



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 guarantee market stability, food security, or a level playing field** for producers across the Union. For a highly integrated and volatile internal market such as that of the fruit and vegetable, **predictable EU-level co-financing** has been a cornerstone of success for nearly three decades. Also, it should be borne in mind that sectoral interventions are **structural market-organisation tools**, not mere “income support” instruments.

For these reasons, we would strongly favour a model in which **sectoral interventions are fully financed from the EU budget**, thereby safeguarding uniform conditions for all producers irrespective of national budgetary constraints. This could be achieved by including point (r) of Article 35(1) among the interventions exempted from national co-financing under Article 20(4).

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.

In this document, we have therefore outlined two possible options:

1. **Option 1:** Maintain the current principle whereby sectoral interventions are **100% EU-funded**, by modifying Article 20(4) accordingly (as shown in *Amendment 0*). Under this scenario, Article 35(8) would automatically become inapplicable.
2. **Option 2:** Accept the introduction of **national co-financing**, but only under strict conditions that ensure predictability, fairness, and a stable internal market. These include:

- a **clear minimum and maximum level of public contribution** (*Amendments 1 and 2*),
- the anchoring of the financing system to the **VMP** to preserve proportionality (*Amendment 3*), and
- a **transitional rule** ensuring a smooth and fair shift towards the new system (*Amendment 4*).

The weaknesses of the current proposal from the Commission

A. Budgetary and administrative 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 objective 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:

- 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.
- 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.
- Objective-oriented expenditure:** Operational funds of producer organisations are used for recognised priorities – production planning, market concentration, quality, promotion, environmental sustainability, and R&D.
- 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 avoid the significant risks that the current proposal would otherwise create 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 **minimum combined EU + national public support rate of 50% to 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 proposed 50% minimum contribution from the public sector:

- The EU contribution would represent 70% of the total public support, meaning 35% of the eligible costs.
- The national co-financing would represent 30% of the total public support (equivalent to 15% of the total eligible costs 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:

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

- Given the minimum public support level of 50%, Member States may choose to increase their contribution up to a maximum overall public support rate of 75%, while maintaining the 70-30 proportion between EU and national financing. To ensure a consistent link with the value of marketed production, the **two tables below** illustrate the proposed minimum and maximum public support scenarios.
- 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

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

Case 2: Upper Bound

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

C. Proposed amendment

Amendment 0– Art.20(4) of COM 565 (2025)

To preserve a stable and harmonised financing framework for the fruit and vegetable sector, this amendment proposes to maintain the long-standing principle that sectoral interventions are financed entirely from the EU budget. Concretely, this would be achieved by adding point (r) of Article 35(1) to the list of interventions exempted from national co-financing under Article 20(4). As a consequence, the co-financing mechanism envisaged in Article 35(8) would no longer apply to sectoral interventions, thereby safeguarding a uniform EU-level contribution and preventing the fragmentation that national co-financing would inevitably create. It would also render Article 35(10) inapplicable, as there would be no need for an abrupt interruption of operational programmes approved under the current rules in 2027. At the same time, a fully EU-funded mechanism would allow transnational POs and APOs to continue operating without the risk that divergent national strategies could undermine the level playing field.

Current version	AREFLH Proposal
<p>4. No national contribution shall be requested for interventions referred to in Article 35, points (a), (b), (c) and (g). No additional national financing shall be provided for those interventions. Any contribution rate derogating from those of paragraph 1 set out for interventions referred to in Title V, including where no national contributions are requested, shall only apply to a total amount of interventions not exceeding the Member State's</p>	<p>4. No national contribution shall be requested for interventions referred to in Article 35, points (a), (b), (c), and (g) and (r). No additional national financing shall be provided for those interventions. Any contribution rate derogating from those of paragraph 1 set out for interventions referred to in Title V, including where no national contributions are requested, shall only apply to a total amount of interventions not exceeding the</p>

share of the amount set out in Article 10(2), point (a)(ii), as laid down in Annex I	Member State's share of the amount set out in Article 10(2), point (a)(ii), as laid down in Annex I
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Amendment 1 – Art.35(8) of COM 565 (2025)

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.

Current version	AREFLH Proposal
<p>8.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>8.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><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).</i></p>

Amendment 2 – Art.35(8) of COM 565 (2025)

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.

Current version	AREFLH Proposal
<p>8. By way of derogation from the second subparagraph, Member States may decide to increase the maximum support rate to up to 95 % 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 80% 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>

Amendment 3 – Art.35(9) of COM 565 (2025)

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).

Current version	AREFLH Proposal
<p>9. 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>9. Subject to compliance with Article 20(4), the minimum public 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 equal to:</p>

<p>(a) 4.1% of the value of the marketed production of each producer organisation; (b) 4.5% of the value of marketed production of each association of producer organisations; (c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations. [...]</p>	<p>(a) 4.1% of the value of the marketed production of each producer organisation; (b) 4.5% of the value of marketed production of each association of producer organisations; (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; (b) 4.5% of the value of marketed production of each association of producer organisations; (c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations. [...]</p> <p>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.</p>
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Amendment 4 – Art.35(10) of COM 565 (2025)

In the event that national co-financing is introduced, it should apply **only to operational programmes approved after 2028** under the new rules, and not to those already authorised under Regulation (EU) 2021/2115. All programmes approved within the current legal and financial framework must be allowed to conclude under the conditions originally agreed. Consequently, **all financial claims arising from operational programmes approved under Regulation (EU) 2021/2115 should be charged to the next Multiannual Financial Framework**, ensuring legal certainty, uninterrupted implementation, and full respect for the commitments undertaken by both producers and managing authorities.

Current version	AREFLH Proposal
<p>10. Support for the interventions referred to in paragraph 1 may only be provided under the conditions laid down in this Title. Any amount relative to claim year 2027 set out in Annex V of Regulation (EU) 2021/2115 as well as claims related to types of interventions referred to in Article 42 of Regulation (EU) 2021/215, claims related to Regulations (EU) 228/2013 and 229/2013 shall be counted as part of -budgetary commitments- for the financial year 2028 as laid down in Article 14(1), point(a).</p>	<p>10. Support for the interventions referred to in paragraph 1 may only be provided under the conditions laid down in this Title. Any amount relative to claims year 2027 set out in Annex V of Regulation (EU) 2021/2115 as well as claims related to types of interventions referred to in Article 42 of Regulation (EU) 2021/215, claims related to Regulations (EU) 228/2013 and 229/2013 shall be fully counted as part of -budgetary commitments- for the entire duration of the multiannual financial framework 2028-2034 as laid down in Article 14(1), point(a).</p>

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.