FL(20)2097:22 – DDJ/sm

Mr Wolfgang Burtscher
Director-General
DG AGRI
European Commission
200, rue de la Loi
B-1000 Brussels

Brussels, 2nd April 2020

Dear Director-General,

In the exceptional circumstances of the crisis caused by the spread of COVID-19, Copa and Cogeca would like to send you some proposals for adapting the Community aid scheme in the fruit and vegetable sector. These proposals would allow the fruit and vegetable producer organisations and their producer members to be better supported during this challenging marketing year.

Copa and Cogeca note that the marketing of fruit and vegetables is already facing serious difficulties depending on the product and on our cooperatives' customers. There are already serious disruptions to demand for certain types of production (strawberries, vegetables, etc.), for certain regions or for certain customers (open-air and covered markets, wholesalers at destination, specialised shops, out-of-home catering, etc.). The marketing of fruit and vegetables as well as the delivery of fruit and vegetables destined for the processing industry may become more complicated as a result of growing problems related to the availability of labour, the transportation of goods and movement of people, and changes in demand and consumption. Copa and Cogeca's fears are growing given that we are only 15 days away from the start of the summer season and that this sector is marked by perishable products. Fruit and vegetable producer organisations are considering revising the operational programmes to trigger the prevention and crisis management measures, as well as adapting their scheduled investments to their current financial reality, priorities and needs.

With this situation spreading across the EU agricultural sectors, Copa and Cogeca call on the Commission to allocate a budget outside the CAP budget and to implement a specific regulation on exceptional measures to deal with the serious market disturbances linked to COVID-19 in the fruit and vegetable sector. This would be part of a general approach of emergency support for the agricultural sector. Copa and Cogeca call for emergency measures that should be in line with the measures introduced during the EHEC crisis to make sure that they are beneficial to all affected producers.

Copa and Cogeca would like to emphasise that the COVID-19 pandemic will have longer lasting negative effects on the fruit and vegetable markets. Under Regulation 1308/2013, Articles 219 and 222 should be triggered to ensure a better organised fruit and vegetable supply chain that is better prepared to face future problems. Farmers and consumers will be better protected from the impact of extreme volatility under a derogation in the competition rules (Regulation 1308/12013, Article 222). Food security and a continuous supply to consumers are a major cause for concern for Copa-Cogeca and society as a whole.

Moreover, the Commission and the national administrations should make adjustments to the administrative management rules of operational programmes to take into account the particular circumstances, and to reduce the constraints that both national administrations and producer organisations and their producer members are currently experiencing. It is likely that producer organisations will find it more difficult to comply with the constraints in force in Regulations 2017/891, 2017/892 and 1308/2013, to carry out all their investments and that they will have to submit more amendments to their operational programmes in the coming weeks.

The Commission should therefore create greater flexibility for the Member States and the fruit and vegetable producer organisations (without undermining the 4.6% ceiling among other aspects) on:

- the operational programme amendment conditions, the communication of these changes and compliance with a minimum percentage of the operational funds (art. 34 Reg. 2017/891);
- the balance criteria of operational programmes (art. 27.5 Reg. 2017/891);
- the percentages set for the resources dedicated to crisis prevention and management measures (<33%) and environmental measures (>10%) as well as the temporary increase in the co-financing rate from 50 to 70% (art. 33. 3, 33.5 and 34.1 of R-1308/2013);
- administrative controls (articles 27, 29, 30 of Reg. 2017/892) and requests for advances (article 11 of Reg. 2017/892);
- the aid applications for expenditure programmed but not incurred, which should be possible, even if the implementation of the programmed expenditure is not provided by 30/04/2020, until at least mid-next year (art. 9.3 Reg. 2017/892);
- Annex II of the Delegated Regulation (EU) 2017/891 so that certain production costs (such as non-perennial plant costs) are no longer ineligible;
- and no doubt other constraints that will emerge as the marketing year unfolds in the context of this crisis that will last for several more months.

The payment for the 2019 annual programme balance should be made as soon as possible. Payment delay resulting from interruption or slowing down of controls must be avoided.

Export insurance allows for a continued trade of goods with greater confidence during this period of instability and uncertainty. Copa and Cogeca hereby call for this to be made available to the fruit and vegetable sector.

We hope that you will take Copa and Cogeca's arguments into consideration. We remain available should you have any further questions or wish to discuss this matter further.

Yours faithfully,

Pekka Pesonen
Secretary General

Cc: María Angeles Benítez Salas, Michael Scannell, João Onofre