



### AREFLH proposal on the post-2027 sectoral interventions for fruits and vegetables

The **Assembly of European Horticultural Regions** (AREFLH) main missions are:

- to represent its 16 member regions, 33 Associations of Producer organisations and Producers Organisations, and 13 associated members from 15 European countries;
- to defend the economic and social interests of the fruit, vegetable and horticultural (F&V) sectors in Europe;
- to foster exchanges of best practices, partnerships and joint projects between regions and professional organisations;
- to actively seek new solutions for the main issues affecting the future of the fruit and vegetables production in Europe.

#### Introduction

AREFLH considers that the financing system proposed under the future Single Fund does **not sufficiently guarantee market stability, food security, or a level playing field** for producers across the Union. For a highly integrated and competitive internal market such as that of the fruit and vegetable sector, **predictable EU-level co-financing** has been a cornerstone of success for nearly three decades.

For these reasons, we would strongly favour a model in which **sectoral interventions are brought fully under the EU Facility and financed directly from the EU budget**, thereby safeguarding uniform conditions for all producers irrespective of national budgetary constraints. At the very least, a **dedicated and ring-fenced budget line** within the Single Fund should be established to acknowledge the specificity of sectoral interventions, which are **structural market-organisation tools**, not mere “income support” instruments.

However, in a constructive spirit and with the aim of contributing to a system that can genuinely strengthen producer resilience, competitiveness, and crisis preparedness, we also outline **concrete amendments and corrections** to Articles 35(8) and 35(9) of COM(2025)565 of the European Commission. These adjustments could help ensure that the future Single Fund delivers more effectively for Europe’s fruit and vegetable producers, even within the constraints of the proposed governance model.

#### The weaknesses of the current proposal from the Commission

##### A. Budgetary risks for Member States.

The proposed architecture substantially increases the **financial exposure of Member States**, as the financial responsibility for supporting operational programmes shifts from a stable, centrally financed EU system to a system based largely on a **voluntary national co-financing model**. Whereas the current sectoral interventions rely on **predictable EU co-financing**, the new framework

would require Member States and EU to support up to **75% of total eligible costs** for sectoral interventions, with an unclear contribution rule. In practice, this constitutes a **download of budgetary burden** onto national administrations.

## B. Fragmentation of the Single Market and risk of competitive distortion.

The proposal introduces significant fragmentation risks for the European producers, threatening one of the EU's major strategic assets: the Single Market, which underpins European food security and the resilience of the fruit and vegetable sector, which is a very integrated sector across the EU.

A great vulnerability emerges. Namely, **there is no common minimum support level**, allowing some Member States to significantly upscale support to their POs, while others may not be able to follow – creating **competitive asymmetries**. Also, the possibility given to the MSs to decide the eligible costs with no common lists, can impair the possibility of carrying out cross-border investments which are needed to strengthen the resilience of the supply chain.

## C. Undermining the basic principles of CMO

This represents a departure from the four foundational principles that have ensured the success of sectoral interventions since 1996:

- i. **Proportionality to VMP**: Public support linked to a percentage of the Value of Marketed Production (4.1%, 4.6% or 5%), providing a stable, performance-based envelope.
- ii. **The principle of shared financial responsibility between POs and the EU**: Producer organisations and public authorities co-finance the operational fund in a clear way, ensuring producers' commitment, disciplined market structuring, and accountability.
- iii. **Objective-oriented expenditure**: Operational funds of producer organisations are used for recognised priorities – production planning, market concentration, quality, promotion, environmental sustainability, and R&D.
- iv. **Financial symmetry of sectoral aid**: sectoral aid for fruit and vegetables is a mandatory intervention for Member States where a producer organisation is recognised. However, this requirement does not come with full financial support from the CAP.

Sectoral interventions for the fruit and vegetable sector are not simple “farmer income support” measures. It is a consolidated mechanism to incentivise multi-year planning and organise the markets. By loosening these pillars, the proposal risks **undermining investment planning**, weakening incentives for producer structuring, and reducing the EU's ability to maintain a functioning food supply chains.

## Proposed Solutions

To mitigate the identified risks while maintaining coherence with the new governance system, we propose the following adjustments:

### A. Minimum Public Support Rate

In order to comply with the mandatory implementation of sectoral measures and to implement them effectively, we recommend establishing a **combined EU + national minimum public support rate of 50% of the operational fund**. Member States will be allowed to increase the contribution above the minimum of 50% and up to a limit of 75%. A further essential condition is **to explicitly link the public support to the value of marketed production** as referred to in art. 35(9). This approach preserves the principle of shared financial responsibility, which is essential for producer organisations' investment planning and long-term predictability. Producer organisations

would therefore continue to contribute to their operational funds for the remaining part, as is already the case.

## B. Re-distribute cofinancing shares

Within the 50% minimum contribution from the public sector:

- The EU contribution would represent 35% of the total public support.
- The national co-financing would represent 15% of the total public support (equivalent to 30% of the total public support as proposed in art.35(8) of COM(2025)565). In terms of VMP, this would imply a minimum mandatory contribution to the operational fund as shown in the following table:

	<b>MS contribution (in terms of VMP%)</b>
<b>PO</b>	1,23%
<b>APO</b>	1,35%
<b>TPO/TAPO</b>	1,5%
<b>Additional 0.5%</b>	1,65%

- Given the minimum public support level of 50%, Member States may increase their contribution to operational funds up to a maximum of 75%. To maintain a constant link with the value of the marketed production, the two tables below present the proposed scenarios for minimum and maximum public support.
- For certain strategic objectives – generational renewal, environmental actions, R&D – public support could rise up to 80% of the operational fund, at the discretion of the Member State, without undermining the level playing field.

### Case1: Lower Bound

	<b>Minimum EU</b>	<b>Minimum MS (30% of public support)</b>	<b>Total public support</b>
<b>PO</b>	2,87%	1,23%	4,1%
<b>APO</b>	3,15%	1,35%	4,5%
<b>TPO/TAPO</b>	3,5%	1,5%	5%
<b>Additional 0.5%</b>	3,85%	1,65%	5,5%

### Case2: Upper Bound

	<b>Maximum EU</b>	<b>Maximum MS (30% of public support)</b>	<b>Total public support</b>
<b>PO</b>	4,1%	1,75%	5,85%
<b>APO</b>	4,5%	1,95%	6,45%
<b>TPO/TAPO</b>	5%	2,15%	7,15%
<b>Additional 0.5%</b>	5,5%	2,35%	7,85%

## C. Proposed amendment

### Amendment 1

Anchoring the calculation to operational funds and establishing a **minimum public support rate of 50%** ensures coherence, limits discretion, and preserves a stable and comparable framework for all producer organisations across the Union. At the same time, public support should be linked to a precise percentage of the value of marketed production, as referred to in Article 35(9). The proposal also sets the minimum national co-financing at 30% of the public support, thereby tying it directly to a precise share of the VMP. Member States should retain the possibility to provide additional resources, up to a maximum of 75% of the total eligible costs.

<b>Current version</b>	<b>AREFLH Proposal</b>
<p><b>8.</b>Subject to compliance with Article 20(4) [national contribution to the estimated costs], the minimum national contribution to the eligible public expenditure of the interventions in certain sectors referred to in Title I, Part II, Chapter IIa, of Regulation (EU) No 1308/2013 shall be 30 % of the eligible public expenditure of each intervention.</p> <p>The maximum support rate applicable to those interventions shall be 75 % of the total eligible costs of each intervention.</p>	<p><b>8.</b>Subject to compliance with Article 20(4) [national contribution to the estimated costs], the minimum national contribution to the eligible public expenditure of the interventions in certain sectors referred to in Title I, Part II, Chapter IIa, of Regulation (EU) No 1308/2013 shall be 30 % of the eligible public expenditure of each intervention.</p> <p>The maximum support rate applicable to those interventions shall be 75% of the total eligible costs of each intervention.</p> <p><b><i>The minimum support rate applicable to interventions in sectors referred to under art. 1, paragraph 2, lett.i of Regulation 1308/2013, shall be 50 % of the total eligible costs and it shall be based on the value of marketed production as referred to in Article 35(9). In any case, the national contribution to operational programmes shall not be less than 30% of the public financial support.</i></b></p>

### Amendment 2

Setting the ceiling in Article 35(8) at **95% public support** is excessively high and risks weakening producer engagement in operational programmes or, even worse, distorting the single market. The effectiveness of the current system stems from **shared financial responsibility**, which ensures ownership and a genuine commitment to results. At the same time, we also highlight that in the current

regulation the support rate for environmental and research interventions is already of 80%. A ceiling of **80%** preserves this balance by requiring producers to maintain a meaningful contribution. Moreover, very high public support rates tend to **inflate the prices of services and inputs**, as providers adjust their pricing to the expectation of near-full reimbursement. Reducing the ceiling to 80% therefore not only strengthens accountability but also helps prevent cost inflation, ensuring a more efficient and economically sound use of public funds.

<b>Current version</b>	<b>AREFLH Proposal</b>
<p>8. By way of derogation from the second subparagraph, Member States may decide to increase the maximum support rate to up to <b>95 %</b> of the total eligible costs of each intervention for interventions linked to generational renewal, research and innovation, risk management or environment and climate, and for producer organisations implementing operational programmes for the first time.</p>	<p>8. By way of derogation from the second subparagraph, Member States may decide to increase the maximum support rate to up to <b>80% of the</b> total eligible costs of each intervention for interventions linked to generational renewal, research and innovation, risk management or environment and climate, and for producer organisations implementing operational programmes for the first time.</p>

### Amendment 3

To ensure that national co-financing is fully integrated into the financing architecture, Article 35(9) should explicitly link **all public support – EU and national – to the Value of Marketed Production (VMP)**. The upper limit for the EU financial contribution would remain aligned with the current EU co-financing rate. This approach preserves the core rationale of the existing system, in which support levels are derived from a transparent and objective indicator closely linked to market performance. Anchoring public support to the VMP prevents divergent national practices, promotes consistency across Member States, and guarantees predictability for producer organisations. At the same time, Member States retain the possibility to provide support above the minimum threshold, **always linked to the Value of Marketed Production**, and up to the maximum of 75% of eligible expenditure laid down in Article 35(8).

<b>Current version</b>	<b>AREFLH Proposal</b>
<p>9. Subject to compliance with Article 20(4), <b>the Union financial assistance</b> to be granted to recognised producer organisations, associations of producer organisations or identified producer groups implementing interventions in certain sectors referred to in Article 31 of Regulation (EU) No 1308/2013 shall be limited to:</p>	<p>9. Subject to compliance with Article 20(4), <b>the minimum public financial assistance</b> to be granted to recognised producer organisations, associations of producer organisations or identified producer groups implementing interventions in certain sectors referred to in Article 31 of Regulation (EU) No 1308/2013 shall be limited to:</p>

<p>(a) 4.1% of the value of the marketed production of each producer organisation;</p> <p>(b) 4.5% of the value of marketed production of each association of producer organisations;</p> <p>(c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations.</p> <p>[...]</p>	<p>(a) 4.1% of the value of the marketed production of each producer organisation;</p> <p>(b) 4.5% of the value of marketed production of each association of producer organisations;</p> <p>(c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations.</p> <p>Subject to compliance with Article 20(4), the Union financial assistance to be granted to recognised producer organisations, associations of producer organisations or identified producer groups implementing interventions in certain sectors referred to in Article 31 of Regulation (EU) No 1308/2013 shall be limited to:</p> <p>(a) 4.1% of the value of the marketed production of each producer organisation;</p> <p>(b) 4.5% of the value of marketed production of each association of producer organisations;</p> <p>(c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations.</p> <p>[...]</p> <p><b>Member States shall specify in their NRP Plans whether they intend to contribute more than the minimum national contribution set out in Article 35(8) and what the additional contribution rate will be.</b></p>
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## Advantages of the AREFLH Proposal

### A. Full compatibility with the governance mechanism of the Single Fund

The proposal aligns with the governance logic of the Single Fund by ensuring that Member States contribute financially while maintaining a stable and predictable co-financing structure for sectoral interventions. **Although this is not our preferred option – which remains a model based on 100% EU financing – it represents a workable alternative that would at least avoid disrupting the current system.**

### B. Predictable budgetary commitment for the Member States

Both the EU and the Member States would benefit from a **more transparent and predictable system**, compared to the theoretical ceilings of the Commission proposal. This greater clarity reduces uncertainties, limits budgetary volatility, and strengthens the long-term sustainability of the financing framework.

### C. Preservation of a level playing field.

The system maintains **harmonised minimum support**, essential to preserving the Single Market and avoiding distortions. At the same time, it retains Member States' prerogative to increase support for priority objectives, ensuring both **equity and flexibility**.

### D. Predictability preserved for producers

By keeping a clear, VMP-linked support structure and a stable minimum public contribution, producers regain the ability to **forecast support levels**, plan investments, and engage in long-term strategies – fundamental for competitiveness, innovation, and resilience.