



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories
G.2. Wine, spirits and horticultural products

EXPLANATORY NOTE on ANNUAL REPORT ON PRODUCER ORGANISATIONS, ASSOCIATIONS OF PRODUCER ORGANISATIONS, OPERATIONAL FUNDS AND OPERATIONAL PROGRAMMES - PART A

Fruits and vegetables

- Article 54(b) of Commission Delegated Regulation (EU) 2017/891 of 13 March 2017 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the fruit and vegetables and processed fruit and vegetables sectors and supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to penalties to be applied in those sectors and amending Commission Implementing Regulation (EU) No 543/2011 (OJ L 138, 25.5.2017, p. 4).
- Article 21 and Annex II of Commission Implementing Regulation (EU) 2017/892 of 13 March 2017 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the fruit and vegetables and processed fruit and vegetables sectors (OJ L 138, 25.5.2017, p. 57).

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1. GENERAL

This document presents general rules and technical clarification for the filling of the tables included in the Annual report Part A that the competent authorities of Member States are required to transmit to the European Commission by 15 November in the year following the calendar year covered by the report.

Warning!

Please be aware that tables referring to producer groups (PGs) are not applicable anymore and should not be filled-in as 2018 was the last year of implementation of recognition plans¹.

1.1. Document structure

The document is divided into four sections:

1. Administrative information;
2. Information related to producer organisations, transnational producer organisations, associations of producer organisations, transnational associations of producer organisations and producer groups;
3. Expenditures information;
4. Monitoring of operational programmes.

Most of the report template should be self-explanatory. However, for your convenience, and to avoid the repetition of the most common errors, some items have been further explained.

1.2. Definitions

‘Transnational producer organisations’ (TPOs) - concerns only Member States where the head offices of TPOs are located (see Article 14 of Delegated Regulation (EU) 2017/891)

‘Transnational associations of producer organisations’ (TAPOs) - concerns Member States where the head offices of TAPOs are located (see Article 21 of Delegated Regulation (EU) 2017/891)

‘Entity’ - for the sake of simplification, where the same guidelines apply to POs, APOs, TPOs, and TAPOs, they will be presented only once and refer to an ‘[entity]’.

‘Producer’² - means a farmer (natural or legal person, or a group of natural or legal persons) producing fruit and vegetables and having an agricultural activity (i.e. “carrying out a minimum activity, as defined by Member States, on agricultural areas naturally kept in a statute suitable for (...) cultivation”)³.

‘Producer member’ - means a producer or a legal entity constituted by producers that is a member of a producer organisation.

¹ Regulation (EU) No 1234/2007.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02017R0891-20200606>

³ Ares(2019)75603 ; Ares(2019)1719488 ; Ares(2020)1478246.

‘Holding’ - means all the units used for agricultural activities and managed by a farmer (producer) situated within the territory of the same Member State⁴.

1.3. Reference period

All information shall relate to the **calendar year** being reported on. As regards the information that varies during the year the annual report should reflect the state of play on 31 December of the year reported on.

2. EXPLANATION PER SECTIONS

2.1. Section 1 - Administrative information

2.1.1. Currency

At the beginning of the form, please make a choice of the currency (EUR or national). This choice shall be applicable throughout the whole annual report.

2.1.2. Changes to national legislation or strategy

Table 1.1.	Changes to national legislation adopted to implement Section 3 of Chapter II of Title I and Sections 1, 2 and 3 of Chapter III of Title II of Regulation (EU) No 1308/2013 (for the fruit and vegetables sector).	Please fill-in ONLY if there are any changes since last reporting period the related to national legislation .
Table 1.2.	Changes relating to the national strategy for sustainable operational programmes applicable to operational programmes.	Please fill-in ONLY if there are any changes since last reporting period the related to the national strategy.

2.2. Section 2 – General information related to POs, TPOs, APOs and TAPOs and PGs

2.2.1. Number of entities

Number of entities (POs, TPOs, APOs and TAPOs) concerns the **status on 31 December of the implemented year**. This refers to all following situations: recognition, suspension, recognition’s withdrawn or mergers.

Let us consider two examples: of a merger $A+B=C$ and of an absorption/take-over: $A+B=A$.

Total number of [entity/-ies], that merged with another (or more) [entity/-ies]	Total number of [entities] concerned	means the total number of entities, which have been subject to mergers in the reported year (e.g. A and B => 2 entities).
	Total number of new	means the new entities

⁴ Article 4 of Regulation (EU) No 1307/2013.

	[entities]	<p>resulted to the mergers, either by:</p> <p>⇒ the absorption (e.g. $A+B = B$ or $A+B=A \Rightarrow 1$ [entity])</p> <p>Or</p> <p>⇒ the creation of a new [entity] ($A+B=C \Rightarrow 1$ [entity])⁵</p>
	New ID number(s)	To be filled in in case of merger by creation of a new [entity] (e.g. C ID).

Total number of **entities (APO/TAPO) implementing an operational programme (OP)**:

with entire OP	all the measures and actions are implemented at the level of the APO or the TAPO, under its OP.
with partial OP	some measures and actions are implemented through the OP of the (T)APO whereas others are implemented through the OPs of the members of the (T)APO.

For more details, please verify as well a graphic presentation of above explanation in **ANNEX – structure of entities, examples**.

2.2.2. *Number of members*

Number of members of the recognised [entity] (suspended entities included): **‘total’** should equal **the sum of the legal entities or/and the natural persons having status of a member of the [entity]**.

The **number of fruit and/or vegetable producers** may differ from the total. By ‘Producer’, we mean active farmers, whether natural persons or legal entities, who deliver products to the [entity] and are or belong to one of the members of the [entity]. For instance, in the case of a PO with 9 producers (farmers) and a co-operative of 61 members (with 10 non-producer members), the total number of producers would be $60 = 9 + (61 - 10)$. Therefore it is possible that the number of ‘producers’ is higher than the total number of members (legal + natural).

For more details, please verify as well a graphic presentation of above explanation in **ANNEX – structure of entities, examples**.

⁵ Ares(2016)5985197.

2.2.3. Value of production intended for the fresh market and for processing:

Below conditions, concern alike the production intended for the fresh market and for processing.

Value: means the value of production indeed marketed by the [entity], which differs from the value of the marketed production as defined in Articles 22 and 23 of Delegated Regulation (EU) 891/2017 used as a basis for the Union financial assistance. In this part of the annual report, the reporting Member State should take into account the value of all products:

- that are marketed by the [entity],
- for which the [entity] is recognised, and
- that are produced by [entity]'s own members, by other producers of another [entity] or by producers that are not members of any entity.
- It includes also the by-products.

It does not include the withdrawals, the products sold directly by the [entity] members and losses.

In concrete, that means that the following must be taken into account:

products marketed for the fresh market	multiples / super-markets (direct)
	wholesale / central buying/ market
	small retail
	other (e.g. short supply chain)
products sold or used by PO for processing ⁶	products sold fresh to processing companies
	products "auto-processed" by the PO
	by-products

Please verify that the figures are correct and in particular that are **proportional to the volumes of the production.**

2.2.4. Volume of production intended for the fresh market and processing:

Below conditions, concern alike the production intended for the fresh market and for processing.

Volume (tonnes), which:

⁶ Value of production reported in Tables 2.1. to 2.4 is meant to describe economic activity of POs. (scale of operations) and should not be confused with VMP calculated according to Articles 22 and 23 of Delegated Regulation (EU) 891/2017 used as a basis for the Union financial assistance. Therefore, the value of fruit and vegetable used or sold for processing should be reported based on their accounting or market value. Only if there is no alternative basis to efficiently and effectively estimate this value the percentages laid down in Article 22(2) of Commission Delegated Regulation (EU) 2017/891 may be used.

- is marketed by the [entity],
- for which the [entity] is recognised, and
- is produced by [entity]'s own members, by other producers of another [entity] or by producers that are not members of any entity.

It does not include the by-products, the withdrawals and the products sold directly by the [entity] members and losses.

2.2.5. Area under fruit and vegetables production (ha):

The total area refers to area under fruit and vegetable production excluding mushrooms production and it concerns products marketed by the [entity], for which the [entity] is recognised and is produced by the [entity] own members.

The table below explains the specificities by the type of [entity]:

Table 2.1 and 2.2.	The total area for POs/TPOs	refers to areas exploited by POs/TPOs' members, producer members to the POs/TPO.
Table 2.3.	The total area for APOs	refers to areas exploited by APOs' members, namely POs, growers belonging to POs members to the APOs.
Table 2.4.	The total area for TAPOs	refers to areas exploited by TAPOs' members, namely POs, growers belonging to POs members to the TAPOs.

2.3. Section 3 - Information related to expenditures

As the general rule, the tables with expenditures should be self-explanatory; however, some of items require further clarification:

Table 3.1.	Expenditures related to POs, TPOs, APOs and TAPOs
<p>Under the table 'National financial assistance', the cell 'Estimated amount of the National financial assistance actually paid to be reimbursed by the EU' shall not be reported anymore following the legal amendment introduced by Regulation (EU) 2017/2393.⁷ This cell has become obsolete.</p> <p>Reported 'total spent' under 'final operational fund' (table 3.1.) should equal the sum of 'amount of the financial contribution of the organisation's members' and 'Union financial assistance' and also be the same as total value of all actions/measures reported in tables 3.2., unless NFA is added to the operational fund following an amendment.</p>	

⁷ Regulation (EU) 2017/2393 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material (OJ L 350, 29.12.2017, p. 15).

Table 3.2.	Total expenditures of operational programmes for POs, TPOs, APOs and TAPOs
Investments - expenditure	<p>Expenditure for the purchase/renting/leasing of a tangible (e.g. equipment, machinery, etc.) or an intangible (e.g. client portfolios, software, etc.) asset may be different from the corresponding value of the investment made. This is the case, for instance, where the PO/APO relies on a loan granted by a credit institute to purchase an asset. In that case, the expenditure would correspond to "the annual instalment related to the loan open to purchase the asset" (or the sum of several annual instalments, where a number of assets have been purchased in the year reported).</p> <p>This is also the case, for instance, where an asset (e.g. equipment) is purchased in the year N but is installed and become fully operational (i.e. the investment is made = the PO concerned or its members can use it as intended in the approved operational programme) only in the following year. In such a case, the expenditure for the purchase/renting/leasing of the asset is to be recorded in the year N.</p>
Investment / Research	<p>"Research" in column 2 of the annual report shall be understood as an objective following Article 152(1)(c) of Regulation (EU) No 1308/2013 and the "Research and experimental production" in column 1 of the annual report is a type of the action/measure as per in Article 2(f) of Delegated Regulation (EU) 2017/891.</p> <p>When an investment (as a measure) relates to "research and/or experimental production", it shall be linked to the objective "Research".</p>
Administrative costs	These cells are to be used to register expenditures for actions related to the administrative costs linked to the implementation of the operational fund (Annex III(2)(a) and (c) to Commission Delegated Regulation (EU) 2017/891).
Other actions - expenditure	Please add here the eligible expenditures of operational programmes other than those concerned by the previous rows. This can also cover personnel costs ⁸ following the condition that they are related to the implementation of operational funds and operational programmes - as stated in Annex III(2)(b) to Commission Delegated Regulation (EU) 2017/891.
Table 3.3.	Total expenditures for producer groups
<p>Obsolete. Only to be filled up with PGs recognition plans approved under Regulation (EU) No 1234/2007. Please have in mind that 2018 has been their last year of implementation.</p>	
Table 3.4.	Withdrawals
<p>This table is broken down by products as indicated in Annex IV to Regulation (EU) 2017/891 and other products (for which MS fixed the amount of support).</p> <p>Each MS implementing this action should filled in the total annual volume (tonnes), its distribution by destination namely free distribution, composting, processing industry and others (please break it down by destination in case there are more than one and specifying the use), total expenditure (including both EU and PO participation) at MS level by product.</p> <p>Please verify that:</p> <p>Total annual volume = free distribution + composting + processing industry + other destinations</p>	

⁸ E.g. - normal wages are considered as non-eligible costs – see Annex II, point 2, to Commission Delegated Regulation (EU) 2017/891.

The total expenditure is in line with the amount reported for withdrawals under table 3.2 Part 3.

2.4. Section 4 - Monitoring of operational programmes/recognition plans

2.4.1. Indicators as regards POs, TPOs, APOs and TAPOs - Table 4.1.

Investments	
Number of holdings:	<p>Should be understood as number of producers who benefit from the investment.</p> <p>In case of a member of a PO being a legal entity (e.g. a cooperative) composed of [e.g. 10] producers, we speak of [10] holdings belonging to this producer member.</p> <p>In case a holding is a beneficiary of more than one investment aiming at the same objective, it should be counted only once for this objective. However, the same holding can be counted again in case of different measure/action linked to the same objective or in case of an investment aiming at different objective.</p>
Total value:	Relates to value of investments linked to each of the objectives. Therefore, it should equal the expenditure under investments declared in Table 3.2.

Indicators on **investment measures** should only be reported under **investments and according to the objective**.

No data on investment measures should be repeated in rows that refer to measures other than investment. (e.g. no indicators on investment in research should be reported under Research and Experimental production actions, no investment with environmental measures as objective should be reported under other actions (organic/integrated production, water management, transport, etc.).

The same applies to tables 3.2. Expenditure is reported only once.

Promotion and communication activities	
Normally, promotion and campaign activities are implemented at PO level. In this case, all the beneficiaries of the PO and the members should be counted.	
Number of promotion campaigns:	Each promotion or communication campaign counts as one single action, regardless the number of days and venues.

Training and exchange of best practices	
Advisory services and technical assistance	
Number of actions:	Please enter the number of days of training/advisory services received by participants. The figure to be recorded is the sum of all the days of training on a given subject (e.g. organic production) received by all the participants in the training actions implemented during the year reported. Training courses of half a day (e.g. consisting of a morning session or an afternoon

	session only) count as half a day of training.
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Environmental actions

All evolution indicators (difference in volume of water / fertiliser / energy / packaging used, or in volume of waste produced) are a subtraction of consumption in reported year (N) from the consumption in the year preceding the reported year (N-1), i.e. consumption (N-1) – consumption (N).

Actions to conserve soil

Area under fruit and vegetable production at risk of soil erosion where anti-erosion measures are implemented and area subject to improvement of soil management (ha):

"At risk of soil erosion":	<p>Means actions to prevent soil erosion and improve soil management.</p> <p>As regards soil erosion, this refers to either:</p> <ul style="list-style-type: none"> - any sloping plot with a change of elevation with respect to planimetric distance of 15%; or, - where the relevant information is available, a Member State may instead use the following definition: "At risk of soil erosion" shall mean any plot with a predicted loss of soil exceeding the rate of natural soil formation. <p>When calculating the area at risk of soil erosion for the above indicator, please consider only the area for which,</p> <ul style="list-style-type: none"> - new or continued anti-erosion actions on slopes; and/or, - improvement of soil management actions, <p>have been implemented in the reported year.</p>
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Transport

This is linked to mitigation of climate change and the aim is to measure how far the replacement of road transport by sea and/or rail transport is achieving.

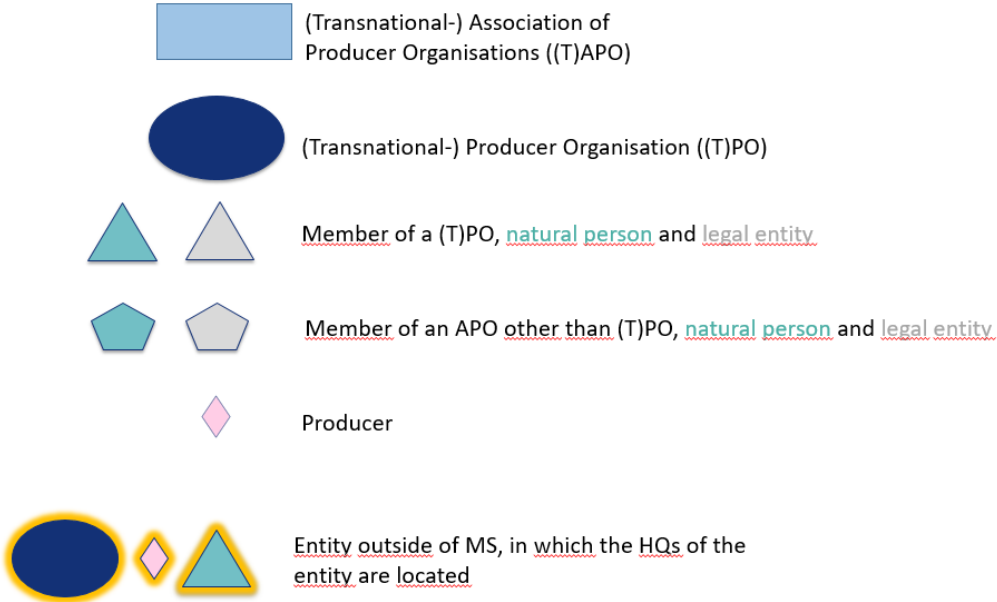
Market withdrawals (crisis prevention and management measures)

Number of actions undertaken:	<p>Market withdrawal of the same product in different periods of the year (different harvests) and market withdrawal of different products count as different actions.</p> <p>Each market withdrawal operation for a given product counts as one action.</p>
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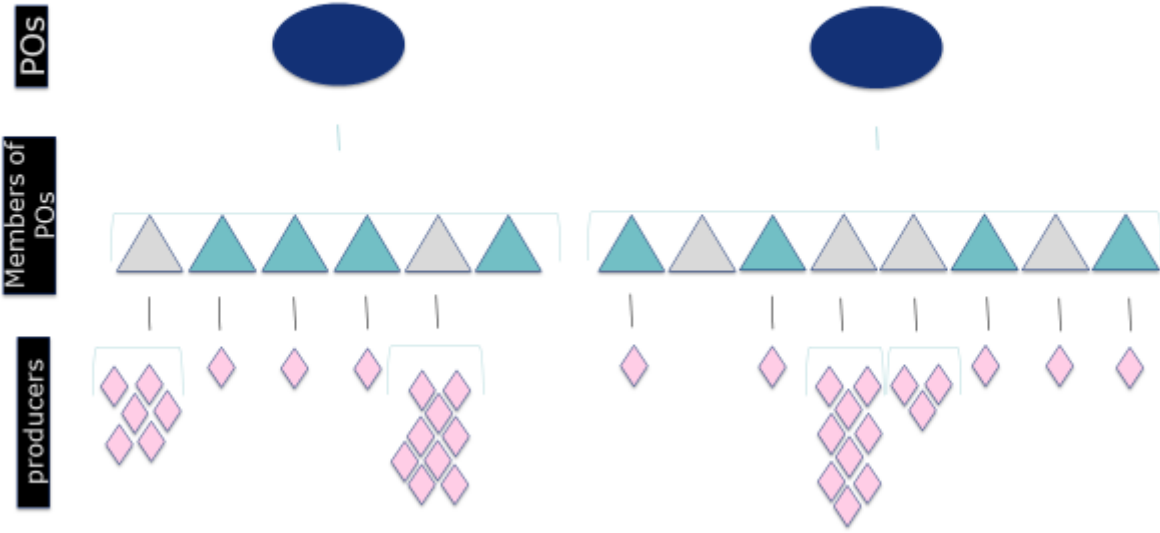
Green- and non-harvesting (crisis prevention and management measures)

Number of actions undertaken:	<p>Green harvesting and non-harvesting of different products count as different actions. Green harvesting and non-harvesting of the same product count as one action, regardless of the number of days they take, the number of holdings participating and the number of plots or hectares concerned.</p>
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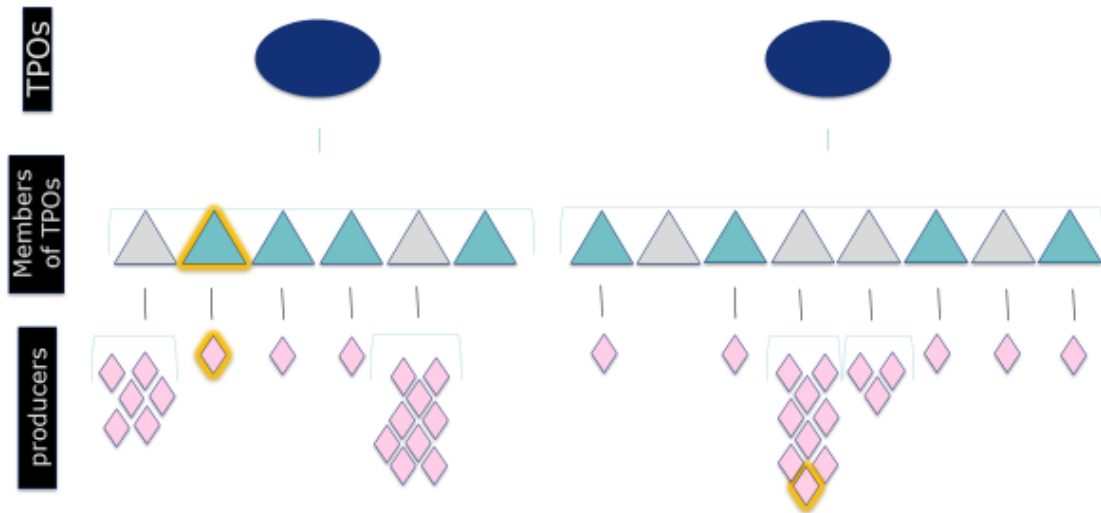
ANNEX – STRUCTURE OF ENTITIES, EXAMPLES



Producer Organisations (POs)

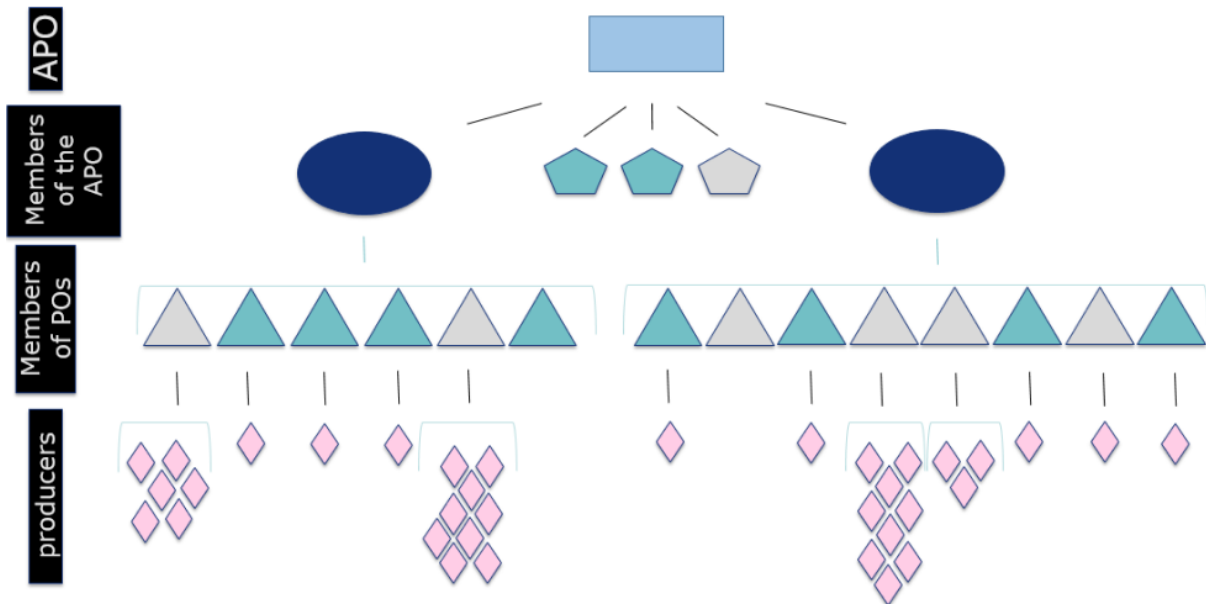


Transnational Producer Organisations (TPOs)



3

Associations of Producer Organisations (APOs)



Transnational Associations of Producer Organisations (TAPOs)

