



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0000/2014

22.1.2014

REPORT

on the future of Europe's horticulture sector – strategies for growth
(2013/2100(INI))

Committee on Agriculture and Rural Development

Rapporteur: Anthea McIntyre

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT.....	13
RESULT OF FINAL VOTE IN COMMITTEE.....	17

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the future of Europe's horticulture sector – strategies for growth (2013/2100(INI))

The European Parliament,

- having regard to Part Three, Titles III and VII of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Regulation (EC) No 1107/2009 of 21 October 2009 concerning the placing of plant protection products on the market,
- having regard to Directive 2009/128/EC of 21 October 2009 on the Sustainable Use of Pesticides,
- having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)¹, to be taken over by the Commission legislative proposal of 19 October 2011, submitted under the TFEU ordinary legislative procedure (ex co-decision procedure), for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) (COM(2011)0626), which was recently approved by the three EU institutions concerned,
- having regard to Regulation (EC) No 1182/2007 of 26 September 2007 laying down specific rules as regards the fruit and vegetable sector² and to Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors³,
- having regard to Regulation (EU) No 1169/2011 of 25 October 2011 on the provision of food information to consumers⁴,
- having regard to Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products,
- having regard to Directive 2001/18/EC of the European Parliament and of the Council of 12 March 2001 on the deliberate release into the environment of genetically modified organisms⁵,
- having regard to its resolution of 21 June 1996 on a Community initiative for ornamental horticulture⁶,

¹ OJ L 299, 16.11.2007, p. 1.

² OJ L 273, 17.10.2007, p. 1.

³ OJ L 157, 15.6.2011, p. 1.

⁴ OJ L 304, 22.11.2011, p. 18.

⁵ OJ L 106, 17.4.2001, p.1.

⁶ OJ C 198, 8.7.1996, p. 266.

- having regard to the Commission Communication of 9 December 2008 on food prices in Europe (COM(2008)0821),
 - having regard to the Commission Communication of 16 July 2008 on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan (COM(2008)0397),
 - having regard to the Commission Communication of 28 October 2009 on a better functioning food supply chain in Europe (COM(2009)0591),
 - having regard to the Commission Communication of 28 May 2009 on agricultural product quality policy (COM(2009)0234),
 - having regard to the Commission Communication of 3 May 2011 entitled ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’ (COM(2011)0244),
 - having regard to Commission Decision 2008/359/EC of 28 April 2008 setting up the High Level Group on the Competitiveness of the Agro-Food Industry, and to the Report of that High Level Group of 17 March 2009 on the Competitiveness of the European Agro-Food Industry, along with the Group’s recommendations and roadmap of key initiatives¹,
 - having regard to the November 2012 study entitled ‘Support for Farmers’ Cooperatives’ (SFC), which presents the findings of the SFC project launched by the Commission²,
 - having regard to the 2013 study by the Commission Joint Research Centre – Institute for Prospective Technological Studies entitled ‘Short Food Supply Chains and Local Food Systems in the EU. A State of Play of their Socio-Economic Characteristics’³,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A7-0000/2014),
- A. whereas the fruit and vegetables (F&V) sector receives about 3 % of Common Agricultural Policy (CAP) aid yet accounts for 18 % of the total value of agricultural production in the EU, represents 3 % of the EU’s usable agricultural area and is worth more than EUR 50 billion;
- B. whereas horticulture includes fruit, vegetables, potatoes, salads, herbs and ornamentals and the horticulture sector incorporates nurseries, perennial nurseries, gardening services, cemetery gardening, gardening supply retailers, garden centres, florists and landscape gardening;
- C. whereas the F&V supply chain has an estimated turnover of more than EUR 120 billion, with approximately 550 000 employees and is important for the economy of those areas within the EU that tend to have a high unemployment rate;

¹ Available at <http://ec.europa.eu/enterprise/sectors/food/competitiveness/high-level-group/documentation/>

² Available at http://ec.europa.eu/agriculture/external-studies/2012/support-farmers-coop/fulltext_en.pdf

³ Available at <http://ftp.jrc.es/EURdoc/JRC80420.pdf>

- D. whereas the EU is the world's second-largest producer, and also the second-largest importer of F&V; whereas demand in this sector is growing and currently exceeds supply; whereas F&V trade rose from over 90 billion USD in 2000 to nearly 218 billion USD in 2010 and accounts for almost 21 per cent of global food and animal product trade; and whereas the EU has opened up its markets considerably to imports from third countries with which it has concluded bilateral and multilateral agreements;
- E. whereas the horticulture sector – primary production and processing industry – acts as an economic multiplier at European level, stimulating demand and the creation of added value in other economic sectors such as trade, construction and financial services;
- F. whereas the organic fruit and vegetable sector is the fastest growing organic sector within an EU market worth 19.7 billion Euro in 2011 and growing by 9% between 2010 and 2011, in a decade-long trend of annual growth between 5-10%; in terms of area, organic fruit increased by 18.2% and organic vegetables by 3.5% between 2010 and 2011;
- G. whereas per capita F&V consumption in 2011 for the EU-27 decreased by 3 % compared with the average consumption of the previous five years, in spite of the substantial health benefits which eating F&V brings;
- H. whereas the EU is the world's biggest producer of flowers, bulbs and potted plants (44% of global production), with the highest density per hectare; whereas the ornamental sector has an estimated turnover of EUR 20 billion in production, EUR 28 billion in wholesale trade and EUR 38 billion in retail trade and employs approximately 650,000 people;
- I. whereas the F&V regime is part of the CAP and seeks, among other objectives, to restore balance in the food chain, promote F&V, boost competitiveness and support innovation; whereas membership of producer organisations (POs) should be increased, including in those regions in which for years no operational funds have been available and/or production methods are outdated, by making the system more attractive, in view of the fact that more than half of all EU growers still do not belong to a PO despite the Commission's objective of an average rate of 60 % PO membership by 2013; whereas the low rate of organisation in some Member States has been partly caused by the suspension of POs , which creates uncertainty among producers; whereas, given that POs play a key role in enhancing the negotiating power of F&V organisations, it is essential to prevent uncertainty among producers by clarifying European legislation on the recognition of POs;
- J. whereas, according to Eurostat, total input costs for EU farmers climbed on average by almost 40% between 2000 and 2010, while farm gate prices increased on average by less than 25%; whereas the increase in input costs was almost 80% for synthetic fertilisers and soil improvers, almost 30% for seeds and planting stock and nearly 13% for plant protection products;
- K. whereby the loss of soil fertility due to erosion, decreased input of organic matter leading to poor crumb structure and humus levels and decreased nutrient and water retention, and reduction of ecological processes is a significant cost both to farmers and the public budget;
- L. whereas the 'knowledge pipeline' to translate research into practice for horticulture is

under strain, and whereas spending by the private sector on research is low overall, with research and development (R&D) accounting for only 0.24 % of total food industry expenditure across the EU-15 in 2004, the latest period for which figures are available;

- M. whereas a large number of F&V varieties are under threat of extinction because they are not sufficiently profitable, and whereas farmers who continue to grow those varieties play an environmentally, socially and culturally valuable role in preserving important component parts of Europe's agricultural base;
- N. whereas the growing difficulties being experienced in connection with plant pest prevention, control and eradication and the limited availability of plant protection products for vegetable crops could have an adverse effect on agricultural diversity and vegetable quality in Europe;
- O. whereas businesses operating in the horticulture sector are often also involved in the areas of production, sales and services;
- P. whereas cisgenesis can be defined as a genetic engineering technique which introduces into a subject plant a gene from its relatives of the same species or genus;
 - 1. Stresses the importance of promoting the EU horticulture sector and enabling it to compete better in the global marketplace, through innovation, research and development, energy efficiency and security, adaptation to and mitigation of climate change and measures to improve marketing, as well as of continuing efforts to eliminate the imbalance between operators and suppliers by increasing the level of concentration in the sector;
 - 2. Emphasises the need to make it easier for producers to gain access to third-country markets; calls on the Commission to increase its efforts to support exporters of fruit, vegetables, flowers and ornamental plants to overcome the increasing number of non-tariff barriers, such as some third country phytosanitary standards, that make EU exports difficult, if not impossible;
 - 3. Calls on the Commission to establish the same market access conditions, as regards marketing standards, designations of origin, etc., for all market participants in the EU and to carry out checks to ensure that those conditions are observed, in order to prevent distortions of competition;
 - 4. Encourages the promotion of F&V consumption in Member States through educational activities such as the EU School Fruit Scheme, as well as for example the Grow Your Own Potato and Cook Your Own Potato industry schemes in the UK;
 - 5. Notes that local and regional markets often have insufficient supplies of horticultural products produced there and agricultural entrepreneurship should therefore be promoted in these regions, in particular through incentives for young entrepreneurship, which will offer an employment opportunity in the agricultural sector and a guarantee for the supply of fresh local produce;
 - 6. Emphasises the benefits of ornamental horticulture to human health and well-being in enhancing green spaces, in amelioration of the urban environment in relation to climate change and to the rural economy; stresses the need for more active support for this sector,

in terms of encouraging investment and career development;

7. Welcomes the measures in the EU F&V regime which are intended to increase market orientation among EU growers, encourage innovation , promote F&V, increase growers' competitiveness and improve marketing, product quality and the environmental aspects of production, through the provision of support to POs , associations of POs and the recognition of inter-branch organisations, also promoting the formation of clusters that will generate new income streams to be channelled into new investments; points out, at the same time, that steps must be taken to ensure that self- and direct marketers do not suffer discrimination but have the opportunity to implement innovative projects and enhance their competitiveness;
8. Points out that local and regional production and marketing help to create and safeguard economic activity and jobs in rural areas;
9. Points out that short value chains help to reduce emissions which are damaging to the climate;
10. Notes that urban farming offers the horticulture sector new outlets;
11. Welcomes the report on the Commission public consultation entitled 'A Review of the EU Regime for the Fruit and Vegetables Sector', in particular section 3.8 thereof, which acknowledges the need for simplification of the current rules governing POs, endorses its proposal to strengthen POs and notes that most of the replies are in favour of maintaining the basic philosophy of the current support arrangements;
12. Emphasises that cutting red tape is particularly important for small and medium-sized businesses, although such measures must not undermine the legal certainty which such businesses also rely on;
13. Welcomes the fact that the CAP reform agreement retains the PO-based European F&V aid system, while acknowledging that existing instruments have not always been effective, as recognised by the Commission in its public consultation document entitled 'A Review of the EU Regime for the Fruit and Vegetables Sector' and therefore supports the work of the Newcastle Group aimed at improving the EU fruit and vegetables regime, which should take account of the specific nature of the legal arrangements governing cooperatives in the Member States, so as not to limit the creation of new POs, while respecting that growers may opt to remain outside the PO system; also notes the establishment of a Union instrument for managing serious crises affecting a number of Member States and stresses that it should be open to all producers, irrespective of whether or not they are members of a PO;
14. In order to strengthen the beneficial activities carried out by POs for producers, calls on the Commission, in its review of the EU F&V regime, to produce clear and practical rules on the design and working methods of POs and adjust the scheme to fit the market structures that exist in Member States, so that POs can play their intended role and so that growers have an incentive to join POs, provided that this does not jeopardise the achievement of the regime's fundamental objectives and that growers remain free to take their own decisions on these matters;

15. Notes with concern that Producer Organisation scheme rules are open to wide interpretation by the Commission's Auditors, which leads to a high degree of uncertainty and can leave Member States at risk of disallowance and judicial review; also stresses that audit procedures and financial corrections must be carried out in a more timely manner and within an agreed audit time period;
16. Notes that unfair trading practices remain across the EU which undermine horticultural businesses and their POs and diminish growers' confidence to invest in the future, believes that codes of conduct agreed by all actors in the supply chain, backed by a legislative framework and overseen by a national adjudicator in each Member State, to monitor trading practices, could significantly improve the functioning of the food chain and the internal market;
17. Takes the view that the private standards for pesticide residues that have been adopted by many large retail chains are anti-competitive and detrimental to the interests of F&V growers; calls on the Commission to put an end to such practices, given that the pesticide residue levels laid down in EU legislation provide adequate protection for the health of both consumers and producers;
18. Calls on the Commission and Member States to promote integrated pest management (IPM), to support innovation and entrepreneurship through increased research and development on non-chemical alternatives such as natural predators and parasites of pest species, and to use the Horizon 2020 Framework Programme for Research and Innovation to fund applied research that supports the development of integrated strategies for pest, disease and weed control, to provide producers with the necessary tools and information in order to address Directive 2009/128/EC which says in Article 14 that Member States must "take all necessary measures to promote low pesticide-input pest management, giving, wherever possible, priority to non-chemical methods" and "establish, or support the establishment of necessary conditions for the implementation of integrated pest management";
19. Calls upon the Commission and Member States to promote and emphasise the intensification of ecological processes ensuring long-term soil health, fertility and formation, as well as managing and regulating pest populations; believes this can lead to long term productivity gains for farmers and reduced costs to public budgets;
20. Stresses that horticulture is reliant on a variety of plant protection (PPPs) products, and urges the Commission to take a risk-based approach to the regulation of these products that is justified by peer-reviewed, independent, scientific evidence; emphasises that minor uses are particularly vulnerable owing to the scarcity of the relevant active substances; calls on the Commission to strengthen the co-ordination of data generation across the Member States, specifically residues data which is an essential requirement for authorisations on edible speciality crops; ; calls on DG Agri, DG Sanco, DG Environment and DG Competition to work strategically together to take into account the impact of changes to PPP regulation from multiple perspectives;
21. Urges the Commission to review the operation of the arrangements for mutual recognition of plant protection product authorisations laid down in Article 40 of Regulation (EC) No 1107/2009, with a view to streamlining their implementation and getting rid of any

unnecessary red tape, and to consider the long-term goal of global harmonisation for regulating PPPs and reducing non-tariff trade barriers to export trade;

22. Urges the Commission to submit, in accordance with Article 51(9) of Regulation (EC) No 1107/2009 and without further delay, a report to the European Parliament and the Council on the setting up of a European fund for minor uses and specialty crops; stresses that that fund should be used to finance an ongoing European work programme for coordination and cooperation between agri-food operators, competent authorities and stakeholders including research bodies on carrying out and, where appropriate, funding research and innovation work geared to protecting specialty crops and minor uses;
23. Points out that imports are not required to meet the same phytosanitary requirements as European products; stresses that this ongoing disparity is undermining the competitiveness of European producers and is detrimental to the interests of European consumers;
24. Recalls that both the Plant Protection Products Regulation (Regulation (EC) No 1107/2009 of 21 October 2009¹) and the new Biocides Regulation (Regulation (EU) No 528/2012 of 22 May 2012²) require the Commission to specify scientific criteria for the determination of endocrine-disrupting properties by December 2013; is concerned that these criteria will remove significant substances which could still be used with acceptable risk; emphasises how important it is that the procedure should be transparent, so that the market actors concerned understand the scientific basis for the decisions and know which actors were involved in developing new criteria; urges the Commission to fully consider the impact of different approaches when presenting proposals for endocrine disruptors;
25. Calls on the Commission to reassess the current restrictions on the use of some neonicotinoids and to consistently examine any new scientific evidence in this field and urges the Commission to properly assess the environmental impact of any restrictions as regards location, type and time of use, before bringing them into force, and to give due consideration to any economic impact;
26. Emphasises that the horticulture sector relies heavily on the use of high quality, well specified fertiliser materials; welcomes the current review of the EU Fertilisers Regulation but notes with concern the Commission's aim to include the previously non-prescribed material soil improvers; stresses that this material does not require precision in manufacturing and use and calls on the Commission not to include it within the scope of the Fertilisers Regulation;
27. Highlights the fact that the horticulture sector is leading the development and adoption of innovative precision farming systems and believes that such systems will reduce the use of pesticides and fertilisers, increase marketable yields and reduce waste as well as improve continuity of supply and economic performance; stresses that plant cultivation methods, such as crop rotation and the planting of catch crops, the use of traditional and new varieties and research and development, should be geared to minimising the environmental damage;
28. Notes the Commission proposal for a regulation on plant reproductive material

¹ OJ L 309, 24.11.2009, p. 1.

² OJ L 167, 27.6.2012, p. 1.

(COM(2013)0262) and is concerned that it would impact disproportionately on the horticultural sector, and in particular on ornamentals and fruit; stresses that any legislation should be proportional and recognise the principle of subsidiarity; also stresses that changes to legislation must not endanger traditional varieties and crops and should contribute to genetic diversity of and within populations of crops, for long term food security and resilience of food systems;

29. Notes the impact of non-native invasive horticultural species on the wider environment, but recommends that a regional, or country based approach is taken in the Commission proposal for a regulation on the prevention and management of the introduction and spread of invasive alien species (COM(2013) 620), which recognises that some areas of Europe are more vulnerable than others and that different areas of Europe have different climates that will support a different array of plants;
30. Strongly urges the Commission to safeguard as a general principle the freedom of plant breeders to use existing plant materials freely to develop and market new ones, regardless of any patent claims extending to plant materials;
31. Calls on the Commission and Member States to support the development of local fruit and vegetable markets and of short supply chains, thereby ensuring product freshness;
32. Urges the Commission to prioritise horticultural crops for funding and research using new and innovative plant breeding techniques (NBTs), to provide clarity about the regulatory status of plants produced using these techniques and to ensure that any NBTs that are found not to lead to GMOs will be treated like conventional breeding techniques, and will therefore not be subject to any process based pre-market authorisation procedures;
33. Calls on the Commission to differentiate between cisgenic and transgenic plants and to create a different approvals process for cisgenic plants so as to recognise that cisgenesis is an accelerated form of conventional plant breeding; awaits the EFSA opinion demanded by DG SANCO evaluating the findings of the working group of new biotech breeding techniques;
34. Highlights the seasonally high labour needs of the horticulture sector and calls on the Member States to ensure that there are effective schemes in place to ensure that horticulture producers can access the labour they need for key periods of the year, while fully respecting the requirements of the Seasonal Workers Directive including the principle of fair wages;
35. Welcomes the renewed emphasis on workforce training and apprenticeships, but notes with concern that the numbers of people completing horticulture apprenticeships in some Member States remains low, restricting the openings for young people with an interest in this sector; recognises that not all young people taking apprenticeships are suited to them; emphasises that efforts to encourage young people to consider jobs in the horticulture sector and to provide them with training should be supported by means of awareness-raising and information campaigns which enhance the sector's image;
36. Urges the agri-food sector and the research community to work together in a systematic way to attract and train the next generation of researchers and upskill the existing workforce;

37. Emphasises the benefits of strengthening and extending partnerships between government, industry and research organisations and the need to ensure that schemes to support such partnerships are structured in a way that maximises the impact and coherence of investments overall;
38. Stresses the vital importance of making efficient use of qualified scientific resources so as to speed up the application of research and innovation results through the transfer of innovatory agricultural production technology to the horticulture sector and the combination of research, innovation, training and expansion in the agricultural sector with economic policies meeting the requirements and increasing the efficiency of horticultural production development;
39. Is of the view that the floriculture and ornamental plant sector must be allowed to make better use of Union programmes for research, technological development and innovation, and calls on the Commission to include 'protected cultivation' in Horizon 2020 calls in order to stimulate innovation regarding for example sustainable crop protection, sustainable water and nutrient usage, energy efficiency, advanced cultivation and production systems and sustainable transport;
40. Is of the view that with funding for agricultural and horticultural research under budgetary constraint in Member States, funding by third parties, including, but not limited to, retailers, should be encouraged, and should be in line with the total research interest of the sector;
41. Calls on the Commission and Member States to facilitate access to long-term funding for investment in modern horticultural production technologies so as to enhance the competitiveness of horticultural products and services;
42. Underlines the crucial importance of a good-quality business plan in securing capital finance; recommends that growers make greater use of business support and advisory services and urges the Commission to work more closely with industry to ensure that such services are easily accessible to growers;
43. Urges the Commission to update, as part of a transparent process involving those working in the sector, the items in Chapter 6 (Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage) of the combined nomenclature (CN 2012);
44. Is concerned by the prospect of horticultural production being transferred out of the European Union;
45. Is deeply concerned that between a third and a half of edible produce is wasted because of its appearance and calls on the Commission to urgently create possibilities for marketing, particularly in local and regional markets, a wider range of quality specifications of produce, while ensuring transparency and the proper functioning of the market; draws attention to trials conducted in Austria and Switzerland involving the sale of blemished fruit and vegetables; calls on supermarkets to take into account market research which shows that many consumers are not necessarily worried about the cosmetic appearance of fruit and vegetables and are happy to purchase lower grade produce, particularly if this may appear to be cheaper;

46. Notes with concern the overall loss and waste of fruit and vegetables intended for first market use and the significant economic loss to business; recognises that reducing systemic food waste is a key to increasing the supply of food to a growing world population; but welcomes the efforts being made by actors in the food supply chain to redirect this produce into a secondary market rather than disposing of it;
47. Calls on the Commission and the Member States to make the legislative and political environment as supportive as possible for uses of horticultural waste; cites that there are a number of materials, such as spent mushroom compost, which could be used in the production of value added growing media were it not classified as 'waste';
48. Points out that aquaponic systems can make sustainable local food production possible and that the combination of freshwater fish farming and vegetable cultivation in a closed system can help to reduce resource consumption by comparison with traditional systems;
49. Underlines the importance of improving the monitoring of prices and the quantities produced and marketed and the need to produce user EU-wide horticultural statistics to help producers better understand market trends, predict crises and prepare future harvests; calls on the Commission to include ornamentals in its forecast information;
50. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Horticulture represents 18% of the total value of agricultural production in the EU and uses only 3% of the EU's cultivated land. Fruit and vegetables (F&V) play an important role in today's society and form a major part of a healthy diet. The sector is very diverse and is perhaps the most complex and least understood part of EU agriculture.

There is much optimism about the future of horticulture in the Member States, opportunities are many and varied and the EU has an important role to play in unlocking the sector's huge potential.

Growers produce an enormous variety of crops, the majority of which have to be harvested, processed and delivered in time to meet the exacting standards of processors, retailers and consumers. There are many challenges facing Europe's horticulture sector; from adapting to the effects of climate change, to feeding a growing global population with less environmental impact.

The effect of increased temperatures and CO₂ will mean the range of current crops will move northward in Europe. Horticultural crops are more susceptible to changing conditions than arable crops. Water deficits will directly affect horticultural production.

However, EU horticulture should not just be seen as a series of challenges, and to some extent the universal challenges facing EU horticulture are already being tackled. The number of smaller and less specialist producers is falling, as competition from imports and other growers require the industry to adapt and to use the latest machinery and production methods. Furthermore, it would be wrong to suggest that overall supply chains are dysfunctional. Europe has seen a trend in recent years towards more integrated supply chain relationships within the fresh produce sector and there are good examples of where this is working well. In order for this trend to be accelerated, the sector must take a more strategic approach to the way it does business.

Growers today are operating against a backdrop of diminishing profitability and escalating farmgate costs. Current challenges arise mainly from long-term structural changes. Consumers increasingly demand convenience in food purchasing and preparation, taste and variety, and are increasingly concerned for food safety and quality. Supply chain relationships within the fresh produce sector have become increasingly complex with sales being controlled by fewer and fewer retailers. At the same time, the fresh produce supply base is declining in many Member States, or is losing considerable market share to imports from competing countries within Europe and globally.

This problem has been further exacerbated by the global economic crisis which has caused consumption levels to fall. In more than half of European countries the intake of fresh F&V is still below the World Health Organisation's recommended minimum level.

One of the main structural limits of the EU F&V sector is the small size of farms. In 2007, over 70% of the F&V holdings did not exceed 5Ha, creating higher production costs for

farmers, limiting efficiency of production and reducing global competitiveness. The average size of F&V holdings is much larger in the North Sea countries than in Mediterranean countries.

Lack of trust and confidence within supply chains is arguably the most significant factor impacting on the fresh produce sector. It is often clear from discussions with growers that a lack of confidence, together with low margins, is resulting in low levels of investment within the growing base, which is then translated into lower efficiency and reduced competitiveness. However, Codes of Conduct agreed by all actors in the supply chain backed by a legislative framework overseen by a national adjudicator in each Member State can give producers the confidence they need to invest.

Growers also need the legislative and political environment to be as supportive as possible. The EU F&V Regime has helped growers become more market orientated, encouraged innovation and increased growers' competitiveness through the provision of support to Producer Organisations (POs). However, after 15 years, more than half of all EU growers do not belong to a PO despite the European Commission objective of an average rate of 60% by 2013. The low rate of organisation has been partly caused by the suspension of POs within Member States which is of significant concern because it creates uncertainty amongst producers and results in a competitive disadvantage between those in the scheme and those outside it.

The Commission in its review of the EU F&V Regime must produce clearer practical rules about how POs should be designed and managed and ensure the scheme adapts to fit the market structures that exist in Member States. Strengthening the position of growers through increased collaboration, better internal organisation and a more professional approach to management will help ensure that growers receive sufficient returns when negotiating contractual arrangements with major purchasers and retailers. In this respect, the work of the Newcastle Group is of particular importance. This is a group of Member States that met at Newcastle in 2012 with the aim of improving the EU F&V Regime, and in particular improving the wording in Implementing Regulation (EU) No 543/2011 concerning simplification and recognition criteria.

Horticulture is reliant on a variety of plant protection products. The Commission needs to take a risk based approach to the regulation of these products. Minor uses are particularly vulnerable. It would be very regrettable to reach a position where manufacturers do not develop new products for the EU market but choose instead to focus on other markets with lower regulatory costs.

In addition, the Commission should reassess, in light of new scientific evidence, the current ban on the use of some Neonicotinoids and should properly assess the economic and environmental impact of such restrictions before bringing them into force. Furthermore, the potential of precision farming in horticulture needs to be taken into account. Such techniques could significantly reduce the use of chemicals in horticulture.

Legislation is not sufficient on its own. With public sector funding for horticultural research under budgetary constraints in Member States, it has never been more important to encourage more sector-led research, and for retailers, as direct beneficiaries of new product research and development (R&D), to reinvest a proportion of their profits from the fresh produce category

back into the sector.

Joint investment in research into new varieties, production techniques and products that consumers want to buy will enable EU growers to retain a viable production base and successfully compete in world markets. The translation of research into practice is of particular importance and is essential if EU horticulture is to remain ahead of its competitors.

With regard to EU funded R&D programmes, renewed attention must be given to floriculture and ornamental plants. Similarly, the absence of ‘protected cultivation’ from Horizon 2020 calls is resulting in missed opportunities for climate controlled innovations in horticulture. Investment aimed at improving water management and energy efficiency must also be encouraged.

Consumers rightly expect food that is safe, healthy, nutritious and convenient, but without new advances in technology these expectations will become increasingly difficult to meet. In view of this, the Commission should prioritise economically important horticultural crops for funding and research using new and innovative plant breeding techniques, and provide clarity about the regulatory status of plants produced by these new techniques.

Current genome technologies can be used effectively in horticultural crop improvement programmes. These provide a wealth of information that can be mined for useful genes and molecular markers. Advances in biotechnology over the last decade have also resulted in plant breeding techniques that can utilise this information.

The use of genetic modification (GM) to transfer genes of interest between organisms has proven to be a powerful technique in introducing new traits such as disease resistance, stress tolerance and enhanced nutritional properties into plants. This technology can be particularly valuable in the development of horticultural plant varieties that are difficult or time-consuming to produce using traditional breeding methods. However, this technology is also being used to move genes efficiently between plants of the same species (i.e. to produce cisgenic plants).

Horticulture still encounters difficulties regarding workforce availability. Stakeholders indicate that there is a shortage of qualified and competent employees in the sector, since it does not appear to be perceived as an attractive career choice. The agri-food sector and research community need to work together in a systematic way to attract and train the next generation of researchers and up-skill the existing workforce.

The specific labour needs of the horticulture sector, and specifically the need for seasonal workers, should also be taken into account. Member States should have effective schemes in place to ensure that horticulture producers can access the labour they need for key periods of the year.

Apprenticeships in workforce training are of key importance too. However, the numbers of people completing horticulture apprenticeships in some Member States remain worryingly low. There is also a decline in the number of horticulture related courses run by higher education institutions due to lack of demand. At the same time, there is a shortage of horticulture skills, particularly in areas such as botany, plant pathology and agricultural engineering.

EU horticultural statistics must include all categories, be user friendly and updated quarterly in order to obtain better sectoral information. Quality statistical information will help growers better understand market trends and prepare future harvests.

Growers should also be encouraged to make better use of business support and advisory services. In this respect, the Commission must work more closely with the sector to ensure that services are easily accessible. As for all enterprises in the EU, and especially for SMEs, there is a great need to reduce the regulatory burdens for horticultural businesses.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.1.2014
Result of final vote	+: 22 -: 10 0: 1
Members present for the final vote	John Stuart Agnew, Eric Andrieu, Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Michel Dantin, Albert Deß, Diane Dodds, Herbert Dorfmann, Hynek Fajmon, Iratxe García Pérez, Julie Girling, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggler, Elisabeth Köstinger, George Lyon, Gabriel Mato Adrover, Mairead McGuinness, James Nicholson, Rareş-Lucian Niculescu, Marit Paulsen, Britta Reimers, Giancarlo Scottà, Czesław Adam Siekierski, Alyn Smith, Ewald Stadler, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	Luis Paulo Alves, Pilar Ayuso, Esther de Lange, Christa Klafß, Anthea McIntyre, Petri Sarvamaa
Substitute(s) under Rule 187(2) present for the final vote	Adam Gierek