

Voluntary Report – Voluntary - Public Distribution

Date: August 05,2020

Report Number: BE2020-0013

Report Name: EU Approves Belgian EUR35 Million Aid for Potato and Flower Sector

Country: Belgium

Post: Brussels USEU

Report Category: Agriculture in the News, Potatoes and Potato Products

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Report Highlights:

On July 27, the EU approved €35 million in COVID-19 emergency aid for two of Flanders most heavily affected sectors. Flemish Minister for Agriculture Hilde Crevits has secured €25 million for the Flemish horticultural sector, while Flemish potato growers will receive €10 million in emergency aid.

On July 27, the EU gave the green light for the Flemish €35 million (\$42 million) aid package for Flemish potato and ornamental plant growers impacted by the COVID-19 crisis. In June, Flemish Minister for Economy, Innovation, Labor, Social Economy and Agriculture Hilde Crevits proposed €25 million (\$30 million) in support of Flemish ornamental plant growers and €10 million (\$12 million) for Flemish potato growers. In total, some 1,450 Flemish businesses are expected to be eligible for up to a maximum of €100,000 in aid each, of which some 650 potato farmers and some 800 floriculturists. EU's DG COMPETITION found that the Belgian scheme, in the form of direct grants, was in line with the conditions set out in the State Aid [Temporary Framework](#)¹.

Flemish florists and horticulturists saw their peak spring sale, including Mother Day sales, lost by the closings of all shops as a result of the March COVID-19 outbreak, claiming lost sales of €135 million. The Belgian restaurant and catering sector closed because of the COVID-19 outbreak and potato processors were left with large stocks of processed potato products, especially as exports were also heavily impacted. As a result, potato farmers with unsold potatoes were stuck with an estimated 750 thousand metric tons (MT) of potatoes. A potato stock tally organized by the Flemish farmers union, Boerenbond, resulted in 330,000 MT of unsold potato stocks.

Background

The COVID-19 crisis has been wreaking economic havoc across the EU due to border and travel restrictions, stay-at-home orders, and forced closures of hotels, restaurants, markets, and bars. With industries across the EU in dire need, Member States (MS) have moved forward with approval for State Aid schemes to directly, and indirectly, assist the agricultural and food sectors. Under the Treaty of the Functioning of the European Union, State aid is generally prohibited for fear of distorting the EU internal market. However, to support the economy in the context of the outbreak, on March 19, 2020, the European Commission adopted a new State aid [Temporary Framework](#). In order to ensure the interventions comply with EU rules, MS must notify the Commission of their State aid packages and cannot implement these measures until they are approved by the Commission. The Commission also has the authority to recover incompatible State aid.

Attachments:

No Attachments.

¹ https://ec.europa.eu/competition/state_aid/register/