Rural Payments Agency

Dear Sir or Madam

Updated Q&A: Closure of the Fruit and Vegetables Aid Scheme (FVAS) in England

We emailed you on 26 August 2025 with a Q&A about the closure of the FVAS in England. We have updated the Q&A with the latest information, which we hope will help you understand the rules of the FVAS and the impact of scheme closure.

You should always seek your own independent legal advice to interpret the rules and legislation and how to apply them.

What is the relevant legislation closing the scheme?
The Fruit and Vegetables Aid Scheme Closure (England) Regulations 2023 came into force in July 2023 to close the FVAS in England. This means English Producer Organisations (POs) can no longer submit new operational programmes.

All programmes ended on 31 December 2025.

What are the requirements for asset retention?
The requirements for asset management and retention (including those in Article 31(5) and (6) of assimilated Regulation 2017/891), will continue to apply after 2025.

What happens if assets are sold outside of a PO?
The write down period (WDP) for assets purchased under the scheme is five years.

Now that the scheme has closed, assets must still be retained for the length of their WDP or replaced if sold. If assets are sold and not replaced, the aid which paid for the asset must be repaid in proportion to the number of full years that remain until the end of the WDP.

If the aid is not repaid, the RPA will seek recovery action.

Article 31(6) of assimilated Regulation 2017/891 (as amended) covers this requirement.

Does a PO have to remain as a PO until all scheme assets have fully depreciated?
If POs decide voluntarily that they no longer want to be recognised as a PO, recovery action may not apply as long as:

- recognition and operational programme requirements have been complied with
- assets remain with either a legal entity related to the former PO or with the PO’s former members for the duration of their WDP
- if assets are sold, they are replaced, or the applicable aid is repaid

This will depend upon an individual PO's circumstances when they choose to discontinue recognition.

POs should discuss their individual circumstance with RPA if they are considering:

- any change in PO status
- sale of any asset funded by aid

What happens if members leave a PO and take PO assets?
If a member leaves a PO, the PO must recover the asset or residual asset value, unless we tell you otherwise. If this does not happen, RPA will recover 50% of the write down value (WDV) from the PO. If a member left with assets outside of the write down period (WDP), RPA would not recover.

There are separate clauses in the legislation (Article 31(6) & (7) of assimilated Regulation No. 2017/891) that cover sold and replaced assets and leaving members.

What would happen to any undepreciated assets if a PO went into administration, bankruptcy or liquidation?
Commercial rules around bankruptcy and liquidation will apply. RPA would seek to recover the value of these assets. The process would be managed under any commercial law process that was triggered.

Do the provisions on assets that applied to ex-Transnational POs after EU exit apply to scheme closure?
No.

If a de-recognised PO remains as an organisation and a member leaves, does that ex- member pay the organisation for any assets that go with the ex-member? When would RPA seek to recover?
The leaving member should repay the write down value of any assets which they take with them to the former PO. RPA would seek to recover if this did not happen, or if the asset was sold and not replaced.

If a PO chooses to be de-recognised and the assets were transferred to individual members and continued to be used would that be acceptable?
Yes.

Can members move between POs?
Members can move between recognised POs, and any transfer of assets and liability will be allowed. POs should contact RPA to discuss.

Can members leave a recognised PO and join another collaborative organisation?
Members can leave a recognised PO and join another collaborative organisation. However, assets cannot be transferred to organisations that are not recognised by RPA.

What happens to assets if POs merge?
The new PO must take on the rights and obligations for the assets. Responsibility remains with the new PO and not individual growers.

Can POs vary the Asset Agreement to Write Down Value (WDV) or Market Value (MV)?
RPA uses the WDV not the MV, as set out in the regulations.

Can POs have more detail on how depreciation works?
The year of asset acquisition is counted as year one. For example:

Assets purchased in 2021, would fall outside of WDP in 2025.

Assets purchased in 2022 and beyond would follow this sequence:

<u>2022</u>

2022	2023	2024	2025	2026
80%	60%	40%	20%	0

<u>2023</u>

2023	2024	2025	2026	2027
80%	60%	40%	20%	0

<u>2024</u>

2024	2025	2026	2027	2028
80%	60%	40%	20%	0

<u>2025</u>

2025	2026	2027	2028	2029
80%	60%	40%	20%	0

How should POs manage assets within their WDP beyond 2025? Will there be annual checks?
The RPA will carry out asset checks. We are currently establishing the monitoring policy. We will let you know more information as soon as possible.

Would RPA's asset checks ask for asset usage data?
The RPA would check the retention of the asset after the scheme closed in England, not the percentage usage of that asset. Percentage asset usage relates to operational programmes, which will be no longer be applicable.

What happens to English members of a currently English based PO if some members leave to join a new PO in a DG region?
It is up to the remaining members of the English PO to determine whether they want to, or can, continue as an existing PO based in England, provided recognition criteria is met.

Do fruit and vegetable sales need to continue to be invoiced through the PO as part of the regulatory recognition requirements for 'marketing of members' produce' for the remaining 5-year write-down life?
If the PO continues to be recognised as a PO, then yes.

Will POs have to abide by the 25% limit on direct and marginal sales after the end of this year?
The requirements for recognition have not changed. If a PO wishes to continue to be recognised, they will still need to abide by this limit. If a PO chooses not to remain as a PO, they will not.

Will recognition requirements be simplified?
The regulatory requirements for recognition have not changed, but RPA will look to see if any of the current checks on POs can be simplified.

Will there continue to be admin or staff costs paid to POs to cover ongoing costs of being a PO?
There will be no funding available after the end of 2025.

Does the use of the PO's operational fund change after scheme closure?
POs should manage their operational fund in line with the articles of association or membership agreement. Levies do not form part of the recognition criteria.

Does a PO have to remain recognised as a PO to receive the 2025 annual claim?
Ideally, a PO would remain recognised as a PO until payment of their 2025 Operational Programme was made. The final date for submission of the annual claim is 13 February 2026. The usual checks and inspections will be required and the PO would have to be available to answer any questions raised. RPA would only then be able to pay the claim.

Payment must be made into the PO bank account registered with the RPA. The regulatory deadline for payment is 15 October 2026.

What future recognition checks will there be and how frequently should a PO expect to be visited?
POs will be selected for recognition checks, on a risk basis at least once every five years.

Will English POs still need to submit an annual VMP declaration?
Recognition requirements remain unchanged, so the recognition check will still be required. To be recognised, POs must demonstrate a minimum turnover of €1M (or €250K for mushroom only POs).

This is based upon Value of Marketable Production. The check on Value of Marketed Production which informs the approved value of operational programmes will not be required, so English POs will not be required to submit a VMP declaration FV4.

Can POs include carry-over items within their 2025 annual claim?
Yes and RPA will need evidence to confirm that:

- all carry-over items were implemented by the PO

- the PO has been invoiced
- any carry-over activities have been paid from the PO bank account

The PO is responsible for providing this evidence by 30 April 2026, assimilated Regulation 2017/892, article 9, paragraph 3 refers.

Who is responsible for PO recognition?
RPA will remain responsible for PO recognition after 2025. POs must continue to inform RPA of any changes which may affect recognition, including membership changes, even after the 2025 scheme year ends.

What do recognised POs need to continue to do?
POs must:
- continue to follow the democratic accountability rules set out in Article 17 and Annex VIII of assimilated Regulation 2017/891
- keep records relating to their operational programme for 5 years after it has ended (Article 11(1) of assimilated Regulation 2017/891 refers)
- retain their relevant PO recognition documentation

If more information becomes available, we will write to you again with an update.

Yours faithfully

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