

Fruit and vegetables

Producer Groups

Recognition plans

Producer groups (PGs) must submit their draft recognition plans for approval to the competent authority of their Member State.

Member States are required to define:

- (a) the minimum criteria which the PGs are required to meet to be able to submit a recognition plan;
- (b) the rules for the drafting, content and implementation of recognition plans;
- (c) the period during which a former member of a producer organisation shall be prohibited from joining a producer group after leaving the producer organisation in respect of the products for which the producer organisation was recognised; and
- (d) the administrative procedures for the approval, monitoring and fulfilling of recognition plans.

The content of the draft recognition plans must cover certain specific element of information, namely:

- a) a description of the initial situation, in particular as regards the number of producer members, giving full details of members, production, including the value of marketed production, marketing and infrastructure, including infrastructure owned by individual members of the producer group if it is to be used by the producer group itself;
- (b) the proposed date for starting implementation of the plan and its duration (which cannot exceed five years); and
- (c) activities to be implemented in order to achieve recognition.

Within three months of the receipt of the draft recognition plan accompanied by all supporting documents, the competent national authority must decide whether:

- (a) to accept the plan and grant preliminary recognition;
- (b) to request changes to the plan; or
- (c) to reject the plan.

Aid to encourage PGs' formation and facilitate their administrative operation

The aid to encourage PGs' formation and facilitate their administrative operation is determined for each producer group on the basis of its marketed production and amounts, for the first, second, third, fourth and fifth years, to:

- (a) 10 %, 10 %, 8 %, 6 % and 4 %, respectively, of the **value of the marketed production in the case of producer groups** (see box below) in Member States which acceded to the European Union on 1 May 2004 or after that date; and
- (b) 5 %, 5 %, 4 %, 3 % and 2 %, respectively, of the value of marketed production in the case of producer groups in the outermost regions of the Community or in the smaller Aegean Islands.

Those rates may be reduced in relation to the value of marketed production which exceeds a threshold. A ceiling may be applied to the aid payable in any given year to a producer group.

The Community contribution towards that aid amounts to:

- (a) 75 % of eligible public expenditure in the regions eligible under the Convergence Objective; and
- (b) 50 % of eligible public expenditure in other regions.

Value of the marketed production (of a producer group)

The basis for calculation of the value of the market production of a producer group is the same as for producer organisations (see above). Differently from producer organisations, however, in the case of producer groups there is no reference period that is applicable. The value of the market production normally refers to the year or the fraction of the year for which the aid is requested.

Aid to cover part of the investments required to attain recognition (and set out in the PG's recognition plan)

The Community contribution towards aid to cover part of the investments required to attain recognition, expressed in terms of a capital grant or capital-grant equivalent, shall not exceed, as a percentage of eligible investment costs:

- (a) 50 % in the regions eligible under the Convergence Objective; and
- (b) 30 % in other regions.

The Member States concerned shall undertake to contribute at least 5 % of eligible investment costs.

Beneficiaries of aid towards eligible investment costs are required to pay at least:

- (a) 25 % in the regions eligible under the Convergence Objective; and
- (b) 45 % in other regions.