

PART B – QUESTIONS

The Commission seeks your assistance to gain an understanding of the interaction between the Italian Government and Producer Organisations and Producer Organisations Associations. Further, the Commission also seeks to gain an understanding of the interaction between the Producer Organisations and Producer Organisations Associations with the growers of raw tomatoes and the processors of prepared or preserved tomatoes.

Our specific enquires are set out in detail below. We respectfully request that you provide a completed response to each of the enquiries listed below. **Where questions are not applicable, please clearly indicate the reasons why.**

B1. Structure of the Producer Organisations, Producer Organisations Associations

B1.1 Please provide an overview of the structure of your organisation?

In relation to your structure, please provide details of the board make-up, the decision making process and details of any board members that are also growers or processors of tomatoes in Italy?

ANICAV, Associazione Nazionale Industriali Conserve Alimentari Vegetali, is a non-partisan, non-political, not commercial and no-profit industries association. It brings together, for the act of free and voluntary membership, the Companies, in any form constituted, operators of business or trade in processed fruit and vegetable sector.

The Association adheres, at the national level, to Federalimentare - the Federation of Associations of 16 categories, that represents and protects the Food Industry in Italy and to Confindustria, the leading association representing manufacturing and service companies in Italy. At European level, ANICAV participates in the work of 20 industry associations and of the European Confederation of the Food Industry (FoodDrinkEurope) and it's a member of OEIT (Organization Européenne des Industries de Tomates). Furthermore, ANICAV adheres, at worldwide level, to AMITOM (Association Méditerranéenne Internationale de la Tomate de Conserve) and to WPTC (World Processing Tomato Council).

The Association's Bodies are:

1. Assembly, composed by representatives of all the Associates, which purposes are, inter alia: examining the problems of a general category and to establish guidelines for the maximum activity of the Association and the achievement of the social aims approving the general guidelines and the program of activities proposed by the president; to elect the President, the Vice -Presidents, some members of the Board, the Appeal Board and Auditors; to discuss and approve the reports and annual financial statements of the Association; to approve the measure of contribution determinations; to deliberate on any other matters referred to them by the Government, by the Board or by the President.

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2. The Council, composed by 14 elected members, in addition to the President, the Vice-Presidents and members of the Board of Directors. The Council purposes are: to designate the names to be submitted to for election as President; indicate the four Vice-Presidents, to be submitted to the Assembly; to elect the Board Treasurer, in charge of administrative affairs ;to take care of the achievement of its statutory and to fulfill all the other responsibilities that are entrusted to it by the Assembly; considering financial matters that exceed the ordinary administration; to approve the general directives for the conclusion of collective labor agreements pertaining to the Association; to comment on the balance sheet and budget and related reports, to be submitted for final approval by the Assembly.

3. The Board of Directors is composed by the President of the Association; four Vice-Presidents; Past-President of the Association; President of the Young Entrepreneurs Group and the Treasurer. The Board of Directors defines and implements the short-term action of the Association and directs its activities; prepares plans for action in the medium and long term; deliberates on the acceptance of applications for entry to the Association; establishes the amount of any contributions, supplementary or extraordinary, due by Associates; acts on organization and duties of the offices; assumes, appoints and dismisses, on the proposal of the President, the Director of the Association.

4. The President is the legal representative of the Association respect to third parties and in legal proceedings; he implements the Assembly, the Council and the Board of Directors decisions; the coordination and the ordinary administration of the Association.

5. The Vice-Presidents, elected simultaneously to the President and his program, alongside the President in the realization of the two-year program of activities in the management and representation of the Association.

6. Arbitrators Board which is responsible for the resolution of disputes of whatever nature arising between the components of the system and who have not been able to establish good-naturedly.

7. The Auditors Board supervises the economic and financial management of the Association, prepares its report on the financial statement and report to the Assembly when discussing the approval of the final budget.

B1.2 How many members does your organisation have in total and how many of those members are involved in the tomato sector in Italy?

ANICAV associates 110 companies located in 12 regions, with a greater presence in the Center-South basin, with a particular concentration in Naples and Salerno area. 72 companies, among all the members, process tomato.

B1.3 Please provide details of how an entity becomes a member of your organisation?

To be an ANICAV member the companies have to submit an application, signed by their legal representative. The application should be addressed to the President of the Association that must also

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contain express acceptance of the Statute, of all rights and obligations arising from it, the Confederal Ethics Code and the Associative Values Charter. Moreover it must contain the indication of: Tax Code and VAT; prevalent and secondary Business carried out; the number and location of establishments in which it carries on business; the number of permanent employees in workforce, as well as the number of seasonal workers; the total payments made to all employees during the calendar year preceding the application for registration; the quantities of raw materials processed in the calendar year preceding the application for registration; any other information required by the Board of Directors.

The application must also be accompanied by a certificate of registration to the Chamber of Commerce.

B1.4 Please provide details of how your organisation derives its income, including details of financial contributions made by members, the Italian Government and the EU?

The income of the Association consists of quotas and contributions paid by the Associates; any possible surplus assets of the annual management; possible immovable property of the Association as well as possible real estate investments and securities; possible interest income and other income from capital.

B1.5 The Commission would like to gain an understanding of your organisation's relationship with the Italian Government. Please clearly:

- a) state if your organisation is recognised by the Italian Government pursuant to EC Regulation 2200/1996
ANICAV is a non-profit organization; it is not a PO (Produces Organisations) or a POA (Producer Organisations Associations)
Therefore it is not recognized under the aforementioned regulations.
- b) explain the relationship between your organisation and the government;
As a representative association, ANICAV represents supports and protects its members in relations with public and private institutions, economic, political, labor, social, productive and agricultural organizations and associations.
- c) provide all related official regulations and administrative documents related to the recognition of your organisation;
Not applicable.
- d) explain the degree of government involvement in relation to the your organisation's development of any programmes and initiatives with respect to the organisation of the tomato sector;
There is no government involvement.
- e) provide details of any forms of Italian Government assistance (financial or otherwise) provided to your organisation including, but not limited to,
 - i. the establishment of any operational funds and or programmes related to the organisation of the tomato sector in Italy and;
 - ii. the administration of those funds or programs delivered to your members involved in the tomato sector.

Not applicable.

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B1.6 Please provide details of any compliance or reporting obligations your members have when provided any form of assistance by your organisation?

There are no obligations

There are no compliance or reporting obligations, except those coming from the Statute, Ethical and Code.

B1.7 Does membership of your organisation entitle your members involved in the tomato sector to;

- a) Grants from the Italian Government or the EU;
- b) Tax concessions from the Italian Government or the EU;
- c) Long term loans or access to any preferential finance and;
- d) Promotional activities; or
- e) Free access to industry consultants?

ANICAV doesn't guarantee anything to its members referred to the points indicated in paragraph B1.7.

B1.8 The Commission understands that the EU established a crisis fund for producers in 2011, with €34.6 million being made available to the Italian agricultural sector. Please provide a list of your members involved in the tomato sector that have received any form of crisis funding during 2011 to 2014?

This table may help with the provision of this information

Name of Member	How is funding applied for	Reasons Funding applied for	Amounts received in EURO	Amount received per hectare/tonne (if payment made this way)	Your organisations involvement in securing funds for the member

This information is not in ANICAV's knowledge. None of ANICAV's members are involved in the tomato's cultivation.

B1.9 Does your organisation have a legal or equitable interest in any entity that is involved in the growing or processing of tomatoes in Italy?

ANICAV doesn't have any legal or equitable interest in any entity that is involved in the growing or processing of tomatoes in Italy.

B1.10 Please list the main services that your organisation provides to its members? In particular describe your organisations role as a political advocate for your members?

ANICAV provides the following services:

- a) in the field of association: promotes the development of the industrial category, coordinating the initiatives and activities of Associates in correlation with the general interests of the production; represents, supports and protects the Associates in relations with public and private institutions,

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economic, political, labor, social, productive and agricultural organizations and associations; promotes and supports the preservation of the category against acts that may prejudice the interests and rights; will print publications interesting activity of the Association or the Associates; promotes arrangements and agreements with similar national and international associations; entering into agreements with public or private organizations, concerning promotional activities, studies and research.

- b) in the production, trade and economic field: places every initiative to promote, facilitates and regulate the development and industrial production of the category; considering new markets at home and abroad; promotes and contributes to the study and resolution of specific problems interesting in every field of Associates life, including those from national and international sources and from relationships with any organizations; stimulates and flanks the work of the authorities responsible for the regulation and control of production and marketing, for the protection of the production itself, quality and consumer.
- c) in the labor field: collaborates to troubleshooting concerning the relations between the Associates and their dependents; take any initiative for the protection of Associates and the definition of category labor disputes; stipulates for Associates collective labor agreements, agreements within the trade and economic agreements that affect the interests of the category.
- d) in the social field: contributing to the study of social legislation and oversees its implementation.
- e) in the technical-professional field: collaborates with initiatives for the establishment of technical training courses and the training of workers, employed and unemployed.

B2. Framework pricing agreement

The Commission understands that pursuant to negotiations undertaken in Parma in April 2013, tomato Producer Organisations and Producer Organisations Associations and representatives from the processing industry in Italy signed a framework agreement for Northern Italy which, in summary established a basic price of tomatoes fixed at €86/ton, against €84/ton of 2012.

- B2.1 Could you please advise whether the Italian Government played any role in the negotiation between Producer Organisations and Producer Organisations Associations, growers and processors in Italy such as the agreement specified above?
- B2.2 Please provide a copy of all subsequent agreements settled between these parties in 2011, 2012, 2013 and 2014 (or summaries thereof).
- B2.3 Please provide details of any agreements or negotiations undertaken, similar to those described above, between Producer Organisations and Producer Organisations Associations and representatives of the Italian Government for a framework price agreement for Southern Italy?
- B2.4 Detail the extent to which the Italian Government and the EU interacts with your Organisation in relation to price setting and dynamics of supply between growers and processors.

The price of tomatoes for processing is, as in all the commercial operations, left to free negotiation between the parties. No body (neither the North District of Tomato, nor the Central and Southern Italy Polo

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District of industrial tomatoes, nor ANICAV nor AIIPA, or other body) takes part in the negotiations on the price.

The economic entities made up of producers organizations and processors, distributors and marketing organizations may, under Articles 10 and 11 of Legislative Decree May 27, 2005 no. 102, sign framework contracts to one or more agricultural products relating to production, processing, marketing, distribution of goods, as well as the criteria and conditions that the parties undertake to respect.

In particular, the framework agreements in order to improve product quality, optimize production costs and better balance the market conditions, in the interests of the actors of the whole supply chain, as well as in the interest of the final consumer, promote and coordinate a growing planning and the programs of industrial processing, in order to ensure a regular supply of the product.

Moreover, in the framework agreements are defined production methodologies (certification), the quality and wholesomeness of the product, contractual conditions, compliance with the Integrated Production Regulations (DPI), and the technical guidelines for the crop management, shipment and delivery of raw material and qualitative parameters for the evaluation of the product standard.

Therefore, the price mentioned in your question - which in this case was set after the definition of the framework agreements of the North District (Inter-professional Body consists in implementing a regional law of Emilia Romagna) - is exclusively a mere value reference resulting from reflections made during consultation processes on framework agreements. Consequently, this price is not binding. The price of fresh tomatoes for processing is fixed from time to time by the parties, which have full freedom to negotiate.

B3. Benefits paid to the Italian tomato sector under CAP and associated support schemes

The Commission understands that the CAP has seen significant reform since 2003. The Commission understands that as part of these reforms your members have access to the single payment scheme (SPS), transitional payments and programs such as the European Agricultural Fund for Rural Development (EAFRD).

B3.1 For each of the above and any other additional benefit program/scheme your members in the tomato sector have accessed or have access to, please provide the following information:

- a) Full description of the programme including its strategic objectives and purposes
- b) Identification of the source of funding for the programme (for example EAFRD)
- c) Description of the administrative processes under which applications are received and the conditions for eligibility for payment of benefits under the programme;
- d) Total annual budget allocated to the scheme for 2011, 2012, 2013 to 2014; and

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- e) Total payments made under the scheme to your members involved in the tomato sector for 2011, 2012, 2013 to 2014.

Examples of how this information can be provided are set out in the below tables:

Table 1. Recipients of benefits under SPS

Recipient	Location of Recipient	Type of agricultural operation	Calculated total benefit payable	Area of land for which benefit allocated	Total annual payment provided (EURO)

Table 2: Recipients of benefits pursuant to transitional payments

Recipient	Location of Recipient	Type of agricultural operation	Programme under which benefit provided	Total annual payment provided (EURO)

Table 3: Recipients of benefit under specific support programs

Recipient	Location of Recipient	Type of agricultural operation	Programme under which benefit provided (if funded otherwise than by CAP please indicate)	Total annual payment provided (EURO)

In preparing the above information, summary explanation (in tabular form) will be sufficient. However, please note that the Commission may wish to request source documentation – such as reports and records relating to payments made to specific entities - as the investigation progresses.

This information is not in ANICAV's knowledge. None of ANICAV's members are involved in the tomato's cultivation.

- B3.2 Does your organisation act as an intermediary for your members when applying for financial assistance or access to complementary programs under the CAP? If so, please describe your role as the intermediary?

No.

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B4. Additional queries regarding the tomato sector

B4.1 The Commission understands that the tomato sector may involve a high level of sunk capital. Please advise;

- a) Does your organisation believe that a level of flexibility is available to participants in the tomato sector to allow transition to and from the tomato sector? Please explain.
- b) Have your members involved in the tomato sector moved in to substitute crops? If so, please provide the number of members that have done so and the reasons for the move over the period 2011-2014.

Processing tomatoes plants are expensive and they are specifically used almost only for the processing of tomatoes. It becomes difficult to imagine any flexibility in this respect. In fact, there is no ANICAV's member which has ever moved towards different productions.

B4.2 Please provide the volume of raw tomatoes grown for processing for the years 2011, 2012, 2013 and 2014? In regards to this data, please provide your organisations view on any trends in the data and explain which trends are related to market forces and which are related to reform of the CAP?

The evolution of processing tomatoes in Italy was determined only by the conditions of the market and these market trends have affected the prices for raw materials and finished products.

Year	Ha	Production (ton x .000)	Ton/ha
2011	65.120	4.950.000	76
2012	62.500	4.700.000	75,2
2013	55.836	4.131.000	74
2014	67.177	4.910.000	73,1
average	62.658	4.672.750	75,1

B4.3 Can you explain what affects the CAP and its recent reforms have had on the supply and price of raw tomatoes and prepared or preserved tomatoes in Italy in 2011, 2012, 2013 and 2014?

There is no impact of the CAP over the prices for fresh and processed tomatoes. The prices for raw materials and finished products have been influenced by market conditions only (eg. Increase in average prices of raw materials in 2014 caused by insufficient acreage in the tomato campaign 2013).

B4.4 The Commission further understands that the recent reforms to the CAP have placed a compliance burden upon recipients of assistance under the CAP. Can you explain any aid or assistance, financial or otherwise that your organisation or the Italian Government provide to the tomato sector to offset the costs related to compliance under the CAP?

ANICAV does not provide any assistance relating to management of the CAP.

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B5.5 The Commission understands that the CAP is about to enter a further period of reform and part of those reforms may be the return of coupled payments. Please provide your organisations position on coupled payments and the reasons for your position? Please include your organisations views on the advantages and disadvantages of coupled payments.

ANICAV does not have an official position on this subject.

PART C – GENERAL QUERIES REGARDING THE IMPORTATION OF TOMATOES

The Commission understands that Common Customs Tariff levels are set under EC Regulations. The Commission understands that, under these regulations, certain goods (including tomatoes classified to code 0702 are subject to an Entry Price System (EPS)).

ANICAV is not involved in setting policy or operational aspects of the Entry Price System. In any case, it should be noted that the fresh tomatoes imported in Italy is not intended for processing.

- C1.1 Please explain in what capacity your organisation is involved in the policy setting or operational aspects of the Entry Price System for the tomato sector administered by the Italian Government.
- C1.2 Please provide details of any import quotas or any other import volume restrictions placed on tomatoes by the Italian Government or the EU that your organisation is aware of?
- C1.3 Please explain any involvement your organisation has or has had in the formation of policy for import quotas or other import volume restrictions on the importation of tomatoes into Italy?
- C1.4 Please provide the details of all of your members that purchased imported tomatoes in 2011 to 2014? Please include if known, the amounts purchased, the price paid and the reasons why imported tomatoes were purchased by your members?
- C1.5 Please advise if any of your members have received a refund of duty (in whole or in part) in relation to the purchase of imported tomatoes used in the production or processing of products subsequently exported.

PART - D DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

Date **16 march 2015**

Signature of authorised official

Name of authorised official

Giovanni De Angelis

Title of authorised official

Director ANICAV