

Non Confidential



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Dear Sir/Madam

SPC has reviewed the recent exporter submission (EPR 055 18 August) and the exporter verification reports for Feger (EPR 051 10 August) and La Doria (EPR 053 14 August). With the assistance of its trade consultants, Blackburn Croft & Co, SPC provides the following comments.

Comments on the exporter submission include, where relevant, extracts from that submission followed by SPC's comment.

1. *'It is therefore clear that the SPS fund cannot be linked to any particular agricultural product, since the purpose of the SPS fund as from its creation is exactly that of replacing all the ad hoc funds dedicated to single agricultural products.'*

SPC comments

The exporter's assertion that 'the SPS fund cannot be linked to any particular agricultural product' is not correct. The total national ceiling corresponding to tomatoes was absorbed into the Single Payment Scheme beginning 2011. However the tomato growers were able to access the absorbed national ceiling amount on the basis of the historical hectares in the reference period. Therefore the payment made from the SPS was still related to the growing of tomatoes.

The Report confirms this observation on page 15:

*'Moreover even still in 2014, EU Common Agricultural Policy payments with respect to tomatoes used in processed and preserved tomatoes in Italy were largely based on subsidy levels received by farmers in previous years, which were based on the past system of coupled payments. Thus while technically farmers may receive "historical reference" payments that are not explicitly tied to current output, for political and economic reasons the payments are still likely to be implicitly tied to output. **Thus while explicitly decoupled from current output, historical reference subsidies are implicitly coupled to output.** The use of "historical reference" payments, which are implicitly coupled, together with a new explicitly coupled payment means that a significant part of CAP payments with respect to tomatoes are still effectively coupled to production.'* [Emphasis added]

'Thus, if the farmer had 50 hectares in processed tomatoes in the past and received say 65,000 Euros, then the 65,000 Euro payment continued.'

Annex 1 of the exporters' submission confirms that *'The decoupled aid was conditioned to the allocation, to the producers entitled thereto, of entitlements whose value was calculated on the basis of the average production of tomato entitled to payments for each producer in the base period, which included 2004, 2005 and 2006, taking into account the average surface of the area used to produce tomatoes in the period.'*

Annex X of EC regulation 73/2009 shows the national ceiling corresponding to tomatoes.

[Please refer to the confidential attachment 1 which shows estimated the subsidy rate per hectares]

- 'It follows that until 31 December 2011 the payments granted to tomatoes growers and coupled to production amounted to 50% of the (old) Italian national ceiling for tomatoes, i.e. 50% of € 183,967 million. Based on the estimate of hectares used for growing tomatoes in Italy provided by the Complainant³, it should be concluded that during the transitory period the average coupled payment for tomatoes amounted to 1439,5 €/he (183,967 mio * 50% / 63.900 he). This is exactly half of what the Complainant alleges to be the average subsidy per hectare.'*

SPC comments

Firstly, the exporters have the wrong dates as the payments coupled to production ended in 2010. This has been confirmed in the findings of the market situation Report.

Secondly, what the exporters neglect to mention is that during the three year transition period which ended in 2010, tomato growers were also receiving a decoupled subsidy which was the other half of the Euro 184 million

Or as noted in Afrini

'For processed tomatoes Italy chose to maintain the transitional coupled payments at 50 per cent of the national ceiling until the end of 2010. More specifically, during the three-year transition period a proportion of the subsidy in the amount of EUR1,300 per hectare in 2008 is in coupled form while the other 50 per cent of national ceiling (EUR91,984million) moves to the single farm payment scheme. The latter amount is distributed to farmers who received historical payments in the reference period of 2004-2006, while the coupled amount of the payments is subjected to the condition that farmers be members of a producer organization and have a contract for processing. (Page 222¹)

So, it can be seen that tomato growers did not see a reduction in the total subsidy received during the transition period 2008-2010. The total payment was still the total Euro184 million resulting in the subsidy rate as shown by SPC in the application.

- This undisputable fact is sufficient for concluding that the calculation provided by the Complainant is completely flawed and unreliable, since it is based on figures concerning the national ad hoc ceiling for tomatoes, which has been transferred into the SPS fund in 2012 and which, therefore, does not exist anymore.*

Afrini and others "An Impact Assessment of the CAP Reform Health Check on the Italian Tomato Sector" from the Report

SPC comments

SPC disagrees with the exporters' comment that SPC's calculation is flawed and unreliable because the national ceiling was absorbed in SPS.

As has been explained before, during the transition period 2008-2010, half of the national ceiling (decoupled component) was transferred to SPS but disbursed to the farmers based on payments over reference years. From 2011 onwards, the coupled subsidy amount (Euro 92 million) was also rolled over into the SPS, along with the already included decoupled amount. The amount previously administered as a coupled payment was now being disbursed under the SPS based on historical references. [Please refer to the confidential attachment 1]

Confirmation that the entire national ceiling (Euro 184 million) corresponding to tomatoes was now part of the SPS and the payment was based on it is explained in the attached document "Window on the CAP"² (translated from the Italian article by Google translate and an independently translated summary of the same article's section on the Fruit and Vegetables CMO Reform).

Further, the market situation Report confirms

' First, farms in processing tomato sector in Italy historically received high payments linked to production. ...Second the key feature of the Italian reform was the use of the historic reference payments, whereby even if decoupled, a farm would continue to receive the total CAP payment it was receiving at the time.'

Therefore the 'national ceiling' still exists in the sense that payments/entitlements have been "locked in" through the use of reference periods. These payments/entitlements are obviously an important reason for growing tomatoes and for continuing to grow them. It would be an uncommercial assumption that the Euro184 million is not paid out each year to qualifying growers merely because of the 2003 reform being extended to tomatoes.³ The national ceiling corresponding to tomatoes is shown in Regulation 73/2009 Annex X, it provides verifiable information that shows what the historical payment to tomato growers has been based on, including during the transition period and after the transition period.⁴

The suggestion that the amount received from the SPS and paid to tomato growers is significantly different from the amount previously available is not credible for the political and economic reasons outlined in the Market situation Report.

4. *'In other words, since 2005 onwards, and especially in the period 2010-2013, the direct payments granted to farmers under the SPS were gradually reduced in order to transfer the relevant funds from the First Pillar to the Second Pillar, dedicated to rural development. This circumstance cannot be overlooked, since it entails that the farmers have been granted a decreasing amount of money since 2005.'*

² <http://agrireregionieuropa.univpm.it/content/article/31/11/finestra-sulla-pac-n8>

³ EC Regulation 1782/2003 stated in Article 28 that coupled payments would be paid in full in the SPS..EC Regulation 1182/2007 amended the earlier Regulation to include processing tomatoes.

⁴ A description of the SPS continuing payments is European Court of Auditors Report 2014 paras 1 and 2 page 6.

SPC comments

The transfer of funds between Pillar 1 and Pillar 2 has not been shown to affect the subsidy paid to tomato growers based on historical payments. The overall reduction in the total ceiling for Italy is not significant as shown on page 20 of the Report.

In any event, the Pillar 1 and Pillar 2 architecture merely calls payments under different names and the amount received by the tomato grower will be similar for those political and economic reasons already referred to in the Report

5. *The alleged amount of subsidy granted to farmers (2,802 €/He) does not – at all – reflect the reality. As extensively demonstrated by Feger and La Doria, most farmers receive a payment well below 776 €/he, if anything. This is supported by factual evidence of payments received by farmers provided in our Clients' submission dated 23 July 2015. Given the evidence provided by our Clients, it would be a serious methodological flaw to consider that each tomato grower in Italy receives in average 2,802 €/He.*

SPC comments

SPC disagrees with the comment that considering Euro 2802/ha would be a methodological flaw. As has been highlighted in the previous paragraphs the tomato farmer has continued to receive payments based on historical entitlements. The only verifiable figure available to the Commission is what was applied under the national ceiling corresponding to tomatoes before the national ceiling was absorbed into the SPS.

The reliability of the Euro 776 figure⁵ has been pointed out to the Commission. It has been highlighted in SPC's 24th July submission that Euro 776 per hectare (obtained from the Solazzo report) was based on very small sample size of 453 farms of which less than 10% were said to be tomato farms. It is possible that some farms may receive a lesser amount and that reflects a range of factors such as historical entitlements. It is known that the total amount of the national ceiling corresponding to tomatoes has been continued in the SPS. The number of hectares used for growing tomatoes is able to be estimated for 2014. The division of the national ceiling value by the hectares gives a figure of Euro 2802 per hectare.

The methodological flaw is in elevating the Euro 776 per hectare as more reliable than Annex X of Regulation 73/2009. As has been explained in SPC's 13 August submission, the coupled subsidy to be reintroduced from 2015 will amount to more than 20 percent if the subsidy value is established using the incorrect value of Euro 776 per hectare. SPC's 13th August submission estimated the € 160 per hectare payment would be around Euro 10.5 million. In a study of coupled aid⁶, the measure applying to industrial tomatoes of Euro 160 per hectare is shown to be close to SPC's calculation with the actual amount recorded as Euro 11.2 million which suggests the aid has been allocated using 70,000 hectares. SPC recalls its calculation that the Euro 776 figure reduces the national ceiling to Euro 51 million (from the known and verified Euro 184 million) and contrasts this with the exporters' use of half the subsidy figure of Euro 92 million.

6. *This claim is ill-founded. Our Clients firmly submit that the pass-on analysis is not only a logical approach, but also A mandatory test under WTO law. Such analysis clearly shows that the alleged distortion in the market for raw tomatoes does not justify the use of a constructed normal value since it does not have the effect of*

⁵ Data was collected in 2011, a very wet year affecting farms in Emilia Romagna. www.agra-net/agra/foodnews

⁶ Il Sistema Degli Aiuti Accoppiati Della Pac page285 June 2014 [The System of Coupled Aid in the CAP]

rendering the domestic sales unfit to permit a proper comparison.

SPC comments

SPC's submission of 13th August highlighted the concerns with the pass through model used in the Report. The model's outcome cannot be relied upon as it uses the wrong level of subsidy, inaccurate data, dated elasticities and is unreliable where vertically integrated firms operate (such as in Emilia Romagna).

- 7. In the case at hand, in light of the significant profit margin of the tomato growers the pass-on analysis suggests that - even if it were considered that the direct payments under the SPS had an impact on the costs of production (quod non, since they are completely decoupled) - the suppression of such payments would merely reduce the profit margin of the tomato growers. Therefore, the alleged increase in the cost of production of raw tomatoes would not be passed-on to the downstream industry*

SPC comments

SPC's submission of 13 August (paragraph 12) explained the error in the Report's calculation of the profit so any conclusions on that calculation need to be ignored. That same submission referred to the low profitability of tomato farms which are dependent on the subsidy providing a profit (paragraph 14).

- 8. Bearing the above in mind, it is just impossible to understand how SPC may, on the one hand, claiming that the SPS distorts the market by artificially reducing the market price for raw tomatoes and, on the other hand, submitting that the alleged market distortion has entailed 'higher raw material costs'.*

SPC comments

The exporters' previous submissions have admitted to the SPS playing a role of 'income support' to the farmers. If the payments made under the SPS ceased, that is, this means of income support was no longer available to the growers, it is reasonable to expect that the price received from the processors (for the sale of raw tomatoes) will need to be increased, if supply is going to be guaranteed. This increase in raw prices will have an impact on the canned tomato prices.

- 9. In conclusion, even accepting that a 'particular market situation' exists in the Italian market for raw tomatoes, quod non, the pass-on test clearly demonstrates that such distortion does not have the 'effect of rendering the sales themselves unfit to permit a proper comparison', and therefore does not justify the use of a constructed normal value.*

SPC comments

As explained in the 13th August submission, the pass through model from the Report cannot be relied upon. It is unreasonable and unrealistic to expect that the prices of the canned tomatoes will not be affected if the subsidy were to be eliminated, especially given the presence of cooperatives and vertically integrated firms in the industry. SPC has presented to the Commission its assessment of the likely impact on canned prices in its application and further submissions.

- 10. As repeatedly explained, however, the prices of raw tomatoes in Italy are the highest in the world, i.e. they are very likely to be higher than whatever benchmark price may be identified by the Commission. Therefore, should the Commission use a*

benchmark price for raw tomatoes to construct the normal value, this would result to a reduction, and not to an increase, of the normal value of the two exporters.

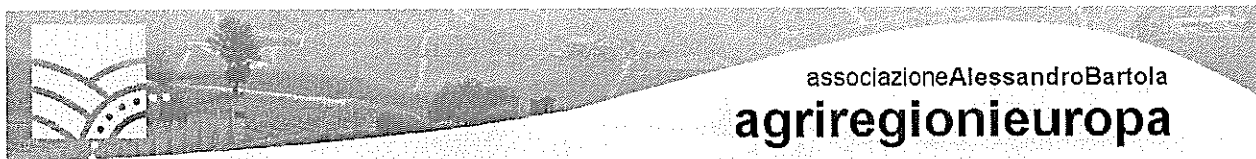
SPC Comments

As explained in previous submissions, the highest price does not indicate that the market is not impacted by subsidy. The price of raw tomatoes would be higher if there was no intervention. The use of other countries for a benchmark is not available to the Commission so the alternative is to increase the price of raw tomato by the level of the subsidy in play.

Exporter Visit Reports

11. The Commission will recall SPC's observations about the relationship between La Doria and its subsidiary, Eugea. The verification report confusingly notes that Eugea does not engage in direct sales (page 8) but then comments that La Doria makes sales to Eugea (pages 31 and 37)

Conclusion: SPC believes that the subsidy rate used for the assessment of market situation should be verifiable information as established in the Regulation and available to the industry.



associazione Alessandro Bartola
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Agrireregionieuropa year 3 No. 11, December 2007

Window on the CAP # 8

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On 20 November, the European Commission will publish a Communication on the health of the CAP, with which it will propose measures to be taken to simplify and improve the operation of the instruments introduced by the Fischler reform in the years that separate us from 2013. The date is important also another important aspect, as will be an opportunity to define the shape and the weight to be taken by the CAP after 2013. This second aspect is all the more important considering that these days has started the consultation Public on the "structure and the guidelines for future spending priorities of the Union" in the revised budget 2008/09.

Meanwhile the press has reported the first rumors about the possible content of the communication, which are consistent with the advances of Commissioner Fischer Boel [pdf]. The major new features include:

- increasing the rate of modulation ;
- the introduction of degressivity and minimum thresholds of aid;
- the abolition of some partially decoupled aid;
- the gradual transition to a flat-rate aid per hectare ;
- the transition to the abolition of milk quotas;
- the abolition of set-aside ;
- review of market measures ;
- the abolition of the aid for energy crops;
- simplification of cross-compliance ;
- the opening of the debate on risk management.

Modulation

The Commission should propose a gradual increase in the rate of modulation, which would rise from 5% in 2009 to 7% in 2010, to 11% in 2012, up to 13% in 2013. As is known, the modulation shifts resources direct assistance (mainly payment only) to rural development. In Italy, under the proposal, it would go up by an annual transfer of approximately 125 million Euros, at a rate of modulation of 5%, to approximately 240 million euro (calculated at a rate of 13%) (Based on data from the 2005 source European Commission [pdf]), or 22.6% of the annual budget for the plans of the rural development national (from 11.8% to 2013 calculated at a rate of modulation of 5%). As well as previously announced, therefore, the Commission would increase the budget for rural development, but, at least until 2013, what would come to be achieved only through an increase in the rate of modulation, acting strictly within the distribution of resources agricultural policies, does not entail the need to revise the financial framework 2007-2013. The rate of modulation would increase gradually from 2010 until 2013 and this means that the proceeds from the cut of 13% would be to make themselves available for the next period of programming. This can be understood as a sign that the modulation is no longer to be considered a tool contingent linked to the need to raise funds to finance rural development programs but which symbolizes the center of gravity of political aid pure annuity to tied aid the realization of development projects. The enormous amount of resources that would come to be moved between the pillars of the CAP makes it necessary to find even now, after careful evaluation of their effectiveness, the measures on which to bet and which provide for the increase in the budget financial. Otherwise you run the risk of perpetuating what has already happened at the Fischler reform, which has "invented" new accompanying measures to allow to use the resources drained by the modulation without changing the PSR already under construction, measures for which there remains a some skepticism about their effectiveness.

Finally, it is worth noting that in the countries where you have applied the modulation voluntary (UK and Portugal) to 2012 (expiration of the time horizon for this measure) direct aid would suffer a greater reduction than the other EU-15 countries, with a cut that would vary from a low of 17.5% in Wales, to a maximum of 25% in England.

Degressivity and minimum thresholds

Advances unofficial indicate that the Commission could propose a tool which has been discussed in the past, degression, ie the gradual reduction of direct aid according to percentages cutting increasing with increasing the amount of aid received. The cut should be concerned aid over 100,000 euro. Between 100,000 and 200,000 Euros of direct aid should be reduced by 10%; between 200,000 and 300,000 euro the cut should be brought to 25%; 300,000 Euros direct aid should be reduced by 45%.

To avoid problems redistributive between countries, the proposal provides that the sums thus obtained remain in the pillar of the country in which they were made savings, forming a portfolio of national expenditure to be used in favor of specific types of farming.

Still based on data from 2005, for Italy it is estimated that they can be involved in the cut of EUR 479 million (which are aid exceeding € 100,000), which would rise to 121,1 million euro of assets, equal to 3.28% of the direct aid. The countries most affected by this measure (both in percentage and in absolute terms), would be Germany, which would sell 10.1% of its direct aid to national portfolio, and the United Kingdom, with a share of the aid 5,8%.

The gradual reduction shall try to overcome the well-known problem of unequal distribution of direct aid between farms, going to hit the big ones in terms of aid received. While the proposals circulated in the past, the resources saved through the cut were to form a fund to be allocated to the improved measures for rural development from the same country, helping to rebalance spending in favor of the weakest areas, the expected proposal in the verification "Health Check" provides for the establishment of a portfolio of national expenditure that remains within the same Pillar I, to be used to support specific types of agriculture. It is not yet clear what is meant by this definition, but it should not deviate much from the "specific types of agriculture" art. 69. While in Italy he finds the failure in the use of the envelope and national struggles on the opportunity to revise the criteria for applying (and, also, the maintenance), the Commission confirms the legitimacy and even enhances the scope of the portfolios of shopping National. As we have discussed on several occasions, Italy had the advantage of being among the few countries that have understood the potential of art. 69, but its implementation has been so distorted by transforming it from a selective instrument aimed at supporting specific production systems to support instrument indiscriminate and aimed at redistributing resources to the same farmers that have been withheld. At the national level, we would therefore need to rediscover and reaffirm the purpose of Article. 69 and at least appropriate to promote an exchange of ideas for the identification of a single strategy and synergistic, and the funds set aside under art. 69 (in 2007 amounted to just under 183 million euro), and the resources freed by phased reduction, to promote growth, competitiveness and sustainability of Italian. Surpassing the old logic of redistribution to rain, which confirmed a short-sighted strategy and loser, totally inefficient and expensive.

In terms of the minimum thresholds, the Commission might be willing to exclude from financing annual aid below a certain threshold and / or may require a higher extension of agricultural land to gain access to the securities. Currently they are allowed to pay only farmers who own at least 0.3 ha of agricultural area. Moreover, in Italy since 2008 he will be allowed to pay only the applications that require a higher amount to 100 euro (including payment only and other direct aid introduced by the reform Fischer).

Partially decoupled aid

The Commission Communication should include the abolition of the aid partially decoupled applied in the crop sector (only from France and Spain), while, in view of the risk of abandonment of vulnerable areas should be retained the regime of partial decoupling in favor of some awards of the livestock sector. Currently as many as 10 countries (Belgium, Denmark, Spain, France, Netherlands, Austria, Portugal, Slovenia, Finland and Sweden) have partially decoupled aid in this area.

Flat-rate aid per hectare

The Commission should propose the gradual transit (2009-2013) the method for calculating the payment only from the company's historical criterion (that, for example, chosen from Italy) to the flat rate for hectare (chosen, for example, from Germany and the United Kingdom). To put it more simply, the aid received by each company would no longer be determined by the aid which the same firm has received in a historical reference period (criterion favored by the former Agriculture Commissioner Fischer) but aid received from historical average 'group of companies belonging to a limited geographical area (presumably the regions and not the Member State) (criterion favored by the current Commissioner Fischer Boel). This would lead to a redistribution of aid in the area identified at the expense of the companies in the past tended to productions more support than in favor of the less advantaged in terms of distribution of direct aid. The larger the area of reference - and the variability of the productions realized with aid during the reference period - and the greater the redistribution of aid. Instead remain unchanged historical distribution of support among Member States.

Market measures and crisis management

The "Health Check" could be an opportunity to eliminate market measures still exist (now grouped in the new Regulation on the single CMO, still awaiting publication). However, the operation is not as simple as you might imagine, given the current turmoil in world markets. Just think about that for cereals in the current campaign is proposed to abolish import duties and setting to zero the rate of set-aside, for Pigmeat open private storage in the wake of increased production costs compared the weakness in market prices. It would therefore be appropriate for the abolition of the traditional instruments of market regulation is accompanied by contextual adoption of appropriate measures to manage market crises.

Energy crops

The communication should include the proposal to abolish the aid for energy crops, which have been shown to respond promptly to the favorable trend in demand and not to need Community support. As will be seen below [link to the News Flash], the 2007 aid could be reduced by 30% as a result of exceeding the maximum guaranteed area.

Milk quotas and set-aside

Milk quotas are set to be abolished by 31 March 2015. The verification of the state of health should contain proposals for a "soft landing" of the system, so as to gradually bring to zero the value of the shares. Among the measures envisaged we are talking about increase in milk quotas and / or reduction of the superlevy. The current rise in prices of milk, however, could make it necessary to anticipate the adoption of these measures.

At the same time the Communication should contain the proposal for the final abolition of set-aside in the arable sector, although this has aroused the protest of environmentalists fear for the damages suffered natural habitats. The dilemma is directly related to the use ambiguous who became the instrument. Created to respond to a specific production requirement (freeze of the surfaces to reduce the production of cereals) subsequently found legitimacy in its effects "derivatives" on the protection and conservation of the environment. Its abolition, therefore, while responding to a precise logic of "liberalization" of the market, should also be assessed on the basis of its effects "secondary" environment.

Conditionality

Communication should review the list of measures that fall within the criteria required management (CGO) and the criteria for the definition of good agricultural and environmental condition (GAEC). The review should also be based on the conclusions of the report of assessment on the application of conditionality approved in June [pdf].

Some final thoughts

In summary, what the CAP 2013? If the proposals contained in the Communication of 20 November were those described above and if they were fully accepted, we could say that by 2013, thanks to the modulation, we would have a CAP a little less unbalanced regarding the financial distribution between the two pillars, but still significantly favorable to I. The transition from a flat rate to a historical criterion would make the payment only a little more socially justifiable; with art. 69 degressivity, the portfolios of national expenditure and conditionality aid would lose part of their income status would become pure and essential tool for the achievement of national policy goals. Overall, it would fall a few degrees of freedom of the Member States, but would increase their sovereignty in the management and finalization of national funds, with which they could try to integrate and make coherence between the measures of the first and second pillar. Reading advances on 'health check will notice the absence of a debate on the rural development. It would appear to be in front of the control on the health of the first pillar and not in the CAP as a whole, as if to cut resources from direct payments to replenish the budget of rural development was in itself a good thing. Instead it is clear that even in the case of the second pillar should be developed a comparison, as well as to verify the effectiveness of the measures taken also to understand the reasons, and suggest possible remedies, the distortions of its application in the territory and of the profound gap between what this policy aims and how you manage to get on the field; especially in light of the increasing interest of the Commission for this policy and increasing funds that are thought to allocate. The risk you run is that it loses its identity and becomes the container in which they are located side by side on the same resources and competing measures as diverse as those for competitiveness to those for the environment, the quality measures to those to combat climate change, by the measures in favor of bioenergy to those for water management.

As for the post-2013, the CAP must show to be able to renew not only the tools but also the objectives pursued. The upcoming negotiations on the future financial framework, in fact, might call into question not only the redistribution of resources between Member States or the balance of the two pillars, but also the financial weight of the CAP in the context of Community policies.

News:

News Flash

Adaptation of the CAP reform (August 2007)

The European Commission has published two regulations aimed at simplifying and clarifying some aspects of the reform of 2003. The Regulation (EC) No. 972/2007 [pdf] makes changes to rules for the application of the rules on cross compliance, modulation and IACS [pdf] about checks and submitting applications. The Regulation (EC) No. 993/2007 [pdf] brings a number of changes to the obligations of the parties involved in the regime of self energy crops, as well as correct the data of the surface of certain new Member States [pdf].

Set aside (September 2007)

The Agriculture Council of 26 September has decided to set at zero the rate of set-aside for the 2007/08 campaign. This should lead to the return to production of an area between 1.6 and 2.9 million hectares currently "frozen" that, on the basis of average yields, should produce at least 10 million tons of cereals [pdf]. The decision was made in response to growing concerns about the shortage of cereals on the markets, which is leading to a great increase in the prices of raw materials and finished products. Securities withdrawal will continue to maintain their validity. To qualify for the amount fixed by law does not need to withdraw from the production area. Read more [pdf]. [pdf]. [pdf].

Suspension of duties for cereals (September 2007).

In response to the difficult market conditions, which have already led to the zeroing of the rate of set-aside, the Commission announced the suspension of import duties for cereals for all remaining 2007/08. It is currently restricted imports of corn, barley and wheat of medium and low quality. Durum wheat and common wheat of high quality entering the EU at zero duty [pdf]. Currently remains uncertain effect of any measure to that effect as the main EU suppliers are struggling with the same problems of scarcity EU. Russia has already approved the imposition of a 10% tax on its exports of wheat and 30% on those of barley from mid-November until the end of April 2008. In recent days circulated also the voice that Russia It is preparing to increase the rate to 30%. According to analysts this would shoot up world prices of cereals. Ukraine, meanwhile, has announced plans to extend the existing shares of exports for wheat, barley and maize until the end of March 2008 and to limit the volume exported 600,000 tons of maize, 400,000 tons for the ' barley and 200,000 tons for wheat for feed use.

Budget Review (September 2007)

September 12 has started the public consultation on the budget review scheduled for 2008-2009. April 15, 2008 is the deadline to submit its observations, comments or suggestions. As you recall the review of all revenue and expenditure of the Community, including the CAP, it was a commitment made by the Member States at the time of approval of the financial perspective 2007-2013. The communication published by the Commission [pdf] the review is not intended to establish the financial framework, nor to define the total amount or the distribution of the budget. It, however, will set priorities for EU spending, focusing on those sectors able to give greater added value. Another aspect that will be examined is the need to provide some flexibility within each financial framework, to ensure that the budget is effectively and quickly adapt to the evolution of the reference context and the emergence of new political priorities. Read more [pdf], [pdf], [link].

"Mini-package" milk (September 2007)

Following the proposal made in March (see Window on Pac n. 6), the Council adopted Regulation (EC) No. 1152/2007 [pdf], [pdf] with which you made the changes CMO of milk products contained in the "mini-package" milk. The new features include: the introduction of a single rate of aid for school milk (€ 18.15 / 100 kg), rather than a rate linked to fat content; the ability to market milk with a fat content other than the existing three categories hitherto (skimmed, semi-skimmed and whole); standardization to a minimum content of 34% of the protein content of milk powder, both whole and skim; the abolition of the intervention trigger for butter: the United States will be able to make purchases in the opening period of public storage at 90% of the intervention price, up to the maximum quantities purchased during the year; the abolition of storage trial for cream and skimmed milk powder; the adoption of a single definition for the quality of butter (in place of the existing 27).

Simplification of cross-compliance (September 2007)

Following the conclusions of the report on the operation of the compliance [pdf], (see Window on Pac n. 7), the European Commission presented a proposal for a regulation to improve the application of the instrument, from 2008 [pdf]. The proposal provides for the introduction of simplifying certain rules such as the introduction of a "de minimis" to raise the threshold to EUR 100 below which not to apply the reductions of aid; the phasing in of the statutory management requirements in the new Member States (2009 to 2011 for 10 Nsm and 2012-2014 for Bulgaria and Romania); the clarification of responsibilities in the event of sale of agricultural land. The same proposal abolishes also the 10-month rule, namely the period of time in which the parcel should remain available to the farmer in order to receive the payment only. To avoid the risk of double questions on the same surface is established that can apply for the aid to the farmer who provided the surface as at 15 June of the year in question.

RDP national 2007-2013 (September-October 2007)

The Committee for Rural Development has given a favorable opinion with other 18 rural development programs for the period 2007-2013. It also approved the National Framework of Spain that will be implemented through the presentation of 17 regional programs (corresponding to the Autonomous Communities) and 2 horizontal programs. This is the RDP of Austria, Cyprus, Lithuania, Luxembourg and Hungary, in addition to those of Flanders (Belgium), 6 of 6 German regions and other Italian regions (Campania, Friuli Venezia Giulia, Liguria, Lombardy, Tuscany and Veneto). Of the 18 programs approved, those of Austria and Hungary have the highest allocation of resources out of the EAFRD, just under 4 billion euro, although, in the first case, 72% of those resources is allocated to Axis II, while in Hungary just under 45% is placed in Axis I and Axis II only 33%. The approval of the RDP of the six Italian regions brings to 8 the number of approved programs to Italy, after those of Bolzano and Emilia Romagna (see Window on Pac n. 7). The budget is higher than that applicable to Campania, with just over 1 billion euro. Read more [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf] [pdf].

Table 1 - RDP national - Portion funded by EAFRD

	Axis I		Axis II		Axis III		Leader		Assistance technique		Total	
	mln €	%	mln €	%	mln €	%	mln €	%	mln €	%	mln €	%
Austria	541	13.8	2,829	72.3	254	6.5	214	5.5	74	1.9	3,911	100
Belgium-Flanders	135	60.0	56	25.0	18	8.0	11	5.0	4	2.0	225	100
Cyprus	70	43.4	71	43.6	14	8.9	4	2.7	4	2.4	163	100
Germany												
- Hamburg	11	44.4	6	24.7	6	23.8	1	4.9	1	2.1	25	100
- Baden-Württemberg	104	17.0	390	63.8	80	13.1	31	5.1	6	1.0	611	100
- Lower Saxony Bremen +	339	41.5	205	25.1	195	23.9	60	7.4	17	2.1	815	100
- Saarland	4	16.8	10	36.1	9	30.8	4	14.6	1	1.8	28	100
- Rhineland-Palatinate	91	37.2	102	41.6	26	10.7	22	8.1	6	2.4	245	100
- Thuringia	182	26.3	311	4.9	155	22.4	35	5.1	10	1.4	693	100
Italy												
- Campania	433	40.0	390	36.0	162	15.0	54	5.0	43	4.0	1,082	100
- Friuli Venezia Giulia	47	43.1	40	36.7	11	10.1	7	6.4	4	3.7	109	100
- Liguria	50	47.2	25	23.6	7	6.6	21	19.8	3	2.8	105	100
- Lombardy	125	31.5	204	51.6	36	9.0	20	5.0	11	2.8	396	100
- Tuscany	142	38.5	148	40.0	39	10.5	37	10.0	4	1.0	369	100
- Veneto	177	44.1	149	36.9	20	5.0	44	11.0	12	3.0	402	100
Lithuania	698	40.0	660	37.8	207	11.9	110	6.3	70	4.0	1,743	100
Luxembourg	26	28.4	53	58.9	6	6.9	5	5.9			90	100
Hungary	1,698	44.6	1,250	32.9	496	13.0	209	5.5	152	4.0	3,805	100

Source: DG Agri

Exceeding milk quotas (October 2007)

According to provisional calculations of the [European Commission](#) it shows that at the end of 2006/07, there was an excess over the reference quantity Community of 774,148 tons, and this resulted in the imposition of a levy of € 221 million against eight countries. Italy, with a surplus of 617,623 tons - equal to 6% of its share - is the country that will have to pay the heaviest price, because it will have to credit the Community of EUR 176 million (almost 80% of total) . Austria follows with a slippage of 3.3% and a fine of about 25 million euro [pdf] .

Aid for energy crops (October 2007)

In 2007 it was found to exceed the maximum guaranteed area set for energy crops. Because of that surplus, the aid of 45 € / ha will be paid only on 70.3% of the area for which the producers have applied. The latter, in fact, amounted to approximately 2,843,000 hectares, above the threshold of 2 million hectares granted to the EU 25 [pdf] . Thanks to the simplification of the system, but above all to the strong demand for raw material for biofuel production, the area under cultivation has undergone a dramatic increase in the four years of the adoption of the regime, from just under 310,000 hectares in 2004 to 570 thousand in 2005, to 1.23 million hectares in 2006. In 2007, over the previous year, there was an increase of 59%. Italy pointed out one of the highest rates of increase (+ 630%). However, in absolute terms, the area dedicated to energy crops in our country is equal to just 1.3% of total EU-27. The main producer country is France, with a share of 25%. In its review, the health of the [CAP](#) should be proposed elimination of aid for these crops.

Modulation voluntary (October 2007)

The UK has officially notified the [European Commission](#) the annual rates of modulation that will be applied to voluntary regional level in the period 2007-2012 [pdf] . Then reported in the previous issue of [Window](#) [link] changes the rate charged by Wales, which will start with a one-year delay compared to other regions and that at the end of the period will apply the lower rate. To 2012 the amounts resulting from the modulation will be voluntary totaled 481.6 million euro. In total, in 2007-2013, the envelope for [Rural Development](#) of the United Kingdom, due to the increase of funds derived from modulation voluntary, would increase from 1.9 billion euro to 4.6 billion euro [pdf] .

Table 2 - United Kingdom - Rates of modulation voluntary set at regional level (%) and amounts made available to the EAFRD (EUR million)

	2007	2008	2009	2010	2011	2012
Northern Ireland (%)	4.5	6.0	7.0	8.0	9.0	9.0
England (%)	5.0	5.0	5.0	7.0	9.0	11.0
Wales (%)	0.0	2.5	4.2	5.8	6.5	6.5
Scotland (%)	5.0	6.0	8.5	9.0	9.0	9.0
	million euro					
Total net amounts of modulation	392.2	424.0	464.4	475.5	481.6	481.6

Source: Commission Decision 679/2007

CMO pork (October 2007)

Following growing costs of production (+ 35% in the period September 2006-September 2007), linked to increases in the prices of cereals, and low market prices, the Management Committee decided to open private storage for pig meat [pdf] . Storage provides for the payment of aid for the meat stored by the producers for a period of 3 to 5 months. The Commission estimates that the system will affect about 100,000 tons of meat (0.5% of EU production) that will result in a charge of EUR 40 million [link] .

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Aid for the restructuring and conversion of vineyards (October 2007)

The European Commission has set the definitive financial allocations to Member States for 2006/07 (financial year 2007) [pdf]. These allocations take into account the request for additional funding made by some countries and the penalties applied in Malta for actual expenses for hectare higher than the initial budget. For 2007, the expense of Italy are limited to the amount of the initial budget because the expenses incurred and validated expenditure together exceeded what was initially assigned to our country [pdf]. Finally, the Regulation (EC) No. 968/2007 [pdf], pending the approval of the reform, apply for the 2007/08 marketing year to the regions 'Convergence' a percentage of the Community contribution to the costs of restructuring and conversion of vineyards shall not exceed 75%, so as provided by Article. 13, paragraph 3, of Regulation (EC) No. 1493/1999 [pdf].

Reimbursement Pac (October 2007)

The European Commission adopted a decision [pdf] with a request to the 12 Member States of the EU-15 (excluding Austria, Finland and Luxembourg) the repayment of 145.2 million euro, for expenses incurred in the implementation of the CAP but that are unduly paid [pdf]. Italy will have to return the highest amount (83.4 million euro), mainly due to the poor quality and quantity found in the checks on production aid for olive oil. Followed by France, with just under 51 million Euros, to found the statutory recognition of producer organizations.

CMO sugar: preventive withdrawal (October 2007)

The European Commission has confirmed the preventive withdrawal of 2,012,058 tons of sugar, be exempt from the quota set for the 2007/08 marketing year, determined on a provisional basis in March with Regulation (EC) No. 290/2007 [pdf] (see Window on Pac n. 6). According to the latest forecasts, the adopted measure and the decision to keep alive refunds exports will lead to a rebalancing of the market for 2007/08, without the need for a further reduction of quotas.

A reform of the CMO sugar (October 2007)

Were approved changes sugar CMO became necessary to improve the functioning of the restructuring scheme and bring the Community sugar production to sustainable levels [pdf] [pdf] [pdf]. The political agreement on the draft regulation presented in May was reached by qualified majority, with the abstention of the delegations of Lithuania, Latvia and Romania, and voting against the Czech Republic, Denmark and Slovakia [pdf]. The main news for the sector include the possibility for companies that have already made the withdrawals for the 2008/09 marketing year to present an additional demand of abandonment after the publication of the forecasts for the country (two-step approach). The beet growers and sugar cane for the production of quota sugar may submit a direct application for restructuring aid. If accepted, Member States must reduce the quota of the undertakings concerned within the limit of the 10%. To beet growers will be allocated a share of restructuring aid to a maximum of 10% of the aid to be granted to sugar undertakings. In this way it is eliminated the uncertainty as regards aid received by the latter. The beet growers and machinery contractors will receive as compensation a payment additional € 237.5 / tonne of sugar quota renounced. Such payment will be available for the 2008/09 marketing year and may be made, subject to certain conditions, for the 2009/10 campaign. The same amount will be paid retroactively to producers who were affected by the reduction in 2006/07 and 2007/08. Companies that in 2008/09 renounce a percentage of their quota of the percentage of preventive withdrawal fixed by the Commission under Regulation 290/2007 (13.5%) are exempted from part of the temporary restructuring amount to be paid for the 2007/08 campaign. By the end of February 2010, the Commission, based on the results of the restructuring scheme, will decide the percentage of reduction of quotas to avoid market imbalances from the year 2010/11. This percentage will take account of waivers of shares already carried out by Member States.

CMO wine reform (October 2007)

He continues the discussion in the Council and the European Parliament on the proposed reform of the CMO for wine. Difficult issues concerning the abolition of the practice of sugaring and the liberalization of planting rights. The first question is a clear split between the countries of northern Europe, opposed to the abolition, and the southern countries, which support the Commission's proposal. It was also rejected a compromise text of the Commission that would allow the preservation of the practice of enrichment with sucrose only to small producers and with indication of the presence of sugar on the label. The second question you record the positions of some countries in favor of the abolition of planting rights and others who would like to postpone the issue until 2013. In the last Council of Ministers (October 22 to 23), the Portuguese Presidency submitted to agricultural ministers groped for a questionnaire to find convergence on other issues of the dossier [pdf] [pdf]. The first question asked Member States to indicate what measures would be funded by the national envelopes (envelope), taking into account the transfer of funds to the second pillar. The measures most get wind were found to be aid for restructuring and / or conversion, processing and / or marketing; promotion of new production techniques; the promotion of domestic and international; agri-environmental measures; measures to prevent market crises; collecting "green". The delegations of the new Member States are also requested to review the criteria for allocating resources between countries to overcome the handicap of the lack of historical data, but the Commission has expressly said they do not want "the lid off Pandora's box." The second question asked the Member States to express their opinion on the possibility of allowing them to use part of the national envelopes to distribute decoupled aid under the scheme payment only. The proposal has aroused the enthusiasm of most of the delegations did not consider it sufficient to offset the ban on sugaring. The last question, finally, covered the abandonment program. The Commission indicated its willingness to discuss much of the duration of the scheme (the current proposal is for 5 years) the extent of the surfaces involved (200,000 hectares), if this would help free up resources for other consolidation measures sector. In terms of parliamentary work, in the Agriculture Committee has had the first debate on the report Castiglione on the proposed reform of the Commission. The rapporteur agrees with the analysis of the sector and the reform of the system, but suggests some corrective, which the application of the grubbing just three campaigns and limited to 150,000 hectares with a stable aid and not decreasing. The rapporteur does not share the idea of transferring part of the funds to the second pillar, as well as the opinion that the measures be revised on designations of origin and the indications on the label. The report will be voted on 21 November in the Agriculture Committee and the 10 to 13 December in the European Parliament, in order to allow to reach a political agreement in the Agriculture Council of 17 to 19 December.

Transparency (October 2007)

The Agriculture Council reached political agreement on the proposal amending Regulation (EC) No. 1290/2005 [pdf] [pdf] on the financing of the common agricultural policy (see Window on the CAP n. 6), whose main innovation is the post publication, for financial year, the beneficiaries of EU funds. The publication will be responsible for the United States and will cover the beneficiaries of the EAGF from 16 October 2007 and the beneficiaries of the EAFRD from 1 July 2007. On the proposal of Regulation was favorably also expressed the European Parliament who voted for the Chatzimakakis report [pdf].

Activities Mipaaf

Labeling olive oil (October 2007)

It was published in the Official Gazette no. 243 Ministerial Decree (DM 9 October 2007 [pdf]) setting out the mandatory and must be stated on the labels of virgin and extra virgin olive oil. The labels must appear on the indication of the Member State or third country in which the olives were harvested and where the mill is located. In the case of olives from several countries on the label should be given all the countries in descending order of quantity used. Even in the case of oil blends from more countries, on the label must be shown a list of all the States or third countries in which they were extracted oils. The designation at the regional level is limited to the production of a protected designation of origin or geographical indication. The decree will come into force on 19 January 2008. It expects to open an infringement procedure against Italy for breach of competition rules. In the past, with the Law no. 318/98, Italy had issued regulations on the labeling of oils that had sparked a heated controversy between the world of producers and industry. The first, in fact, considered the law a significant step towards the enhancement of the oil "Italian" and the protection of quality, the second on the contrary, they deemed highly dangerous and inapplicable, because in its formulation did not take into account the fact that Italy is a country that is structurally deficient and therefore need to procure foreign markets. The law ended up being overtaken by Regulation (EC) No. 2815/98 [pdf] on trade rules on olive oil, which defines it as the place of origin of the oil olive processing and not that of their production. Against this Regulation Italy appealed to the European Court of Justice, which rejected it. After about 10 years history repeats itself.

National Reserve (October 2007)

To take account of the changes to the sugar component of the national ceiling, Mipaaf adjusted the national ceiling for the calculation of regional averages, to be used in the management of the national reserve [pdf].

Fruit and vegetables CMO reform (October 2007)

After reaching the cartel within the Standing Conference of State-Regions, Mipaaf has released four ministerial decrees implementing the reform of the CMO fruit and vegetables, contained in Regulation (EC) No. 1182/2007 [pdf] (see Window on Pac n. 7). Italy, with the agreement of the whole chain, and with the exception of Coldiretti, has decided to apply a transitional period before the full introduction of the new regime to almost all fruit and vegetables for processing, except citrus. For industrial tomatoes and pears and peaches for processing the transitional period will last for three years (2008, 2009 and 2010), during which the producers will be paid to help hectare partially decoupled. For industrial tomatoes [pdf] [pdf] the aid will be targeted to producers (associated OP) to the area of set-processing contract. Only 50% of the national ceiling (of EUR 91.98 million) will be earmarked to help hectare. As of 1 January 2008 the remaining 50% will be assigned to the historical producers of tomatoes for processing on the basis of the average production of industrial tomatoes allowed to award campaigns 2004/05, 2005/06 and 2006/07. For the period 2008-2010 the value of the reference amount will be equal to 50% of the historical value. As from 1 January 2011 will be paid on 100% of the amount accrued up to a maximum of 183,967,000 euro. The number of hectares for the establishment of the payment entitlement under the single payment scheme (and the number of securities) is determined on the basis of the average area used to produce tomatoes for processing in the historical reference period. Consequently, during the transitional period 50% of the national ceiling will be shared among all applicants on the basis of the area of negotiation and the other 50% will be assigned to the historical producers that fall under the single payment scheme. From 2011 on they will be awarded the 100% of national ceiling in the form of entitlements.

For pears and peaches for processing [pdf] [pdf] with the help hectare of the transitional period (2008-2010) It will be allocated to producers (associated OP) for the object surface bargaining, limited to the varieties eligible for the aid provided by the "old" regime. During the transitional period around the ceiling for the two crops (7,567,000 euro for pears and 1 million euro for peaches) it will be paid in the form of aid to hectare. As of 1 January 2011 to the historical producers (three years 2004/05, 2005/06 and 2006/07) will be given a title for payments under the single payment scheme on the basis of the average production intended for processing eligible to award, within the ceiling of each of the two products. The average number of hectares for calculating the aid and the amount of the securities is the average of the areas used to produce pears and peaches for processing in the historical reference period.

For plums, the transition from the old to the new regime will be even more gradual. It has been decided [pdf] [pdf] to apply a transitional period of five years: in the first three (2008, 2009 and 2010) for the producers of plums for processing and associated with OP will be awarded to help hectare for surface subject of a contract for processing. In this three-year period for this aid it will be allocated the entire ceiling and payable by sector (1,133,000 euro). The next two years (2011 and 2012) to help hectare will be allocated only 75% of the amount (of EUR 0.850000000). The remainder will be allocated to producers on the historical basis of the areas used for growing plums for processing during the representative period (campaign 2004/05, 2005/06 and 2006/07). From 2013, these producers will be awarded the 100% of the national ceiling. Similarly for tomatoes, peaches and pears, the average number of hectares used to produce prunes in the historical reference period will define the value and number of securities of each manufacturer.

To define the framework dell'ortofrutta intended for processing is missing Decree on citrus fruit, even though this sector has been reached an agreement to table food processing, stipulating the immediate decoupling of aid. The producers of citrus fruits (both destined for the fresh market that for processing, regardless of whether or not they have a holding file) as from 1 January 2008 should be granted licenses under the single payment scheme. The reference amount for each agricoltore should be calculated on the basis of the area planted with citrus in 2006, including areas that will emerge from the prior survey in progress [pdf], up to a limit of 121,990,000 euro. To avoid excessive redistribuzione resources, to the historical producers of citrus for processing should be recognized assistance increased.

Table 3 - Implementing the reform of the CMO for fruit and vegetable products for processing

	Transitional period	Duration	Percentage of "coupling"	RPU
Tomato	Yup	2008-2010	50%	2008-2010 = 50% from 2011 = 100%
Pears, peaches	Yup	2008-2010	100%	from 2011 = 100%
Prunes	Yup	2008-2010 2011-2012	100% 75%	2011-2012 = 25% from 2013 = 100%
Citrus *	No			2008 = 100%

* Information Unofficial

Source: Mipaaf

Based on the decisions concerning the aid for fruit and vegetables became Italy extended until 2010 the prohibition to use the land eligible for the single payment scheme for the production of ware potatoes, nursery and fruit trees, to except citrus [pdf]. It remains to decide whether to keep state aid for potatoes and for how many years (maximum four years); whether to grant state aid to producers who are not members of POs for the management of market crises, and what percentage of the time (maximum three years); how to use the one-off amount allocated to a segment of industrial tomatoes (15 million euro); the national strategy.

Conditionality (October 2007)

Mipaaf issued a new decree of application of conditionality, which introduces important new [pdf] [pdf]. The decree stipulates the time within which the Regions and Autonomous Provinces will translate into commitments at the local level actions relating to Statutory Management Requirements (Cgo) and standards framework for maintaining land in good agricultural and environmental condition (BCAA). For commitments for 2007 local governments have time 60 days of the Decree; for 2008, the list of commitments will have to be defined by 31 December 2007; for subsequent years, the list of commitments to be fixed before 31 October of the year preceding the application. In addition to the strict definition of the timing, the new law expands the list of national measures to be adherence by Cgo, introducing new acts of issue or previously overlooked. Also, it makes changes to the list of rules for the respect of BCAA. First introduces a new provision under Objective 2 relating to the maintenance of soil organic matter and the preservation of its structure. The new "norm 2.2: Rotation of crops" introduces the obligation of the rotation on the same plot of land. It is therefore permitted monoculture crop for up to five years for maize and sorghum and for up to three years for durum wheat, wheat, triticale, spelled, rye, barley, oats, millet, canary seed and buckwheat. The regions and autonomous provinces will establish more restrictive rules. It is an exception to the rice and when it is shown that even in the monoculture soil organic matter is maintained. Second it integrates standard 3.1 Objective 3 on protection of soil, ruling that the use of the machines will have to be done under conditions and in ways that avoid the deterioration of the soil structure. Finally, under Objective 4 for the minimum level of maintenance of the land, with standard 4.1 on the protection of pastures it was introduced the respect of stocking density of livestock grazing for hectare of surface grazed, which may not exceed annually 4 Uba / ha and can not be less than 0.2 Uba / ha.

Documentation

Trade Statistics (September 2007)

The European Commission has published an update of static on agricultural trade, based on data from Eurostat [link]. The information covers a period from 1999 to 2006 and describe the position of the EU-25 in the world context. Are taken separately into account trade flows to and from the new accession countries (Bulgaria and Romania) and candidate countries (Turkey, Croatia and the former Yugoslav Republic of Macedonia).

Agricultural trade of the EU (July 2007)

The [European Commission](#) has published the latest issue of the "*Monitoring Agri-trade Policy*" which compares the results of the medium-term forecasts of the world market for agricultural products processed dall'Oecd- [FAQ](#) than those compiled by [FAPRI 2007](#) [[pdf](#)] .

Spending Feoga -Guarantee 2006 (October 2007)

The Council of the European Union has published the 36th financial report on the [EAGGF](#) -Guarantee (2006), accompanied by a working document of the Commission services [[pdf](#)] [[pdf](#)] . The detail of the fees will be published on [DG Agri](#) [[link](#)] .

Themes: [Europe and the CAP](#)

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Riforma dell'Ocm ortofrutta (ottobre 2007)

Fruit and vegetables OCM reform (October 2007)

Dopo il raggiungimento dell'intesa nell'ambito della Conferenza permanente Stato-Regioni, il Mipaaf ha reso noti 4 decreti ministeriali di applicazione della riforma dell'Ocm ortofrutta, contenuta nel regolamento (CE) n. 1182/2007.

After reaching the agreement regarding the permanent conference Regions-State, Mipaaf published 4 ministerial decrees of the fruit and vegetables ocm reform, contained in the guideline (CE) n. 1182/2007.

L'Italia, con l'accordo di tutta la filiera e con la sola eccezione della Coldiretti, ha deciso di applicare un periodo transitorio prima della piena introduzione del nuovo regime a quasi tutti i prodotti ortofrutticoli destinati alla trasformazione, tranne che agli agrumi.

Italy, with an agreement of the whole production and with the only exception of Coldiretti (it is a union, ndr) has decided to apply a period of transition before fully introducing the new rules to all fruit and vegetable produce destined to transformation, with the exception of orange, lemon and the like.

Per il pomodoro da industria e per le pere e le pesche destinate alla trasformazione il periodo transitorio avrà la durata di 3 anni (2008, 2009 e 2010), nel corso del quale ai produttori verrà corrisposto un aiuto ad ettaro parzialmente disaccoppiato.

For the industrial tomatoes and for pears and peaches destined to transformation, the transition period will last three years (2008/2009/2010) during which a partially disjoined aid per hectare will be remitted to the producers.

Per il pomodoro da industria l'aiuto sarà destinato ai produttori (associati in OP) per la superficie oggetto di contratto di trasformazione. Solo il 50% del plafond nazionale (91,98 milioni di euro) sarà destinato all'aiuto ad ettaro.

For the industrial tomatoes the aid will be destined to producers (associated in OP) for the surface object of the transformation contract. Only the 50% of the national plafond (91,98 million euros) will be destined to the aid/hectare.

A partire dal 1° gennaio 2008 il restante 50% sarà assegnato ai produttori storici di pomodoro destinato alla trasformazione sulla base della media della produzione di pomodoro da industria ammessa a premio nelle campagne 2004/05, 2005/06 e 2006/07.

From 1st Jan 2008, the remaining 50% will be destined to the 'historical' tomato producers on the basis of a production average admitted to premium in the campaigns 004/05, 2005/06, 2006/07.

Per il triennio 2008-2010 il valore dell'importo di riferimento sarà pari al 50% del valore storico. A decorrere dal 1° gennaio 2011 sarà corrisposto il 100% di quanto maturato, entro un massimale di 183,967 milioni di euro.

For the three years 2008-2010 the value of the reference figure will be 50% of the historical value. From 1st Jan 2011 the 100% of what matured will be given, within an upward max of 183,967 million euros.

Il numero di ettari per la definizione del diritto all'aiuto nell'ambito del regime di pagamento unico (e del numero di titoli) è stabilito sulla base della media delle superfici utilizzate per produrre pomodoro destinato alla trasformazione nel periodo storico di riferimento.

The number of hectares to define the right to the aid in the setting of unique payment (and of the number of titles) is established on the average of the surfaces used to produce tomatoes destined to transformation during the 'historical' period of reference.

Di conseguenza, durante il periodo transitorio il 50% del plafond nazionale sarà suddiviso tra chiunque ne faccia domanda sulla base della superficie oggetto di contrattazione e l'altro 50% sarà assegnato ai produttori storici che ricadono nel regime di pagamento unico. A partire dal 2011 a costoro sarà assegnato il 100% del plafond nazionale sotto forma di diritti all'aiuto.

Consequently, during the period of transition, 50% of the national plafond will be allocated between whoever applies for it in relation to the surface object of contract, and the other 50% will be allocated to the 'historical' producers that fall into the category of unique payment. Starting from 2011 to them will be assigned 100% of the national plafond in the form of rights to the aid.

Per le pere e le pesche destinate alla trasformazione [pdf] [pdf] l'aiuto ad ettaro del periodo transitorio (2008-2010) sarà destinato ai produttori (associati in OP) per la superficie oggetto di contrattazione, limitatamente alle varietà ammissibili all'aiuto previsto dal "vecchio" regime. Nel periodo transitorio tutto il plafond destinato alle due colture (7,567 milioni di euro per le pere e 1 milione di euro per le pesche) sarà erogato sotto forma di aiuto ad ettaro. A partire dal 1° gennaio 2011 ai produttori storici (triennio 2004/05, 2005/06 e 2006/07) sarà attribuito un titolo all'aiuto nell'ambito del regime di pagamento unico sulla base della media della produzione destinata alla trasformazione ammessa a premio, nei limiti del massimale di ciascuna dei due prodotti. Il numero medio di ettari per il calcolo dell'aiuto e del numero di titoli è dato dalla media delle superfici utilizzate per produrre pere e pesche destinate alla trasformazione nel periodo storico di riferimento.

This was about peaches.

Per le prugne, il passaggio dal vecchio al nuovo regime sarà ancora più graduale. È stato infatti deciso [pdf] [pdf] di applicare un periodo transitorio di 5 anni: nei primi tre (2008, 2009 e 2010) ai produttori di prugne destinate alla trasformazione e associati ad una OP sarà attribuito un aiuto ad ettaro per la superficie oggetto di un contratto di trasformazione. In questo triennio a tale aiuto sarà destinato l'intero plafond nazionale maturato dal settore (1,133 milioni di euro). Nei due anni successivi (2011 e 2012) all'aiuto ad ettaro sarà destinato solo il 75% del plafond (0,850 milioni di euro). La restante parte sarà attribuita ai produttori storici sulla base delle superfici utilizzate per la coltivazione di prugne destinate alla trasformazione durante il periodo rappresentativo (campagne 2004/05, 2005/06 e 2006/07). A partire dal 2013 a tali produttori sarà attribuito il 100% del plafond nazionale. Allo stesso modo che per pomodori, pere e pesche il numero medio di ettari utilizzati per produrre prugne nel periodo storico di riferimento definirà il valore ed il numero dei titoli di ciascun produttore.

This about plums

Per definire il quadro dell'ortofrutta destinata alla trasformazione manca all'appello il decreto sugli agrumi, sebbene anche per questo settore sia stata raggiunta una intesa al Tavolo agroalimentare, in cui si stabiliva l'immediato disaccoppiamento degli aiuti. Ai produttori di agrumi (sia destinati al mercato del fresco che alla trasformazione, indipendentemente dal fatto che abbiano o meno un fascicolo aziendale) a partire dal 1° gennaio 2008 dovrebbero essere attribuiti titoli nell'ambito del regime di pagamento unico. L'importo di riferimento per ciascun agrumicoltore dovrebbe essere calcolato sulla base della superficie coltivata ad agrumi nel 2006, comprese le superfici che risulteranno dalla ricognizione preventiva in corso di realizzazione [pdf], entro un massimale di 121,99 milioni di euro. Per evitare una eccessiva redistribuzione delle risorse, ai produttori storici di agrumi destinati alla trasformazione dovrebbe essere riconosciuto un aiuto maggiorato.

This was about oranges and lemons (etc)

Tab 3 Applicazione della riforma dell'Ocm ortofrutta ai prodotti destinati alla trasformazione

	Periodo transitorio	Durata	Percentuale di "accoppiamento"	Rpu
Pomodoro	Sì	2008-2010	50%	2008-2010 = 50% dal 2011 = 100%
Pere, pesche	Sì	2008-2010	100%	dal 2011 = 100%
Prugne	Sì	2008-2010	100%	dal 2011 = 100%
		2011-2012	75%	dal 2013 = 100%
Agrumi*	No			dal 2008 = 100%

The tab should be clear (wrap up)

Sulla base delle decisioni in merito agli aiuti per l'ortofrutta trasformata l'Italia ha prorogato fino al 2010 il divieto a utilizzare le superfici ammissibili al regime di pagamento unico per la produzione di patate da consumo, di vivai e di alberi da frutto, ad eccezione degli agrumi.

Non relevant.

Resta ancora da decidere se mantenere gli aiuti di Stato per le patate e per quanti anni (massimo quattro anni); se concedere aiuti di Stato ai produttori che non sono membri di OP per la gestione delle crisi di mercato, in che percentuale e per quanto tempo (massimo tre anni); come utilizzare l'importo una tantum attribuito al settore del pomodoro da industria (15 milioni di euro); la strategia nazionale.

More on potatoes and exceptions for non members of Ops; how to use the 'una tantum' (once only) figure attributed to the branch of the industrial tomato (15 million euros); national strategy.