

Commission Delegated Regulation (EU) 2017/891 of 13 March 2017 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to the fruit and vegetables and processed fruit and vegetables sectors and supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to penalties to be applied in those sectors and amending Commission Implementing Regulation (EU) No 543/2011

TITLE II

PRODUCER ORGANISATIONS

CHAPTER I

Requirements and recognition

Section 1

Definitions

Article 2

Definitions

For the purposes of this Title the following definitions shall apply:

- (a) ‘producer’ means a farmer within the meaning of Article 4(1)(a) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council⁽¹⁾ producing fruit and vegetables as referred to in Article 1(2)(i) of Regulation (EU) No 1308/2013 and such products intended solely for processing;
- (b) ‘producer member’ means a producer or legal entity constituted by producers that is a member of a producer organisation or association of producer organisations;
- (c) ‘subsidiary’ means a company in which one or more producer organisations or associations of producer organisations have taken shares or constituted capital and which contributes to the objectives of those organisations or associations;
- (d) ^{F1} ...
- (e) ^{F2} ...
- (f) ‘measure’ means one of the following:
 - (i) actions aimed at the planning of production, including investments in physical assets;
 - (ii) actions aimed at improving or maintaining product quality, whether in a fresh or processed form, including investments in physical assets;

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- (iii) actions aimed at boosting the commercial value of products and improving marketing, including investments in physical assets, as well as promotion of the products, whether in a fresh or processed form, and communication activities other than promotion and communication activities falling under point (vi);
- (iv) research and experimental production actions, including investments in physical assets;
- (v) training and exchange of best practices actions, other than training falling under point (vi), and actions aimed at promoting access to advisory services and technical assistance;
- (vi) any of the crisis prevention and management actions listed in the first subparagraph of Article 33(3) of Regulation (EU) No 1308/2013;
- (vii) environmental actions as referred to in Article 33(5) of Regulation (EU) No 1308/2013, including investments in physical assets;
- (viii) other actions, including investments in physical assets, other than those falling under points (i) to (vii) which fulfil one or more of the objectives referred to or set out in Article 33(1) of Regulation (EU) No 1308/2013;
- (g) ‘action’ means a specific activity or instrument aimed at contributing to one or more of the objectives referred to or set out in Article 33(1) of Regulation (EU) No 1308/2013;
- (h) ‘investment in physical assets’ means the acquisition of tangible assets aimed at contributing to one or more of the objectives referred to or set out in Article 33(1) of Regulation (EU) No 1308/2013;
- (i) ‘by-product’ means a product which results from preparation of a fruit or vegetable product which has a positive economic value but is not the main intended product;
- (j) ‘preparation’ means preparatory activities such as cleaning, cutting, peeling, trimming and drying of fruit and vegetables, without transforming them into processed fruit and vegetables;
- (k) ‘interbranch basis’ as referred to in Article 34(3)(b) of Regulation (EU) No 1308/2013 means activities pursuing one or more of the objectives listed in Article 157(1)(c) of that Regulation approved by the [^{F3}appropriate authority] and managed jointly by a producer organisation or an association of producer organisations and at least one other actor in the food processing or distribution chain;
- (l) ‘baseline indicator’ means any indicator reflecting a state or trend existing at the start of a programming period which may provide information useful:
 - (i) in the analysis of the initial situation, in order to establish a ^{F4}... strategy for sustainable operational programmes [^{F5}as referred to in Article 36(2) of Regulation (EU) No 1308/2013] or an operational programme;
 - (ii) as a reference against which the results and impact of a [^{F6}strategy as referred to in Article 36(2) of Regulation (EU) No 1308/2013] or an operational programme may be assessed; or
 - (iii) in interpreting the results and impact of a [^{F7}strategy as referred to in Article 36(2) of Regulation (EU) No 1308/2013] or an operational programme;

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- (m) ‘specific costs’ means the additional costs, calculated as the difference between the conventional costs and the costs actually incurred, and income foregone resulting from an action, excluding additional income and costs savings;
- (n) [^{F8}‘constituent nation’ means England, Wales, Scotland or Northern Ireland, as the case may be;
- (o) ‘public funds’ means moneys provided by Parliament, the Welsh Parliament, the Scottish Parliament, the Northern Ireland Assembly or a body exercising public functions within the United Kingdom. References to ‘public funding’ are to be construed accordingly;
- (p) ‘relevant authority’ means:
- (i) in relation to England, the Secretary of State;
 - (ii) in relation to Wales, the Welsh Ministers;
 - (iii) in relation to Scotland, the Scottish Ministers;
 - (iv) in relation to Northern Ireland, the Department of Agriculture, Environment and Rural Affairs;
- (q) ‘third country’ means any country or territory other than:
- (i) the United Kingdom;
 - (ii) the Bailiwick of Jersey;
 - (iii) the Bailiwick of Guernsey;
 - (iv) the Isle of Man];
- (r) [^{F9}‘existing non-UK member’ means an ex-transnational producer organisation member:
- (i) who was, immediately before IP completion day, a producer member of a transnational producer organisation within the meaning of Articles 2(b) and 2(d) (as they had effect immediately before IP completion day); and
 - (ii) at least one of whose holdings is situated in a Member State;
- (s) ‘ex-transnational producer organisation’ means a producer organisation that was, immediately before IP completion day, recognised in the United Kingdom as a transnational producer organisation within the meaning of Article 2(d) (as it had effect immediately before IP completion day).]

Textual Amendments

- F1** Art. 2(d) omitted (31.12.2020) by virtue of The Common Organisation of the Markets in [Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(2)(a)**, 7(a)
- F2** Art. 2(e) omitted (31.12.2020) by virtue of The Common Organisation of the Markets in [Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(2)(a)**, 7(a)
- F3** Words in [Art. 2\(k\)](#) substituted (31.12.2020 immediately before IP completion day) by [The Agriculture \(Payments\) \(Amendment, etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1445\)](#), regs. 1(2)(b), **21(2)(a)**

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- F4** Word in Art. 2(1)(i) omitted (31.12.2020 immediately before IP completion day) by virtue of The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(2)(b)(i)(aa)**
- F5** Words in Art. 2(1)(i) inserted (31.12.2020 immediately before IP completion day) by The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(2)(b)(i)(bb)**
- F6** Words in Art. 2(1)(ii) substituted (31.12.2020 immediately before IP completion day) by The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(2)(b)(ii)**
- F7** Words in Art. 2(1)(iii) substituted (31.12.2020 immediately before IP completion day) by The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(2)(b)(ii)**
- F8** Arts. 2(n)-(q) inserted (31.12.2020 immediately before IP completion day) by The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(2)(c)**
- F9** Art. 2(r)(s) inserted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(2)(b)**

F¹⁰ Article 2A

Definition of appropriate authority

1. For the purposes of this Regulation, ‘appropriate authority’ means:
 - a in relation to England, the Secretary of State;
 - b in relation to Wales, the Welsh Ministers;
 - c in relation to Scotland, the Scottish Ministers;
 - d in relation to Northern Ireland, the Department of Agriculture, Environment and Rural Affairs.
2. But the appropriate authority is the Secretary of State:
 - a in relation to Scotland, at any time that the Secretary of State and the Scottish Ministers so agree;
 - b in relation to Northern Ireland, at any time that the Secretary of State and the Department of Agriculture, Environment and Rural Affairs so agree.
3. The relevant authorities for Scotland and Northern Ireland must each ensure that a statement identifying the appropriate authority for their constituent nation is published on a website maintained by them on or on their behalf.]

Textual Amendments

- F10** Art. 2A inserted (31.12.2020 immediately before IP completion day) by The Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 (S.I. 2020/1445), regs. 1(2)(b), **21(3)**

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Section 2

Recognition criteria and other requirements

Article 3

Legal status of producer organisations

^{F11} ... ^{F11} ... [^{F12}Nothing in this Regulation prevents the Secretary of State from adopting] complementary rules on recognition of producer [^{F13}organisations, including rules concerning] legal entities which may apply for recognition as producer organisations.

Textual Amendments

- F11** Words in Art. 3 omitted (31.12.2020) by virtue of [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(3)(a)**
- F12** Words in Art. 3 substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(3)(b)(i)**
- F13** Words in Art. 3 substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(3)(b)(ii)**

Article 4

Product coverage

1 [^{F14}The Secretary of State] shall recognise producer organisations in respect of the product or the group of products specified in the application for recognition.

2 [^{F15}The Secretary of State] shall recognise producer organisations in respect of the product or the group of products solely intended for processing where the producer organisations are able to ensure that such products are delivered for processing, whether through a system of supply contracts or otherwise.

Textual Amendments

- F14** Words in Art. 4(1) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(4)**
- F15** Words in Art. 4(2) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(4)**

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Article 5

Minimum number of members

For the purposes of Article 154(1)(b) of Regulation (EU) No 1308/2013, [^{F16}producer organisations must have at least five producer members, all of whom are separate legal entities.]

F17

Textual Amendments

- F16** Words in Art. 5 substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(5)(a)**
- F17** Words in Art. 5 omitted (31.12.2020) by virtue of [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(5)(b)**

Article 6

Minimum length of membership

- 1 The minimum membership period of a producer shall not be less than one year.
- 2 Resignation from membership shall be notified to the producer organisation in writing. [^{F18}Subject to paragraph 3, resignation from membership will take effect:
 - a if notice of resignation is received by the producer organisation on or before 30 September of a given calendar year (or such earlier date as may be set in the producer organisation's membership agreement in accordance with paragraph 3), on 1 January of the following year;
 - b if notice of resignation is received by the producer organisation after 30 September of a given calendar year (or such earlier date as may be set in the producer organisation's membership agreement in accordance with paragraph 3), on 1 January of the year after the following year.]

[^{F19}3. The membership agreement of a producer organisation may require notice of resignation to be given before 30 September (but no earlier than 30 June) of the year before that in which resignation is intended to take effect.]

Textual Amendments

- F18** Words in Art. 6(2) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(6)(a)**
- F19** Art. 6(3) inserted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(6)(b)**

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Article 7

Structures and activities of producer organisations

[^{F20}The Secretary of State] shall verify that producer organisations have at their disposal the staff, infrastructure and equipment necessary to fulfil the requirements laid down in Articles 152, 154 and 160 of Regulation (EU) No 1308/2013 and to ensure their essential functioning, in particular as regards:

- (a) the knowledge of their members' production;
- (b) the technical means for collecting, sorting, storing and packaging the production of their members;
- (c) marketing the production of their members;
- (d) commercial and budgetary management; and
- (e) centralised cost-based accounting and a system of invoicing according to [^{F21}applicable] law.

Textual Amendments

- F20** Words in Art. 7 substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(7)(a)**
- F21** Word in Art. 7(e) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(7)(b)**

Article 8

Value or volume of marketable production

1 For the purposes of Article 154(1)(b) of Regulation (EU) No 1308/2013, the value or volume of marketable production shall be calculated on the same basis as the value of marketed production set out in Articles 22 and 23 of this Regulation.

2 In circumstances when the historical data on marketed production of a member for the application of paragraph 1 is not sufficient, the value of the marketable production shall be equal to the actual value of marketed production during a period of 12 consecutive months. Those 12 months shall fall within the three years preceding the year in which the application for recognition is submitted.

[^{F22}Article 9

Minimum value of marketed production

For the purposes of Article 154(1)(b) of Regulation (EU) No 1308/2013, the minimum value of marketed production is:

- (a) [euro]250,000 for producer organisations recognised for mushrooms or nuts;

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(b) [euro]1 million for producer organisations recognised in respect of any other product or group of products.]

Textual Amendments

F22 Art. 9 substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(8)**

Article 10

Provision of technical means

For the purposes of Article 154(1)(c) of Regulation (EU) No 1308/2013 and Article 7(b) of this Regulation, a producer organisation which is recognised for a product for which the provision of technical means is necessary, shall be considered to fulfil its obligation in that regard, where it provides an adequate level of technical means itself or through its members, or through subsidiaries, or through an association of producer organisations of which it is a member or by outsourcing.

Article 11

Producer organisations' main activities

1 The main activity of a producer organisation shall relate to the concentration of supply and the placing on the market of the products of its members for which it is recognised.

The placing on the market referred to in the first subparagraph shall be carried out by the producer organisation, or under the control of the producer organisation in the case of outsourcing as set out in Article 13. Placing on the market shall include among others the decision on the product to be sold, the way of selling and unless the sale is by means of auction, the negotiation of its quantity and price.

Producer organisations shall keep records, including accounting documents, for at least five years, which demonstrate that the producer organisation concentrated supply and placed on the market members' products for which it is recognised.

2 A producer organisation may sell products from producers that are not a member of a producer organisation or of an association of producer organisations, where it is recognised in respect of those products and provided that the economic value of that activity is below the value of its marketed production calculated in accordance with Article 22.

3 The marketing of fruit and vegetables that are bought directly from another producer organisation and of products for which the producer organisation is not recognised shall not be considered as forming part of the producer organisation's activities.

4 Where Article 22(8) applies, paragraph 2 of this Article shall apply *mutatis mutandis* to the subsidiaries concerned.

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^{F23}Article 12

Marketing of the production outside the producer organisation

1 Where the producer organisation so authorises in its statutes and where this is in compliance with the terms and conditions laid down by the [^{F24}Secretary of State] and the producer organisation, the producer members may:

- a sell products directly or outside their holdings to consumers for their personal needs;
- b market by themselves or through another producer organisation designated by their own producer organisation, quantities of products which, in terms of volume or value, are marginal compared to the volume or value of marketable production of their organisation of the products concerned;
- c market by themselves or through another producer organisation designated by their own producer organisation, products which because of their characteristics or because of the limited production in volume or in value of the producer members, are normally not covered by the commercial activities of the producer organisation.

2 The percentage of the production that the producer members market outside the producer organisation, as referred to in paragraph 1 shall not exceed 25 % in volume or in value of the marketable production of each producer member.

However, [^{F25}nothing in this Regulation prevents the Secretary of State from setting] a lower percentage of the production that the producer members may market outside the producer organisation than the one set out in the first subparagraph. [^{F26}Nothing in this Regulation prevents the Secretary of State from increasing] that percentage up to 40 % in case of products covered by Council Regulation (EC) No 834/2007⁽²⁾ or where producer members market their production through another producer organisation designated by their own producer organisation.]

Textual Amendments

- F23** Substituted by [Commission Delegated Regulation \(EU\) 2018/1145 of 7 June 2018 amending Delegated Regulation \(EU\) 2017/891 as regards producer organisations in the fruit and vegetables sector.](#)
- F24** Words in Art. 12(1) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\), regs. 1\(3\), 5\(9\)\(a\)](#)
- F25** Words in Art. 12(2) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\), regs. 1\(3\), 5\(9\)\(b\)\(i\)](#)
- F26** Words in Art. 12(2) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\), regs. 1\(3\), 5\(9\)\(b\)\(ii\)](#)

Article 13

Outsourcing

1 The activities that [^{F27}the Secretary of State] may permit to be outsourced in accordance with Article 155 of Regulation (EU) No 1308/2013 shall relate to the objectives

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as set out in Article 152(1)(c) of that Regulation and may include, among others, collecting, storing, packaging and marketing the product of the members of the producer organisation.

2 A producer organisation outsourcing an activity shall enter into a written commercial arrangement by way of a contract, agreement or protocol with another entity, including one or several of its members or a subsidiary, for the purpose of carrying out of the activity concerned. The producer organisation shall remain responsible for ensuring the carrying out of the outsourced activity and overall management control and supervision of the commercial arrangement for the carrying out of the activity.

However, the activity shall be considered as carried out by the producer organisation if it is carried out by an association of producer organisations or a cooperative whose members are themselves cooperatives where the producer organisation is a member thereof or by a subsidiary complying with the 90 % requirement referred to in Article 22(8).

3 The overall management control and supervision referred to in the first subparagraph of paragraph 2 shall be effective and require that the outsourcing contract, agreement or protocol:

- a enables the producer organisation to issue binding instructions and includes provisions enabling the producer organisation to terminate the contract, agreement or protocol if the service provider does not meet the terms and conditions of the outsourcing contract;
- b lays down detailed terms and conditions, including regular reporting obligations and deadlines which enable the producer organisation to exercise effective control over the outsourced activities.

Outsourcing contracts, agreements or protocols as well as the reports referred to in point (b) of the first subparagraph shall be kept by the producer organisation for at least 5 years for the purpose of *ex-post* checks and be accessible to all members on request.

Textual Amendments

F27 Words in [Art. 13\(1\)](#) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(10)**

^{F28} Article 14

Ex-transnational producer organisations

1 An ex-transnational producer organisation retains recognition as a producer organisation pursuant to Article 152 of Regulation (EU) No 1308/2013 provided that it fulfils the criteria and requirements for recognition set out in Regulation (EU) No 1308/2013, this Regulation and Regulation (EU) 2017/892.

2 Any person that:

- a immediately before IP completion day, was a member of a transnational producer organisation which is an ex-transnational producer organisation; and
- b is not a producer within the meaning of Article 2(a),

is a non-producer member of the ex-transnational producer organisation within the meaning of Article 16, whether or not such person was a producer member of such organisation before IP completion day.]

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Textual Amendments

- F28** Art. 14 substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(11)**

^{F29}Article 14A

Head office of a producer organisation

1. The head office of a producer organisation must be located in the constituent nation in which the organisation achieves the majority of the value of marketed production calculated in accordance with Articles 22 and 23.

But the head office may be established in the constituent nation where the majority of producer members are located, if both the appropriate authority for that constituent nation and the appropriate authority for the constituent nation referred to in the first subparagraph consent.

2. Notwithstanding paragraph 1, the head office:

- a) may not move to another constituent nation until the end of the implementation of an ongoing operational programme; and
- b) may be maintained in a particular constituent nation for as long as the appropriate authority for that constituent nation and the appropriate authorities referred to in paragraph 1 consent.

3. The appropriate authority for the constituent nation in which the head office of the producer organisation is located:

- a may:
 - i subject to paragraph 4, approve the producer organisation's operational programme;
 - ii grant financial assistance in accordance with Articles 32(1)(b) and 34 of Regulation (EU) No 1308/2013;
- b must:
 - i organise checks on the producer organisation and apply any administrative penalties in accordance with Article 34A of Regulation (EU) 2017/892; and
 - ii provide, on the request of the appropriate authority for a constituent nation in which members are located, all relevant documentation.

4. Notwithstanding paragraph 3(a)(i), where the producer organisation is implementing an operational programme at the time of applying for a new operational programme, the appropriate authority that may approve the new programme is the appropriate authority for the constituent nation in which the producer organisation will have its head office at the time that the new programme will be implemented, to be determined in accordance with paragraphs 1 and 2 on the basis of the new operational programme.]

Textual Amendments

- F29** Art. 14A inserted (31.12.2020 immediately before IP completion day) by [The Agriculture \(Payments\) \(Amendment, etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1445\)](#), regs. 1(2)(b), **21(4)**

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Article 15

Mergers of producer organisations

1 Where producer organisations merge, the producer organisation resulting from the merger shall assume the rights and obligations of the individual producer organisations that merged. The ^{F30}Secretary of State shall ensure that the new producer organisation complies with all recognition criteria and shall assign to it a new number for the purposes of the unique identification system as referred to in Article 22 of Implementing Regulation (EU) 2017/892.

The producer organisation resulting from the merger may either operate the programmes in parallel and separately until 1 January of the year following the merger, or merge the operational programmes from the moment of the merger.

Article 34 of this Regulation shall apply to operational programmes that are merged.

2 By way of derogation from the second subparagraph of paragraph 1, ^{F31}the appropriate authority or authorities (as the case may be) may authorise on the basis of a duly substantiated request, operational programmes to continue to be implemented in parallel until they reach their natural conclusion.

Textual Amendments

F30 Words in Art. 15(1) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(12)**

F31 Words in Art. 15(2) substituted (31.12.2020 immediately before IP completion day) by [The Agriculture \(Payments\) \(Amendment, etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1445\)](#), regs. 1(2)(b), **21(5)**

Article 16

Non-producer members

1 ^{F32}Any natural or legal person who is not a producer may be accepted as a member of a producer organisation ^{F33}if and for so long as there is no conflict of interest between that person and the producer organisation].

^{F34}2

3 The natural or legal persons referred to in paragraph 1 shall not:

- a be taken into account for the recognition criteria;
- b benefit directly from the measures financed ^{F35}from public funds].

^{F36}Restrictions on the right of a natural or legal person to vote on decisions relating to operational funds are set out in Annex VIII to this Regulation.]

^{F37}4. By way of derogation from paragraph 3(b), an existing non-UK member of an ex-transnational producer organisation may continue to benefit directly from measures financed from public funds, where:

- a those measures are contained in an operational programme that was implemented by that organisation before IP completion day; and

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- b that member was entitled to benefit from those measures immediately before IP completion day.]

Textual Amendments

- F32** Word in Art. 16(1) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(a)(i)**
- F33** Words in Art. 16(1) inserted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(a)(ii)**
- F34** Art. 16(2) omitted (31.12.2020) by virtue of The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(b)**
- F35** Words in Art. 16(3)(b) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(c)(i)**
- F36** Words in Art. 16(3) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(c)(ii)**
- F37** Art. 16(4) inserted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(13)(d)**

Article 17

Democratic accountability of producer organisations

1 Where a producer organisation has a legal structure requiring democratic accountability under the applicable ^{F38}... legislation, it shall be considered to fulfill this requirement for the purposes of this Regulation unless the [^{F39}Secretary of State] decides otherwise.

[^{F40}2 The maximum percentage of voting rights and shares or capital which any natural or legal person may hold in any producer organisation that does not fall within paragraph 1 is set out in Annex VIII to this Regulation.]

3 [^{F41}The Secretary of State] shall carry out checks, based on a risk analysis, on voting rights and shareholdings. Where the members of the producer organisation are legal persons themselves, these checks shall include the identities of the natural or legal persons that hold shares or capital of the members.

^{F42}4

Textual Amendments

- F38** Word in Art. 17(1) omitted (31.12.2020) by virtue of The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(14)(a)(i)**
- F39** Words in Art. 17(1) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(14)(a)(ii)**

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- F40** Art. 17(2) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(14)(b)**
- F41** Words in Art. 17(3) substituted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(14)(c)**
- F42** Art. 17(4) omitted (31.12.2020) by virtue of The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(14)(d)**

Section 3

Associations of producer organisations

Article 18

Rules on producer organisations applicable to associations of producer organisations

Articles 3, 6, 11(3), 13, 15 and 17 [^{F43}(save as provided otherwise in this Article and Annex VIII)] shall apply *mutatis mutandis* to associations of producer organisations. Where the association of producer organisations sells the products of its member producer organisations, Article 11(2) shall apply *mutatis mutandis*. [^{F44}Restrictions on voting rights in associations of producer organisations are set out in Annex VIII to this Regulation.]

Textual Amendments

- F43** Words in Art. 18 inserted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(15)(a)**
- F44** Words in Art. 18 inserted (31.12.2020) by The Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1446), regs. 1(3), **5(15)(b)**

Article 19

Recognition of associations of producer organisations

1 [^{F45}The Secretary of State] may recognise associations of producer organisations under Article 156 of Regulation (EU) No 1308/2013 in respect of the activity or activities concerning the product or the group of products specified in the application for recognition where the association of producer organisations is capable of carrying out effectively those activities.

2 An association of producer organisations recognised under Article 156 of Regulation (EU) No 1308/2013 may carry out any of the activities or functions of a producer organisation, even when the marketing of the products concerned continues to be carried out by its members.

3 For a given product or group of products and activity, a producer organisation shall be a member only of one association of producer organisations that implements an operational programme.

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Changes to legislation: There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2017/891, CHAPTER I. (See end of Document for details)

4 ^[F46]Nothing in this Regulation prevents the Secretary of State from adopting] complementary rules on recognition of associations of producer organisations.

Textual Amendments

- F45** Words in Art. 19(1) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(16)(a)**
- F46** Words in Art. 19(4) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(16)(b)**

Article 20

Members of associations of producer organisations who are not producer organisations

1 ^[F47]Natural] or legal persons other than a recognised producer organisation may be a member of an association of producer organisations ^[F48]if and for so long as there is no conflict of interest between those persons and the association of producer organisations].

2 Members of a recognised association of producer organisations who are not recognised producer organisations shall not:

- a be taken into account for the recognition criteria;
- b benefit directly from the measures financed ^[F49]from public funds].

^[F50]Restrictions on those members' right to vote on decisions relating to operational programmes are set out in Annex VIII to this Regulation.]

Textual Amendments

- F47** Word in Art. 20(1) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(17)(a)(i)**
- F48** Words in Art. 20(1) inserted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(17)(a)(ii)**
- F49** Words in Art. 20(2)(b) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(17)(b)(i)**
- F50** Words in Art. 20(2) substituted (31.12.2020) by [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(17)(b)(ii)**

^{F51}Article 21

Transnational association of producer organisations

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Status: Point in time view as at 31/12/2020.

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Textual Amendments

- F51** Art. 21 omitted (31.12.2020) by virtue of [The Common Organisation of the Markets in Agricultural Products \(Producer Organisations and Wine\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1446\)](#), regs. 1(3), **5(18)**

[^{F52}Article 21A

Head office of an association of producer organisations

1. The head office of an association of producer organisations must be located in the constituent nation in which the member producer organisations achieve the majority of the value of marketed production.

But the head office may be established in the constituent nation where the majority of member producer organisations are located, if both the appropriate authority for that constituent nation and the appropriate authority for the constituent nation referred to in the first subparagraph consent.

2. Notwithstanding paragraph 1, the head office:

- a may not move to another constituent nation until the end of the implementation of an ongoing operational programme; and
- b may be maintained in a particular constituent nation for as long as the appropriate authority for that constituent nation and the appropriate authorities referred to in paragraph 1 consent.

3. The appropriate authority for the constituent nation in which the head office of the association of producer organisations is located:

- a may:
 - i subject to paragraph 4, approve the association's operational programme;
 - ii grant financial assistance in accordance with Articles 32(1)(b) and 34 of Regulation (EU) No 1308/2013;
- b must:
 - i organise checks on the association of producer organisations and apply any administrative penalties in accordance with Article 34B of Regulation (EU) 2017/892; and
 - ii provide, on the request of the appropriate authority for a constituent nation in which members are located, all relevant documentation.

4. Notwithstanding paragraph 3(a)(i), where the association of producer organisations is implementing an operational programme at the time of applying for a new operational programme, the appropriate authority that may approve the new programme is the appropriate authority for the constituent nation in which the association will have its head office at the time that the new programme will be implemented, to be determined in accordance with paragraphs 1 and 2 on the basis of the new operational programme.]

Textual Amendments

- F52** Art. 21A inserted (31.12.2020 immediately before IP completion day) by [The Agriculture \(Payments\) \(Amendment, etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1445\)](#), regs. 1(2)(b), **21(6)**

No...

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- (1) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 ([OJ L 347, 20.12.2013, p. 608](#)).
- (2) [^{F23}Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 ([OJ L 189, 20.7.2007, p. 1](#)).]

Textual Amendments

- F23** Substituted by [Commission Delegated Regulation \(EU\) 2018/1145 of 7 June 2018 amending Delegated Regulation \(EU\) 2017/891 as regards producer organisations in the fruit and vegetables sector.](#)

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There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2017/891, CHAPTER I.