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PRESS RELEASE

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**MINISTER SMITH ENCOURAGES FRUIT AND VEGETABLE GROWERS
TO JOIN PRODUCER ORGANISATIONS FOR INCREASED RETURNS**

Speaking today at the opening of a seminar on Producer Organisations, Mr Brendan Smith TD, Minister for Horticulture and Food at the Department of Agriculture and Food, said that the EU Producer Organisation Scheme provides fruit and vegetable growers with the potential to meet increased quality standards and strengthen their negotiating position in the market place where the multiples now handle some 80% of the retail sales for fresh produce.

“Producer organisations provide a mechanism for producers to work together to strengthen their position in the marketplace by becoming part of a larger supply base and enable them to work as a more equal partner with the multiples. And, most importantly, the EU supports the development of these organisations contributing up to half the eligible costs incurred,” said the Minister.

Minister Smith, who was speaking to the key stakeholders in the industry at the Department’s offices in Maynooth, said that 20 Producer Organisations here have benefited from EU funding of €24m since 2000. *“The bulk of this funding has gone to mushroom producer organisations as practically all of our mushroom growers are members of a PO but only 33 fruit and vegetable growers are now members which is disappointing,”* he said.

Minister Smith said that the fresh fruit and vegetable sector has experienced phenomenal growth so far this decade rising from an output value of €72m in 2000 to €120m last year, an increase of 66% over the period. Mushroom output in 2006 was valued at €100m

representing a fall of 13% on 2000 levels, indicating severe price competition on the UK retail market where over 50,000 tonnes of fresh Irish mushrooms are exported each year.

Minister Smith said that in addition to EU support, the €20m of state grants provided to horticulture growers under the last NDP programme had enabled a modern competitive industry to evolve and the €49m being provided under the 2007-2013 NDP programme for the sector would build considerably on this success.

Minister Smith said that Reform of EU Fruit and Vegetable Regime which is currently underway in Brussels identify a strengthening of the role for POs as the core part of the strategy for improving the competitiveness of the fruit and vegetable sector in the future. *“The new measures should prove more attractive to growers in that they will provide greater flexibility in addition to increased funding for some of the actions involved. The higher levels of funding being provided for organic production and for fruit and vegetable promotion amongst young people are also particularly welcome.”*

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