Aid scheme for the supply of fruit and vegetables, bananas and milk in the educational establishments

2014/0014(COD) - 30/01/2014 - Legislative proposal

PURPOSE: to establish a common legal and financial framework for the distribution of fruit and vegetables and milk to children in schools.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the School Milk Scheme and the School Fruit Scheme have developed independently and in different time periods: the School Milk Scheme has been implemented since 1977, and the School Fruit Scheme came out of a political commitment in the context of the 2007 reform of the Common Market Organisation for fruit and vegetables. The current schemes operate within different legal and financial frameworks, and have some important differences in their design and functioning. The Commission proposes changes to the programmes in order to make them more efficient, and better respond to the overarching problems of declining fruit and vegetable and milk consumption and rising obesity.

Furthermore, the Commission made a commitment in the context of the adoption of Council Regulation (EU) No 1370/2013 to review the financing arrangements of the current schemes, namely aid for the distribution of milk as well as the co-financing of the school fruit scheme costs.

IMPACT ASSESSMENT: of the three options considered, the option chosen is the "new framework" scenario that entails a considerable policy change in the form of a common legal and financing framework for the distribution of a restricted number of products, complemented by an orientation towards the long-term objectives through a strengthened educational dimension of the scheme.

CONTENT: it is proposed to establish a common legal and financial framework for the distribution of fruit and vegetables and milk to children in schools, supported by strengthened educational measures to reaffirm the link with agriculture, as well as wider issues such as public health and environmental matters.

The proposal sets out the key elements of the new scheme.

1) Distribution: it is proposed to focus the distribution of products in schools to two "core products": fresh fruit and vegetables (including bananas) and drinking milk only, with the fat content of drinking milk to be decided upon by national health authorities. The distribution will take place within a fixed budget, and will help reverse the declining consumption trends for these two groups of products.

2) Unify the financial provisions and improve financing conditions: in view of the differences between the products and their supply chains, as well as different consumption situation across the Member States, separate "envelopes" would be allocated to Member States for fruit and vegetables (including bananas) and milk. The envelope for fruit and vegetables is EUR 150 million and the envelope for milk is EUR 80 million. Certain flexibility is provided for, where Member States can transfer limited shares of their allocations between the envelopes based on their needs.

Accordingly, without exceeding the global ceiling of EUR 230 million Member States may transfer up to 15% of their indicative allocations for fruit and vegetables including bananas or for milk to the other sector under conditions to be specified by the Commission by means of delegated acts

Within the envelopes, thresholds are established for supporting measures and other eligible measures, such as evaluation, monitoring and communication.

Based on experience gained so far, the level of EU contribution towards the price of products is limited through a maximum EU aid per portion for fruit and vegetables and for milk, and not through the EU co-financing levels, as was the case for the School Fruit Scheme. This would be a new element for fruit and vegetables, which would help alleviate the huge disparities in price for products distributed and would imply a simplification in terms of a management. The level of EU subsidy for milk is increased. Member States will be allowed to continue providing national top-ups or attract private funding in order to enlarge the scope and/or the intensity of their intervention of the school schemes.

The aid will be allocated to each Member State taking into account certain criteria including (i) the number of six- to ten-year old children as a proportion of the population, (ii) the degree of development of the regions within a Member State so to ensure higher aid to less developed regions and (iii) for milk, the historical use of funds.

Reinforce the educational dimension: supporting educational measures will also become a requirement for milk distribution, thus bridging the gap between the current schemes. These measures will have a focus on agricultural issues, nutrition/health (balanced diets) and environmental matters and aim to connect children with food, agricultural production and farmers. Member States could choose thematic educational measures that could occasionally include agricultural products, other than the two core products, such as yoghurts, processed fruit and vegetables, honey, or olive oil. The list of all products supplied under the scheme and their nutritional aspects have to be approved by national health authorities. Supporting educational measures would have to be directly linked to the agricultural objectives of the scheme and be in line with the objective of promoting healthy diets.

BUDGETARY IMPLICATIONS: the impact of the proposal is budgetary neutral compared to the current situation.

- For fruit and vegetables, the budgetary ceiling currently set in Regulation No 1308/2013 (EUR 150 million per school year) is maintained in this proposal.
- For milk, the proposal includes an envelope of EUR 80 million per school year, corresponding to the expected budget execution and in line with the overall amounts for market-related expenditure and direct aids taken into account in the Multiannual Financial Framework

2014-2020.

As regards distribution of expenditure, the greatest support will be given to the distribution and supporting educational measures. Other costs, such as evaluation, monitoring and communication, will also be eligible to a more limited extent.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.