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European Union

Agricultural Situation

EU 2002 Budget for Fruit and Vegetables

2002

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Report Highlights:

The 2002 EU budget for fresh fruit and vegetables decreased by 10.7 percent and increased by 18 percent for processed fruit and vegetables.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

EU Budget for Fruit and Vegetables - Financial Year 2002

The European Agricultural Guidance and Guarantee Fund (EAGGF) for financial year 2002 was recently published in Official Journal L29. The guarantee section finances expenditures on agricultural market organizations and rural development measures that accompany market support. The guidance section finances other rural development measures that are not covered by the guarantee section. The budget for fresh fruit and vegetables decreased by 10.7 percent compared to 2001 and increased by 18 percent for processed fruit and vegetables. Expenditures on the fruit and vegetable sector account for 4% of the EAGGF guarantee section.

EU funding for quality and marketing improvement plans for certain nuts which expired in 2001 - including those that expired in 2000 but were extended until June 2001 - was recently extended for one more year (Council Regulation 545/2002 - Official Journal L 84). Approximately 41 percent of the area registered under the original 10-year support plans expired in 2000 and a further 21 percent expired in 2001. The one-year extension of the 54 million Euro nut aid measures is not yet included in the 2002 budget. These measures would be funded, if economic developments permit, by transfers from other market measures in the 2002 budget or by a supplementary and amending budget.

Table 1 - EAGGF Fresh Fruit and Vegetables			
in Euro	Appropriations 2002	Appropriations 2001	Actual 2000
Export refunds	35,000,000	40,000,000	32,839,592
Compensation for withdrawals and buying in <i>This appropriation is intended to cover expenditure on:</i> <i>- financial compensation to producer organizations</i> <i>- processing and distribution of products withdrawn or bought in</i>	143,000,000	158,000,000	169,240,422
Operational funds for producer organizations <i>Intended to cover the Community's part-financing of operational funds for producer organizations</i>	386,000,000	380,000,000	270,249,343
Specific measures for hazelnut producers	-	4,000,000	10,307,107
Nuts	45,000,000	94,000,000	107,037,940
Bananas <i>Intended to cover:</i> <i>- aid to compensate for loss of income granted to Community producers who market their bananas in compliance with the common standards</i>	303,000,000	326,000,000	234,348,299
Other intervention <i>Intended to cover:</i> <i>- expenditure resulting from grubbing up</i> <i>- financial contributions for the purpose of restructuring the fruit & vegetable sector most affected by the abolition of transitional measures laid down in the Act of Accession of Spain and Portugal</i>	5,000,000	25,000,000	8,900,757
TOTAL FRESH	917,000,000	1,027,000,000	832,923,460

Processed Fruit and Vegetables			
Export refunds	8,000,000	10,000,000	13,306,639
Production aid for processed tomato products	285,000,000	215,000,000	279,199,902
Production aid for fruit-based products Intended to cover expenditure on aid for processing peaches, pears, prunes and figs	83,000,000	80,000,000	84,181,610
Production aid and intervention for dried grapes	127,000,000	125,000,000	122,057,175
Compensation to encourage processing of citrus fruit	231,000,000	189,000,000	214,807,851
Production aid for processed raspberries	-	1,000,000	1,043,771
Specific measures Covers aid to asparagus producers	-	1,000,000	704,397
Other Intended to cover other expenditure on fruit and vegetables and take account of: - amounts recovered in cases of irregularity or fraud - penalties and interest received - securities forfeited and, in particular, those to be credited to the EAGGF pursuant to the proposal for a regulation - amounts retained pursuant to art. 7 of reg. 595/91 where the payment was originally entered in the accounts of this chapter. However, amounts relating to public storage operations will continue to be entered in the storage accounts.	- 1,000,000	- 1,000,000	- 2,141,134
TOTAL PROCESSED	734,000,000	621,000,000	715,301,344
GRAND TOTAL	1,650,000,000	1,647,000,000	1,546,083,669

Table 2 - Actual Expenditure by Member State, 2000 & 1999 (in million Euro)										
Member State	Operational fund for Producer Organizations		Export Refunds		Withdrawals		Production Aid - Tomato Products		Production Aid - Fruit Based Products	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Belgium	17.2	19.2	2	0.3	0.9	1.6	-	-	-	-
Denmark	1.1	0.5	-	0.0	-	-	-	-	-	-
Germany	11.5	10.3	1.4	1.5	0.9	1.2	-	-	-	-
Greece	1.6	1.7	13.4	10.2	51.6	9.9	35.2	52.9	27.4	20.2
Spain	70.7	72.1	17.9	13.2	38.4	31.7	40.7	47.8	16.7	19.1
France	50	47.6	3.7	3.7	19.3	23.1	12.3	14.4	28.6	41.4
Ireland	0.5	-	-	-	-	-	-	-	-	-
Italy	66	54.1	6.0	7.5	52.2	17.2	155.4	166.3	11.4	13.6
Netherlands	35	37.2	1.4	2.2	1.7	3.0	-	-	-	-
Austria	0.9	0.6	0.1	0.1	-	0.0	-	-	-	-
Portugal	0.5	0.3	0.2	0.2	1.5	0.2	35.6	40.5	0.1	0.1
Finland	0.1	0.2	-	0.0	-	-	-	-	-	-
Sweden	1.3	1.0	0.1	0.2	-	-	-	-	-	-
United Kingdom	13.8	11.6	-	1.2	2.7	2.7	-	-	-	-
TOTAL	270.2	256.4	46.1	40.5	169.2	90.6	279.2	321.9	84.2	94.4

There was a sharp increase in EU fruit production and in withdrawals in 2000 compared with 1999. EU production of **apples** went slightly up on the previous year and totaled 8.6 million tons in 2000; quantities withdrawn amounted to 217,633 tons. EU production of **pears** increased with 6.5 percent and totaled 2.4 million tons; quantities withdrawn amounted to 87,293 tons. EU production of **peaches** increased significantly, up 32 percent, and totaled 3.4 million tons; quantities withdrawn amounted to 310,949 tons. EU production of **nectarines** also increased sharply, by 38 percent and totaled 934,000 tons; quantities withdrawn amounted to 208,954 tons. EU production of **oranges** increased with 22 percent and totaled 5.8 million tons; quantities withdrawn amounted to 184,624 tons.

Table 3 - Nut aid measures, charged against the 2000 budget (in million Euro)	
Greece	0.1
Spain	103.7
France	2.4
Portugal	0.8
TOTAL	107

Sources:

- European Commission (EU Budget 2002, 29th and 30th Financial Report on EAGGF, Agricultural Situation in the

EU 2000 report)
- European Fresh Produce Association