemented under the National Strategy for reasons that can essentially be attributed to the EU guidelines. This limits support for administrative expenditure for establishing a mutual fund with temporary duration (three years and amount [...] and in a limited proportion that decreases over time. The aid is therefore insufficient to support the instrument. Conversely, the POs/POAs showed interest for this instrument, though they know little about its mechanism of operation and therefore fear that it would be difficult to apply (see the results of an investigation carried out with the POs/POAs contained in section 5 of Annex 6). It should be noted that various POs within Italy have already begun a trial, not funded by OP funds, with guaranteed income policies linked to multi-risk policies on yields (the latter financed under Article 68), the first step toward establishing mutual funds.
Environmental actions

Evidence arising out of the analysis reveals that actions under environmental guidelines provide consistent support for the other National Strategy measures and make it possible to improve the environmental performance of operational programmes and the fruit and vegetable sector as a whole. One particularly significant finding in this regard is the financial incidence of environmental actions, which is higher than that observed in the previous aid scheme and theoretical targets represented by the threshold laid down in Regulation (EC) No 1234/2007 and rural development legislation. This finding, together with the fact that a significant proportion of OPs has implemented a relatively high number of actions shows that producer organisations are paying more attention to environmental issues.

The most important actions are those relating to integrated production and waste management, followed by water-saving actions and other more specific interventions concerning the primary production stage and the processing and marketing stage. Integrated production is probably the key intervention of the entire environmental guidelines. In 2010, for example, 40% of overall areas subject to the operational programme, corresponding to approximate 12% of national fruit and vegetable areas, received aid under this action. Another critically important intervention is the environmental-sound management of packaging that is, however, no longer eligible following the entry into force of Regulation (EC) No 755/2012.

When we examine intervention management, a fair number of producer organisations did not highlight any particular difficulties. This positive result does not however mean that environmental action management is free of problems or critical issues. As a general rule, it may be stated that needs to simplify and streamline the system are particularly keenly felt. In this context, one particularly significant problem is represented by the different conditions for implementation of integrated production from region to region, particularly in terms of commitments involved and levels of premiums that can be paid out. These differences sometimes complicated management of the action, particularly in the case of POs with members located in more than one region.

6.1.4 Evaluation of the effectiveness, efficiency and overall utility of the operational programmes implemented

Efficacy of operational programmes

Overall, a positive judgement can be expressed on the efficacy of the operational programmes implemented. Overall annual report data indicated that the PO/POA system increased its strength within the national fruit and vegetable sector despite the favourable market trend and the removal of coupled aids granted to the producers of canned tomatoes and some types of processed fruit.

An analysis of market margins, consisting of the difference between prices paid on average to PO members and retail prices, revealed that the PO/POA system makes it possible to offer producers slightly better remuneration than national producers as a whole.
The reason for this positive trend is a distinct increase in the unit value of products supplied by members over time. This appears to be consistent with the trend, highlighted by annual report data, that led POs to focus more on quality or added-value products such as organic, PDO and PGI products or products covered by other types of certification. In accordance with market trends, this type of product seems to have made it possible to promote the placement on the market of members' products and therefore to strengthen market shares covered by the PO/POA system. This is probably also due to the fact that certified products, such as those covered by the global gap system, are better able to meet the needs of large-scale distribution.

All these results have therefore tended to have a positive impact in terms of strengthening the competitiveness of the PO/POA system that does not, however, seem to have extended to the national fruit and vegetable sector as a whole.

The effect of operational programmes does not, however, seem to have been positive with regard to the other objectives indicated by the National Strategy. In particular, findings did not show any grouping of supply within the PO/POA system. The system seems still to be divided into a high number of POs, many of which are of very limited financial size.

This represents a clear limitation for the implementation of common and shared strategies for adjusting production to the trend in demand and the concentration and control of supply. Under such conditions, it seems that individual organisations will be unlikely to have any incentive to implement strategies of this type, for two reasons: firstly because the very limited market shares controlled by individual POs makes such strategies essentially ineffective; secondly because even if the action were able to give rise to positive results, the POs responsible for such actions would be able to obtain only a limited part of the relative benefits that would instead be distributed between all operators.

This result appears to be entirely consistent with the fact, highlighted by data in annual reports, that very little use has been made of instruments such as withdrawals or green harvest even though these could potentially have been used to stabilise markets, particularly under crisis situations.

From the above findings, it is not possible to state whether the PO/POA system has adequately promoted the achievement of the price stabilisation objective either at national level or within the PO/POA system.

With regard to environmental actions, the lack of information and the lack of objective values means that the efficacy of interventions cannot be fully evaluated. It is only possible to quantify some impacts, concerning a reduction in the use of fertilisers, water-saving and, indirectly, a reduction in some emission types. A comparison with similar interventions financed under rural development programmes nevertheless suggests that the level of effectiveness of environmental actions was satisfactory as a whole. The reduction in nitrogen and phosphorus surpluses, for example, was estimated to be more than 4 kg per hectare/year, a value that was higher on average than that estimated under some RDPs.

Efficiency of operational programmes

As already indicated, the characteristics of the ‘intervention logic’, the lack of available qualitative and quantitative data and the absence of efficiency targets meant that the general efficiency of the
operational programmes implemented could not be systematically evaluated. It was therefore only possible to express a qualitative judgement and only with reference to a limited number of specific objectives.

In particular, positive results were obtained for the objectives of promoting the placing on the market of members products and increasing their commercial value. In these cases, the amount of expenditure supplied through the operational programmes and attributable to the achievement of these objectives was found to be somewhat limited, when compared with the size of the positive results achieved. The increase in the unit value of production marketed by POs was particularly evident and, based on calculations, this was found to have been achieved with a very low amount of public resources.

For environmental actions, a comparison with RDP measures may again help to establish if and to what extent environmental actions have been efficient. With regard to integrated production, for example, the analysis carried out in section 5.1.7 enabled us to establish that the efficiency level of the intervention financed by the CMO was essentially similar to that financed with the RDP in terms of average public expenditure per hectare.

Utility of operational programmes

Some general remarks may be made over the utility of operational programmes where the term ‘utility’ expresses the extent to which the effects of operational programmes correspond to needs, problems and issues to be tackled.

The analyses carried out during the evaluation process confirmed the existence of certain central problems that were relevant to the Italian fruit and vegetable sector.

One of the main ones was that of enhancing competitiveness within the sector. Stepping up competitiveness is one of the three general objectives of the National Strategy and involves the achievement of some specific objectives. Since operational programmes have been found to display uneven levels of effectiveness in the pursuit of specific objectives, any judgement about their utility must necessarily be broken down.

The analysis carried out indicates that the operational programmes generated effects that tend to support sector competitiveness. In particular, operational programmes were particularly useful in that they made it possible to promote the placing on the market of PO/POA members’ products as well as increasing the unit value of members’ products. The positive trends observed in the system with regard to these two aspects certainly had positive effects on the financial results of sector enterprises and therefore on their ability to satisfactorily remunerate the resources they used in production processes. This is borne out by the fact that the weighting of the PO/POA system increased within the national fruit and vegetable sector.

Ultimately, the judgement relating to the objective of supporting competitiveness amounts to the fact that the operational programme effects corresponded sufficiently to sector needs.
A second significant problem affecting the sector is that of the extremely random and variable nature of sales prices. This has very negative consequences on the financial results of holdings and makes it very difficult to carry out satisfactory planning of activities both in the medium and long-term. It has therefore been observed that production price stabilisation represents a significant objective for Italian fruit and vegetable producers.

The valuation results did not unfortunately allow us to carry out a strict evaluation of whether and to what extent activities carried out under the National Strategy were able to meet this need. This also meant that prices could not be stabilised even with reference to those paid to PO members. In this respect, the operational programmes did not fully meet the needs of the sector as a whole or even those of individual PO members.

With regard to environmental actions, the analysis carried out identified essential compliance between needs identified in the environmental guidelines and by operators, and the actions identified. Operators’ choices over the resources allocated to individual operations were also found to be consistent because greater importance was assigned to interventions with significant effects on the most important environmental problems (see section 5.1.7). In general, environmental actions were judged to be useful in achieving established environmental objectives. Certain shortcomings were nevertheless noted with regard to interventions aimed at improving biodiversity (e.g. building of walls, ecological corridors, etc) in addition to a certain mismatch between the utility of organic production, which is considered to be the environmental benchmark, and the low level of implementation. In both cases, the actions can be supported within the RDP in a complimentary manner. Other topics of growing importance that deserve greater attention are climate change mitigation and air quality improvement.

6.2 RECOMMENDATIONS BASED ON EVALUATION FINDINGS

6.2.1 Recommendations on the system set out for the monitoring and evaluation of the National Strategy

During the 2012 evaluation, certain limits emerged that are intrinsic to the current monitoring and evaluation system. These are set out below with recommendations.

Governance of the monitoring and evaluation and control system

One of the main reasons that led to problems in the availability and reliability of monitoring data is due to the fact that monitoring and evaluation system governance is restricted to ensuring a supply of data rather than ensuring the quality, control and use of that data. This means that:

- the authority responsible for monitoring and evaluation should guarantee greater willingness to guide, coordinate and support the various stakeholders involved (e.g. by setting up a special steering committee at national/regional level);

- the architecture that governs the monitoring and evaluation activity must be designed from the programming stage to avoid having to intervene after the event, by providing a design consistent with the common monitoring and evaluation framework laid down in the new CAP.
With regard to the control system, certain national differences emerge in the application procedures and this is a problem in a system with trans-regional implications, such as the PO system. This means that:

- **action must be taken to harmonise control procedures, partly through simplification and rationalisation.**

**More effective definition of the monitoring architecture and indicator set**

The need to more effectively define the monitoring architecture and indicator set concerns both EU provisions and national implementation.

The list of common indicators represents an information base that is not always enough to allow appropriate evaluation of the National Strategy, particularly in the case of measures with very broad-ranging content, partly because additional indicators have not been provided. The availability of basic data (instead of changes in costs and VMPs, for example) for subsequent construction of indicators would have facilitated the evaluation exercise.

This means that:

- **changing the common indicators and providing additional national indicators is of fundamental importance for starting an evaluation process both within individual OPs (interim evaluations) and at national level (Strategy)** (for a proposed redesign of the indicator set, see the attached contribution drawn up by the Emilia Romagna Region, section 2 Annex 4)

- **as in the case of rural development, monitoring by project/operation (or intervention) would make the information in the monitoring system more useful and usable. For example, for environmental actions, it would be advisable to provide additional information such as crops, location etc.**

**The need for specific targets/objectives**

- The implementation of a monitoring and evaluation system requires the definition of preliminarily quantified targets/objectives that can be used as a basis for evaluating effectiveness at the level of individual OPs and also at the level of the National Strategy as a whole.

**Improving OP evaluation reports**

Operational programme evaluation has proved a useful instrument for evaluation of the National Strategy and partly made up for monitoring shortcomings by also allowing qualitative appraisals of OP results and impacts. It should nevertheless be noted that the report quality level must be improved, particularly in terms of defining indicators and targets, yet without generating pointless extra paperwork. This means that:
• a culture of evaluation must be promoted among POs and if necessary supported by appropriate financial instruments (e.g. stepping up aid for evaluation spending) with the aim of ensuring greater participation in the operational programme evaluation process;

• evaluation preparation obligations should be rationalised by removing formal constraints in the interim report and providing a simplified scheme for small POs;

Simplification

The efficiency of the monitoring system and hence the valuation system is irrevocably linked to the timing of the requirements laid down by EU provisions (see section 3 Annex 4) and also to internal administrative procedures that require different levels of data control and validation. This means that:

• the drive for simplification started by AGEA Coordinamento and the paying agencies through the improvement of IT systems associated with the annual report and OPs should continue, including by integrating and linking the fruit and vegetable CMO IT system with the holding file;

• guidance interventions, clarifications on the method of quantifying indicators, training of entities involved and implementation of indicator data coherence checks should be promoted and finalised through system actions (see 6.2.3).

6.2.2 Recommendations to address shortcomings in the objectives and targets selected under the National Strategy

In the light of findings reported in section 6.1.2:

• the ‘intervention logic’ must be set out and properly organised in the programming document; measures must also be allocated to individual objectives so that it is possible to carry out an a posteriori evaluation of the relative effectiveness and efficiency of individual measures with regard to the associated objectives;

• objectives must be organised and parameterised so that it is possible to identify a realistic target (in other words, the expected value of one or more indicators) that takes into account the potential multidimensional nature of certain objectives in each case;

• the ‘intervention logic’ must identify priorities consistent with the national production system and such as to determine selectivity of measures and objectives that can guarantee an appropriate level of efficiency;
it must nevertheless be possible to organise the ‘intervention logic’ in accordance with a radically differentiated structure that could otherwise lead to the risk of a selective intervention being reflected by weak programme participation, in order to cover the needs and development potentials of the various organisations.

6.2.3 Recommendations to address shortcomings in the measures and on needs for defining new instruments

The associated considerations are divided into two levels according to whether they are concerned with EU guidelines on the measures or the national application of the measures. Recommendations relating to EU guidelines are given below (for remarks on national application options, see section 6.2.5 and see section 6.2.6 for further information on EU policy).

Actions aimed at improving marketing

- a low-cost support measure for insurance against marketing risks (e.g. credit insolvency, transport and product quality) should be introduced to provide incentives for company exports and internationalisation.

Research and experimental production actions and training actions and actions aimed at promoting advisory services.

The above actions were of strategic importance in improving the competitiveness of the fruit and vegetable sector but their effect has also had repercussions outside the organised sector that can lead to uncertain outcomes in the specific case of research and experimental production actions. This means that:

- the percentage of EU joint financing must be increased to promote a higher level of measure implementation.

Crisis prevention and management measures

- the Commission should also introduce measures that are also extended to non-members using ad hoc financial resources;

- crisis prevention and management measures must be activated in accordance with coordinated methods (for example through POAs or a national control centre or EU control centre) in order to strengthen the impact on the market;
with regard to market withdrawals, compensation payments must be calculated in accordance with more consistent methods (periodic adjustment system, making payments commensurate with production costs or raising thresholds to be applied to the average official price), the maximum percentage of products for withdrawal should be raised and withdrawals should be activated also for processed products;

- the mutual fund action should provide for financing the fund supply for a duration at least equivalent to that of the operational programme.

Environmental actions

- the reintroduction of financing for the environmentally-sound management of packaging should be reconsidered, if necessary connecting it to the objective of lengthening product life and therefore reducing food waste, notwithstanding the need to guarantee environmental added value and the accuracy and relevance of financed interventions.

Fruit and vegetable CMO system actions (new instrument)

- experience shows that it would be useful to provide for the introduction in EU regulations of a new instrument for system actions on a European and national scale, on strategic CMO issues (market crisis prevention and management, research and innovation, training, promotion measures, monitoring and evaluation, setting up enterprise networks between POs/POAs and individual producers etc) that requires a synergistic and shared approach between the various POs/POAs and in general with entities involved in the CMO. Given the selective interest in such actions, the instrument should be paid for out of public resources, reserving a proportion of EU financing for the fruit and vegetable CMO for this purpose.

6.2.4 Recommendations on coherence and complementarity with other EU and national instruments

The National Strategy is consistent with the objectives of the single CMO and of the CAP in general and complies with the principle of subsidiarity. Recent experience also highlights a positive level of complementarity between the fruit and vegetable CMO with direct payments and with the single CMO, in particular with reference to the school fruit programme that is implemented by the organised PO/POA system in Italy.

The coherence and complementarity of CMO finance with rural development finance is a topic of crucial importance for National Strategy stakeholders (see results of focus groups, sections 2-4 Annex 5), because this is able to promote or reduce PO expenditure through the operational programmes.
A proliferation of demarcation rules, often not harmonised, has nevertheless been recorded at regional level. This has had an impact on the operation of the CMO, limiting operational and business choices for both the POs and associated producers.

This has meant the POs are forced to operate in a climate of uncertainty. This has led to great difficulties, particularly for multiregional organisations. This means that:

- seeking strategy interventions that are coherent and complimentary with instruments within the first pillar of the new CAP represents an opportunity to promote stronger synergies than in the past;

- the positive experience of the school fruit programme should be pursued within the single CMO in order to promote new partnerships between the school sector and the PO/POA system;

- greater complementarity with rural development could be achieved through actions aimed at relaunching the competitiveness of the fruit and vegetable sector on a national or interregional scale and with the involvement of multiple POs in strategic interventions (e.g. new cooperation measure, European Innovation Partnership, infrastructural investments, etc).

- the demarcation rules applicable to rural development and the fruit and vegetable CMO should be defined contextually making it possible to set up a more homogeneous legal basis and ensuring equal treatment for PO members belonging to different regions by defining criteria common to the RDPs through a national framework (or activating national measures).

6.2.5 Recommendations on the design of the future National Strategy

Reinforcement of governance

- experience with the current programming shows that the partnership action between the various stakeholders at national and regional level must be reinforced in order to guide programming choices to meet strategic sector needs and improve management, monitoring and control.
Definition of priority objectives

- in accordance with the strategic objectives of Europe 2020 and the new CAP, we need to define priority objectives in future National Strategy programming, with a focus that makes it possible to promote the following:
  
  - the PO/POA grouping process, overcoming fragmentation but still allowing for the expression of individuality;
  
  - extension of market outlets through internationalisation;
  
  - product and process innovation;
  
  - climate change mitigation and adaptation;
  
  - interventions aimed at the relaunch of territorial areas or production organisations hardest hit by crisis and with the lowest grouping rate (e.g. southern Italy and the Islands).

Redefining the application choices of certain measures

- options for financing harvest insurance within OPs should be revalued based on the CAP reform process and future financial need forecasts for the sector in order to avoid inequality of treatment between fruit and vegetable producers within Italy;

With regard to environmental actions, the action to promote integrated production represented the key intervention under the environmental guideline. Although it is advisable to develop this production type toward a more multifaceted ‘sustainable agriculture’ methodology, the introduction of acts such as the pesticide directive or rather the definition of application provisions that introduce aspects of inflexibility (e.g. the greening requirement for direct payments) could make the action less attractive, causing producers to leave the system and revert to the minimum environmental standards laid down by legislation. This means that:

- special attention should be paid to updating the National Strategy with particular reference to integrated farming, organic farming, climate change mitigation and adaptation and waste management actions.

Application of new measures

- we advise in-depth discussion of the possibility of making financing for mutual funds part of the National Strategy in the light of developments in relevant EU and national legislation.
6.2.6  Recommendations on the design of the future EU policy in the fruit and vegetable sector

The design of the new CMO should:

- add new impetus to the producer grouping process by strengthening the PO and POA system (see also the results of focus groups in Annex 5) and, relaunch the role of POs and POAs with specific tasks and the option of adding operational funds and associated operational programmes.

- differentiate between conventional instruments assigned to enterprise/PO/POA actions, through the OPs, and innovative system actions to be activated within specific national/interregional programmes to promote greater coordination between institutional stakeholders and CMO operators and promote cooperation between POs/POAs and individual producers (see final point of section 6.2.3);

- allow the modulation of finance based on the public nature of the investment to be promoted, particularly in cases where they are aimed at EU priorities (EU Europe 2020 strategy);

- review the range of existing measures, improving the effectiveness of crisis measures in particular;

- stimulate the competitiveness of producers, particularly in regions with a low level of grouping.