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EUROPEAN FRESH PRODUCE ASSOCIATION

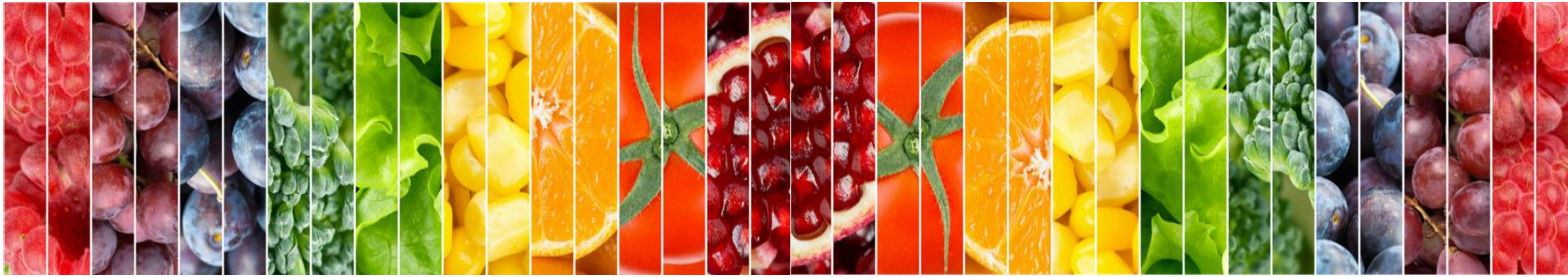
Gospodarska zbornica Slovenije

Where are we and where are we going?

Situation and challenges in the sector: European perspective

PHILIPPE BINARD

Freshfel Europe



Freshfel Europe at a glance

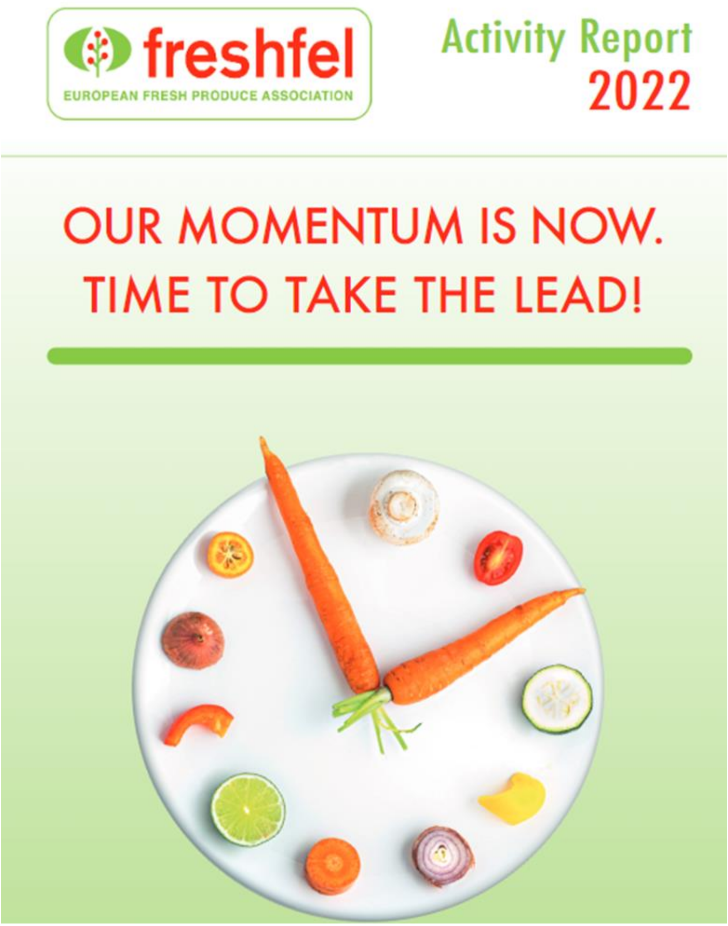
Freshfel's mission is to ensure a robust and sustainable sector

- Vertical platform from production to the various trade segment, logistics and services provider down to retailers
- Secure the availability of a diversity of quality fresh fruit and vegetables to European consumers and to world at affordable conditions
- Build a positive image and reputation of the sector and of fresh fruit and vegetables on its unique health and environmental assets

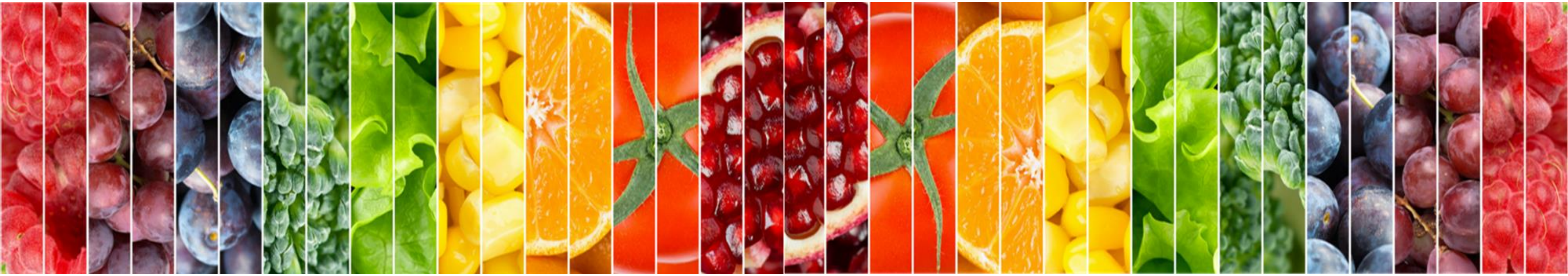
Freshfel Europe's mission is to:

- Improve the efficiency and competitiveness of the sector
- Assist members in complying with the highest safety, environmental and CSR standards
- Position the sector towards the latest R&I findings
- Facilitate international trade of fresh produce
- Secure a favourable environment to promote the benefits of fresh produce and share best practices
- Stimulate the consumption of fresh fruit and vegetables

=> Find out more on www.freshfel.org and in our Activity report



Slovenia fruit and vegetables sector in EU perspective



EU fresh production: primarily for local

Around 70 Mio T
of EU fresh production
on close to 7 Mio HA

Around 60 % sold within the MS
of production

Value Ex packing
30 -35 Billion €

Reporter EU	2020	2019	2018	2017	2016
Total in T	**66.225.326**	**67.259.367**	**68.829.122**	**70.255.509**	**72.444.267**
Spain	19.271.328	19.407.536	19.217.301	19.562.145	19.756.997
Italy	12.760.806	12.477.247	12.495.684	13.339.972	14.061.930
France	6.127.908	6.250.756	6.496.881	7.127.210	7.228.764
Poland	5.927.825	5.900.929	6.785.548	6.344.804	7.273.532
Greece	3.693.527	3.445.720	3.919.572	3.298.032	3.374.983
Netherlands	3.649.892	4.797.580	4.261.183	4.775.424	4.640.596
Germany	3.538.963	3.545.987	3.556.612	3.674.840	3.938.319
Romania	3.410.181	3.346.449	3.869.000	3.917.465	3.844.485
Belgium	1.852.948	1.841.051	1.784.286	1.446.288	1.539.284
Portugal	1.807.473	1.762.850	1.578.842	1.749.454	1.581.722
Hungary	981.865	1.156.191	1.292.099	1.316.976	1.344.364
Austria	596.079	701.521	804.244	686.498	636.086
Bulgaria	562.637	679.443	684.404	709.546	775.178
Sweden	261.350	240.061	224.112	254.330	282.534
Croatia	260.442	241.350	276.246	259.024	265.445
Czech Republic	254.271	231.235	280.904	306.201	316.620
Finland	223.443	220.227	203.183	208.102	210.073
Denmark	217.688	209.109	215.810	246.133	254.061
Lithuania	177.642	165.016	205.387	246.844	264.768
Slovenia	**167.169**	**146.227**	**161.189**	**145.996**	**149.137**
Ireland	153.861	152.857	147.428	181.060	200.659
Cyprus	124.998	128.370	137.460	150.574	167.385
Slovakia	84.661	98.422	100.333	91.863	80.241
Latvia	63.000	57.486	66.615	118.185	152.813
Malta	25.227	26.973	29.180	43.802	43.900
Estonia	23.972	23.456	29.684	51.408	56.203
Luxembourg	6.170	5.319	5.935	3.338	4.191

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Intra EU: safe bank for EU production

A bit less than 30 Mio T of Intra EU fresh produce

Market Value up to 35 billion €

Shipper EU	2021	2020	2019	2018
Total in T	**29.897.646**	**29.075.920**	**29.563.072**	**29.329.490**
Spain	10.409.368	10.326.364	10.567.344	9.952.526
Netherlands	7.408.316	7.199.260	7.279.391	7.089.372
Italy	2.731.306	2.689.961	2.660.314	2.779.256
Belgium	2.413.677	2.273.727	2.522.455	2.640.430
France	1.484.051	1.533.561	1.497.635	1.537.023
Poland	1.151.514	959.538	967.498	1.101.254
Greece	1.072.714	1.097.915	1.025.224	1.040.656
Germany	961.120	858.153	911.250	988.416
Portugal	674.818	613.291	613.150	601.498
Austria	350.557	329.594	341.650	323.379
Hungary	192.143	189.402	200.030	240.240
Slovenia	**189.061**	**175.073**	**158.484**	**146.889**
Czech Republic	164.077	175.757	188.695	216.419
Bulgaria	106.874	90.617	83.345	107.627
Latvia	95.427	81.907	80.548	78.624
Croatia	86.214	63.783	67.303	58.092
Lithuania	83.207	86.174	86.897	111.849
Slovakia	79.809	92.025	93.287	84.644
Romania	73.169	61.053	37.209	35.510
Denmark	67.440	76.057	74.472	81.216
Sweden	65.200	58.648	66.459	71.650
Cyprus	12.002	16.017	14.427	16.055
Luxembourg	10.426	11.823	11.525	9.588
Finland	7.749	7.839	7.216	9.237
Estonia	4.839	5.354	5.417	6.711
Ireland	2.569	3.028	1.847	1.331
Malta	-	-	-	0

Recipient EU	2021	2020	2019	2018
Total in T	**29.897.646**	**29.075.920**	**29.563.072**	**29.329.490**
Germany	9.110.538	9.009.231	8.883.848	8.955.013
France	4.101.485	4.052.779	4.134.512	4.098.396
Netherlands	2.272.758	2.188.653	2.252.399	2.261.723
Poland	1.904.855	1.798.197	1.861.633	1.718.686
Belgium	1.646.202	1.510.637	1.494.062	1.568.852
Spain	1.477.984	1.367.036	1.381.946	1.373.033
Italy	1.442.664	1.483.356	1.601.662	1.421.764
Czech Republic	1.057.631	1.018.347	1.064.756	1.092.910
Sweden	808.858	804.984	820.470	817.303
Austria	777.592	794.265	802.835	840.463
Romania	731.708	730.005	786.767	746.518
Portugal	653.153	623.695	632.392	641.786
Denmark	580.068	587.685	624.587	613.830
Hungary	488.783	426.698	410.280	392.585
Slovakia	455.968	433.965	447.287	424.287
Finland	363.339	356.715	367.803	351.465
Ireland	306.264	272.796	256.375	260.676
Bulgaria	301.460	280.251	275.048	283.773
Lithuania	264.433	250.438	281.124	296.680
Latvia	251.382	254.555	248.675	250.729
Croatia	220.734	172.874	201.562	196.506
Estonia	200.012	200.345	222.205	219.994
Slovenia	**191.417**	**181.700**	**197.580**	**191.050**
Greece	108.086	101.636	110.635	118.314
Luxembourg	98.135	97.402	106.633	83.584
Cyprus	45.487	43.747	58.630	75.288
Malta	36.649	33.928	37.367	34.284

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EU import: lead global importer

Value Import
15 Billion €

Reporter EU	2021	2020	2019	2018	2017
Total in T	**14.462.877**	**14.037.245**	**13.688.116**	**13.778.408**	**12.690.763**
Netherlands	4.685.369	4.404.203	4.340.896	4.197.722	3.661.027
Spain	1.564.233	1.414.876	1.341.384	1.364.034	1.114.817
France	1.534.720	1.428.855	1.440.907	1.455.055	1.456.998
Belgium	1.457.207	1.504.945	1.498.228	1.669.629	1.719.899
Italy	1.239.822	1.240.016	1.198.214	1.264.618	1.195.734
Germany	909.416	940.297	935.139	944.247	973.884
Poland	404.493	463.420	403.565	407.972	351.764
Romania	385.866	342.420	300.655	291.498	243.163
Portugal	348.585	372.977	310.400	314.637	289.097
Bulgaria	330.135	274.721	286.968	271.247	183.797
Greece	287.488	278.202	310.358	275.541	236.736
Sweden	246.987	243.157	231.670	244.160	266.909
Ireland	220.926	256.550	271.792	283.720	271.793
Slovenia	**204.010**	**199.873**	**175.657**	**159.059**	**148.723**
Austria	186.204	181.943	150.002	147.577	145.391
Finland	95.324	97.766	97.596	106.813	103.651
Croatia	84.093	81.716	67.953	51.375	44.140
Lithuania	74.156	86.505	87.886	91.430	76.958
Denmark	51.090	51.377	47.500	59.291	42.836
Latvia	43.422	44.583	49.970	43.102	37.761
Hungary	35.731	44.256	46.737	46.929	40.658
Czech Republic	33.370	38.495	43.506	38.370	39.621
Slovakia	11.740	14.733	17.101	20.247	17.246
Malta	10.807	10.989	12.095	11.169	12.290
Estonia	8.374	9.475	10.380	9.217	6.058
Cyprus	7.164	6.686	7.782	6.472	7.325
Luxembourg	2.145	4.208	3.775	3.279	2.488

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EU export: reinforced by Brexit

Value Export 8,6 Billion €

RK	Top 100	2021	2020	2019
	Total in T	**7.153.470**	**7.465.354**	**7.838.155**
1	United Kingdom	2.992.898	3.123.443	3.162.961
2	Switzerland	621.313	613.637	553.593
3	Ukraine	184.986	212.134	212.582
4	Norway	325.155	323.778	331.726
5	Egypt	330.797	258.762	326.016
6	Belarus	366.738	411.179	549.946
7	Cote D'Ivoire	157.486	145.865	112.369
8	India	69.415	44.493	97.738
9	Saudi Arabia	132.721	132.247	172.707
10	Morocco	97.262	90.107	93.516

Vol in T	2021	2020	2019	2018	2017	2016	2015	2014	Var 2021/2014
Europe	4.779.841	4.989.594	5.122.023	5.113.528	5.626.531	5.689.409	5.833.234	5.273.529	-9%
Western Africa	660.859	663.799	507.910	540.517	633.650	487.493	487.971	426.846	55%
Northern Africa	446.249	375.767	462.394	308.009	253.326	391.567	551.352	531.705	-16%
Middle East	345.185	383.041	476.332	390.541	432.189	479.648	427.471	329.394	5%
North America	160.157	176.376	227.526	206.369	204.779	205.292	193.378	187.709	-15%
Southern Asia	75.987	88.958	133.189	27.550	66.802	49.404	37.647	19.212	296%
Russian Federation	78.099	81.689	87.874	73.384	73.962	70.876	148.708	1.603.871	-95%
South-East Asia	135.660	184.663	146.202	126.652	190.641	160.672	144.426	114.916	18%
South America	135.917	186.250	280.877	205.082	247.811	309.418	358.212	226.671	-40%
Central Asia	77.073	66.113	108.240	79.217	114.192	101.833	119.018	99.127	-22%
Eastern Asia	77.360	71.600	125.708	93.905	110.970	108.174	70.057	66.894	16%
Middle Africa	39.148	49.040	34.949	50.461	45.744	41.587	47.648	46.674	-16%
Central America	63.720	53.994	47.572	40.038	57.380	47.381	35.733	32.146	98%
Caribbean	55.455	60.569	44.094	55.436	50.174	46.892	45.805	42.326	31%
Southern Africa	11.719	11.609	14.847	13.589	14.914	12.553	10.613	10.129	16%
Eastern Africa	5.631	10.511	6.653	4.257	5.174	4.141	3.495	2.506	125%
Oceania	5.410	11.781	11.763	11.604	11.762	12.802	13.505	11.299	-52%

Reporter EU	2021	2020	2019	2018	2017
Total in T	**7.153.470**	**7.465.354**	**7.838.155**	**7.340.136**	**8.140.001**
Spain	2.311.022	2.391.204	2.502.880	2.275.768	2.295.995
Netherlands	2.062.303	2.308.975	2.038.526	2.136.829	2.286.404
Poland	815.213	685.873	922.327	679.504	968.529
Italy	710.979	692.212	787.961	615.119	695.412
France	421.971	429.227	469.176	476.817	541.281
Greece	294.104	329.789	333.549	287.007	291.584
Belgium	138.204	165.497	183.745	176.767	186.859
Lithuania	89.502	128.556	190.875	307.324	463.782
Portugal	87.624	111.968	143.591	120.762	133.328
Ireland	75.158	63.632	65.948	56.257	61.345
Germany	32.535	40.491	42.642	50.939	52.155
Slovenia	**31.834**	**32.764**	**51.729**	**43.827**	**41.952**
Croatia	19.458	20.891	21.054	21.136	14.866
Denmark	18.017	18.087	25.920	24.113	18.254
Austria	13.972	12.952	15.731	12.775	8.677
Romania	9.521	7.895	5.596	2.210	2.857
Hungary	7.370	7.667	8.639	8.673	7.438
Cyprus	6.608	7.588	7.799	8.320	8.452
Bulgaria	4.063	4.715	9.674	3.255	14.977
Sweden	1.800	2.987	2.923	3.377	4.829
Latvia	1.420	1.036	6.613	26.700	37.296
Slovakia	592	760	578	1.681	3.193
Estonia	82	45	59	59	26
Finland	45	53	65	68	66
Luxembourg	41	305	379	289	131
Malta	18	2	5	5	2
Czech Republic	17	184	169	555	314

Value in €	2021	2020	2019	2018	2017	2016	2015
Total	**8.654.803.071**	**8.731.932.500**	**8.585.556.733**	**8.081.170.110**	**8.312.185.795**	**8.179.738.303**	**7.846.925.654**
Fruit	4.612.990.402	4.799.289.649	4.761.078.427	4.453.664.661	4.665.319.603	4.628.355.047	4.542.806.311
Vegetables	4.041.812.669	3.932.642.851	3.824.478.306	3.627.505.449	3.646.866.192	3.551.383.256	3.304.119.343

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Slovenia fruit & vegetables supply balance

Slovenia	in T	in €
Production in T	165.000	66.000.000
Intra supply in T	189.000	200.350.000
Export in T	31.000	21.500.000
Intra receipt in T	191.000	194.000.000
Import in T	204.000	174.000.000
Market size in T	**340.000**	**655.850.000**
Population	2.100.000	
Kg/capita	161,90	
Gr Days	443,57	
Net consumption (Waste 20%)	**354,86**	

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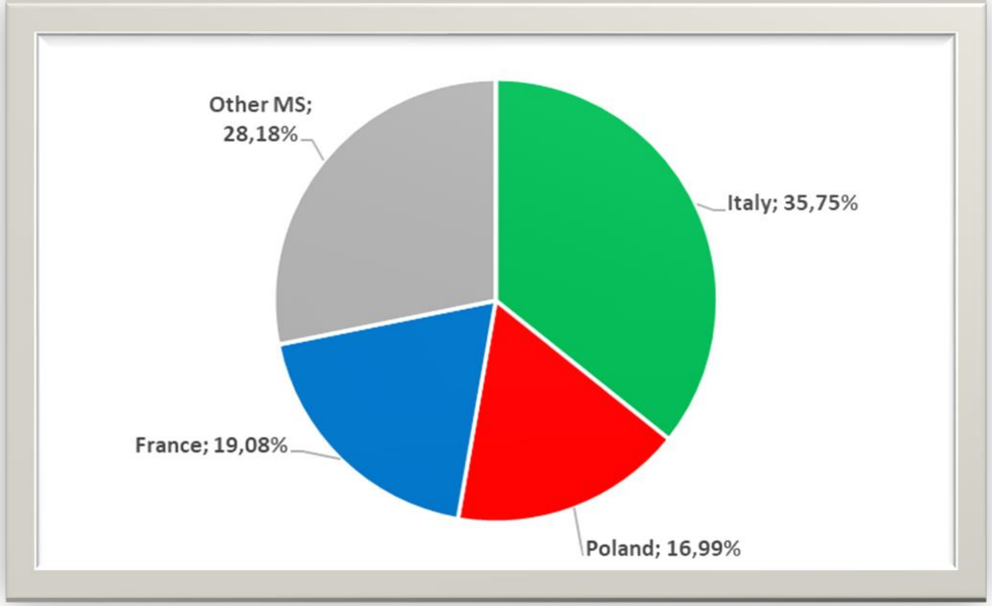
Apples update season 2022/2023

European apples sector in an nutshell

Production value in €	EU s 2021/2022	7.820.000.000	Share
Italy		1.760.000.000	22,51%
Poland		1.800.000.000	23,02%
France		1.680.000.000	21,48%
Intra trade value in €	EU	1.191.308.057	
Italy		474.597.107	39,84%
Poland		150.629.315	12,64%
France		181.903.219	15,27%
Export value in €	EU	869.864.329	
Italy		365.821.707	42,06%
Poland		152.564.192	17,54%
France		192.515.414	22,13%
Business value in €	EU	9.881.172.386	
Italy		2.600.418.814	26,32%
Poland		2.103.193.507	21,28%
France		2.054.418.633	20,79%
Import	EU	322.329.049	
Grand total	EU	10.203.501.435	

Apples business value in €: 10,2 billion €



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The EU production 2022/2023

	2021	2022 F	2022 RF
Austria	120	148	148
Belgium	250	219	219
Croatia	65	57	57
Czech Rep	110	128	140
Denmark	18	24	24
France	1,383	1,468	1,391
Germany	1,005	1,067	1,067
Greece	246	294	294
Hungary	520	350	350
Italy	2,053	2,150	2,054
Latvia	8	8	8
Lithuania	32	25	25
Netherlands	243	245	236
Poland	4,300	4,495	4,750
Portugal	368	294	280
Romania	444	410	410
Slovakia	31	34	32
Slovenia	44	47	38
Spain	563	431	415
Sweden	27	30	30
UK	186	245	233
Total	12,016	12,168	12,201

	2021	2022 F	2022 RF
Annurca	45	45	45
Boskoop	61	87	88
Braeburn	237	250	243
Bramley	43	64	61
Cox	25	29	28
Cripps Pink	256	311	320
Elstar	333	364	351
Fuji	306	309	309
Gala	1,585	1,614	1,581
Gloster	201	141	149
Golden Delicious	2,168	2,064	1,960
Granny Smith	347	373	391
Idared	729	659	683
Jonagold	466	426	431
Jonagored	250	230	236
Jonathan	84	75	75
Morgendurf/imperatore	32	46	29
Pinova	194	205	210
Red Delicious	677	697	707
Red Jonaprince	470	581	608
Reinette Grise du Canada	136	140	138
Shampion	465	456	482
Spartan	4	3	3
Stayman	0		
Ligol	280	260	275
Other new varieties (³)	366	436	417
Other	2,256	2,303	2,382
Total	12,016	12,168	12,201

Third larger crop of the decade

- Crop not yet fully harvested or to be never harvested !
- Concerns avbout medium to long term storage costs
- Some issues with seasonal workers
- Uncertain volume but further decrease expected (non harvesting , lower uptake in orchard : PL, BE)
- Low crop confirmed in ES
- Varietal outlook:
    - Difficult start for early varieties such as Gala, Elstar, some Golden (size , colouring ,quality?..)
    - Later varieites with good colouring , size , overall quality

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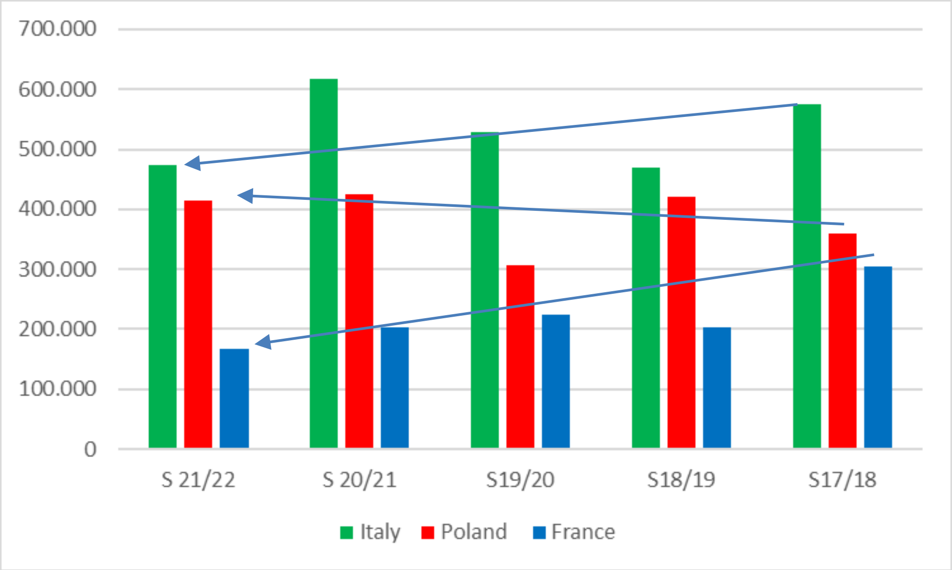
European apples intra-EU trade trends

A safe bank under pressure



Challenging conditions

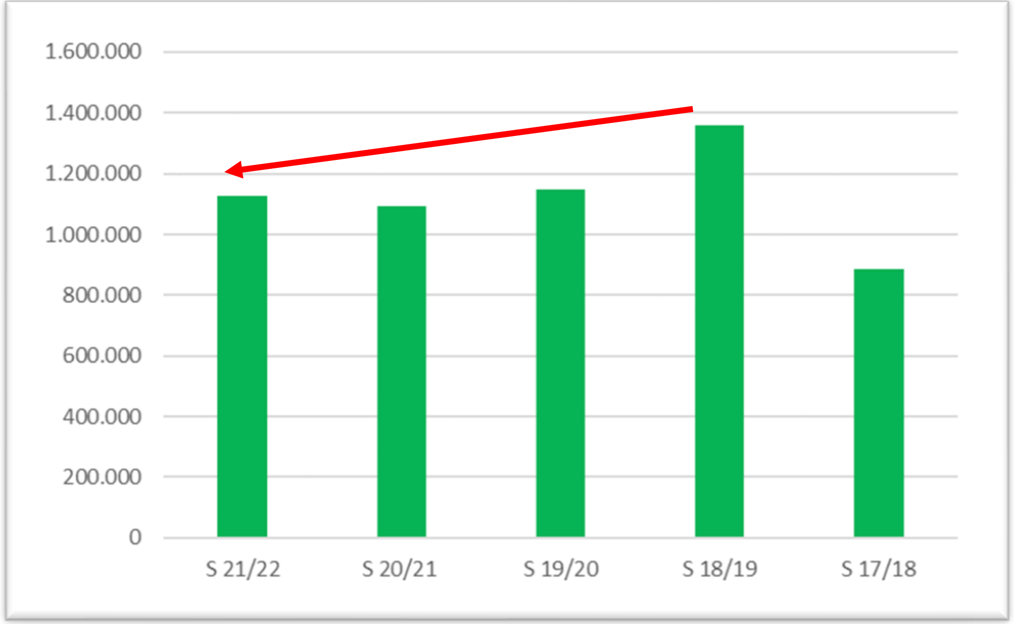
- Market uncertainties due to economic pressure on household
- Domestic sales in demand , impacting Intra EU trade also affected by the packaging confusion
- Rising energy cost impacting storage and logistics and relation with other market outlet (processing)
- War in Ukraine: impact on food security , food loss, trade and logistics distortion, rerouting towards EU …
- Sustainability at crossroad (SUR , GREEN Deal with RED figures)
- Safeguarding supply chain competitiveness

	S 21/22	S 20/21	S19/20	S18/19	S17/18
Total in €	1.191.308.057	1.459.579.723	1.395.134.761	1.186.221.093	1.728.212.179
Total in T	1.623.113	1.850.690	1.839.677	1.813.258	2.005.867
Italy	474.662	616.823	528.287	470.333	575.981
Poland	415.250	424.599	307.391	421.290	360.079
France	166.831	202.055	224.102	203.983	304.931

€/T	S 21/22	S 20/21
Total	734	789
Italy	1.000	916
Poland	363	408
France	1.090	1.117

The European apples export trade trends

Challenging geopolitical and climatic conditions with opportunities



	S 21/22 in T	S 21/22 in T	S 21/22 in €/T
EU	1.127.610	869.864.329	771
Poland	365.389	365.821.707	927
Italy	394.641	192.515.414	1.237
France	155.572	152.564.192	418
Spain	67.184	65.284.188	972
Greece	61.533	26.804.993	436

- Preference for domestic and intra EU trade
- Global uncertainties , low US & Chinese crop
- Logistics availabity and freight rate
- Rising prices (energy ,..)
- EU neighbourhood restrictions
- SPS and TBT barriers
- Favourable exchange rate

In T top 10	2021	2020	2019
Total	**1.130.273**	**1.056.503**	**1.428.388**
Egypt	309.026	237.242	295.456
United Kingdom	188.857	190.271	183.908
Belarus	119.752	124.978	222.255
Saudi Arabia	71.869	59.469	89.613
India	65.712	41.166	85.950
Kazakhstan	57.068	50.048	85.156
Norway	32.283	36.358	35.123
Jordan	30.977	35.859	48.001
Israel	26.829	23.619	20.419
UAE	24.780	30.806	46.980

UP TO WEEK 14	APPLES	ALL COUNTRIES	EGYPT
SEASON 2021/2022	POLAND	75.870	46.520
SEASON 2022/2023	POLAND	42.701	19.323
VARIATION	**POLAND**	**-77,68%**	**-140,75%**
SEASON 2021/2022	ITALY	71.713	24.292
SEASON 2022/2023	ITALY	86.410	18.492
VARIATION	**ITALY**	**20,49%**	**-23,88%**

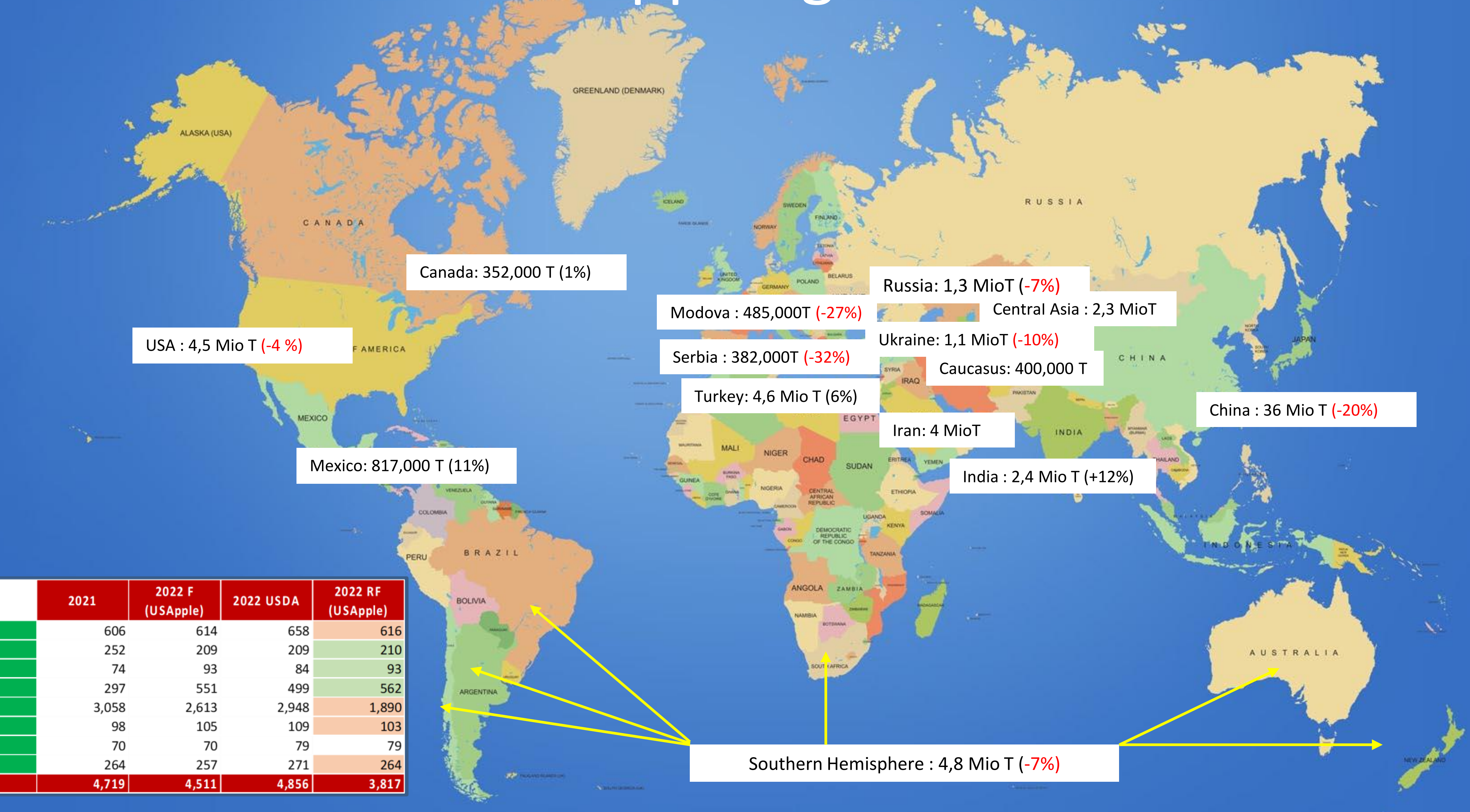
European apples consumption trends

in KG	5Y Av
Austria	13,39
Belgium	14,95
Bulgaria	9,50
Croatia	8,26
Czech Rep	5,71
Denmark	12,53
Estonia	8,28
France	14,35
Germany	12,98
Greece	12,58
Hungary	13,98
Ireland	9,48
Italy	17,16
Latvia	5,35
Lithuania	16,22
Luxembou	10,68
Netherland	16,68
Poland	10,88
Portugal	23,83
Romania	19,59
Slovakia	6,73
Slovenia	13,77
Spain	9,13
Sweden	8,58
EU	12,27

- Apples remain the most prefered fruit in diet of Europeans but under heavy internal and external competition
- Consumption trends is about 10% down due to economic pressure on household
- Heavy temperature late summer and early Autumn not in favour of consumption. Lower sales in inflationary environment
- Heavy low price presssure in some markets of stone fruit (plum) in late summer
- How to engage with retailers to seek better return, coping with cost increases => (same debate in US
- High to record organic crop without granted demand => unbalance
- Local sales promoted
- How to build on EU strategies =>F2F, SFS, Beating cancer plan, EU organic action plan
- Other promotion activities
- Better outlook for start of 2023 - limited supply?

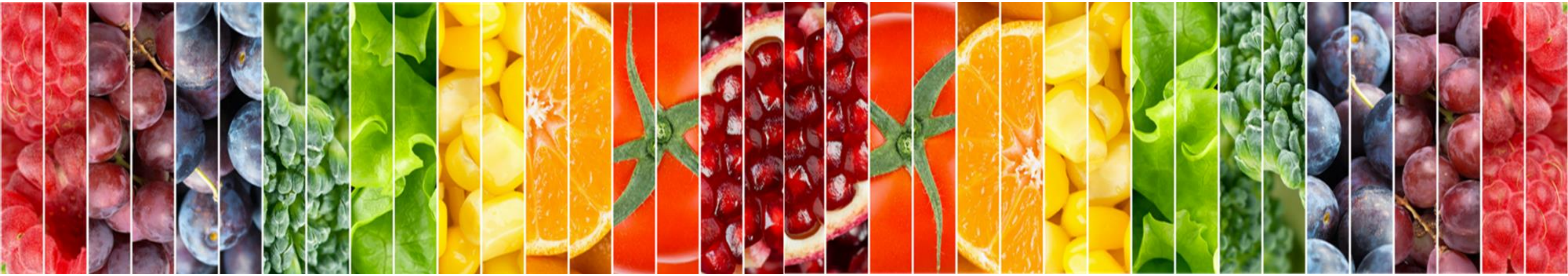
International Apples Day on social media: 19 November 2022

The apples global trends

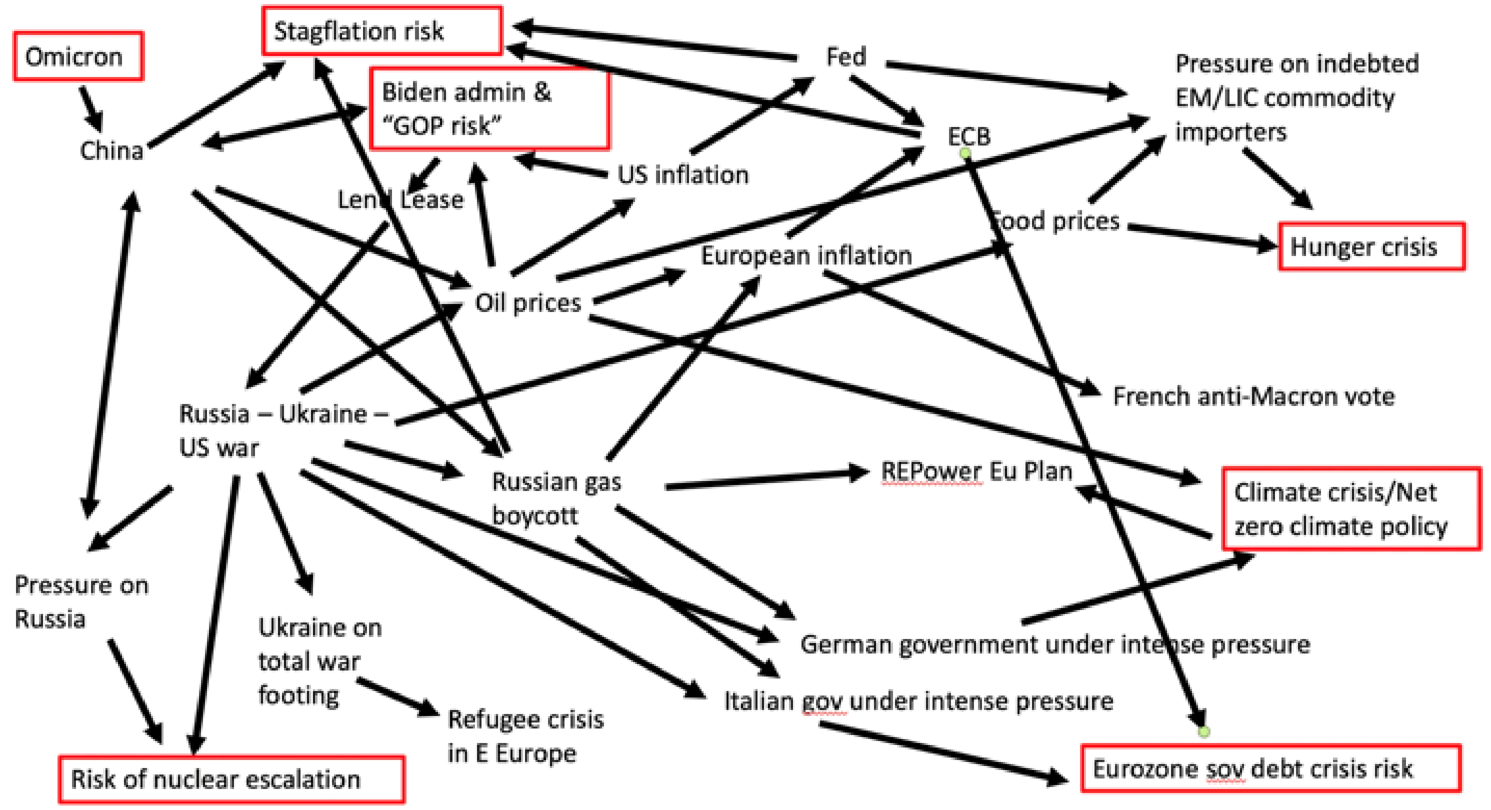


	2021	2022 F (USApple)	2022 USDA	2022 RF (USApple)
New York	606	614	658	616
Pennsylvania	252	209	209	210
Virginia	74	93	84	93
Michigan	297	551	499	562
Washington	3,058	2,613	2,948	1,890
California	98	105	109	103
Oregon	70	70	79	79
Other States	264	257	271	264
Total	4,719	4,511	4,856	3,817

Situation and challenges in the sector: EU perspective



The complexity of polycrisis overwhelms a volatile sector

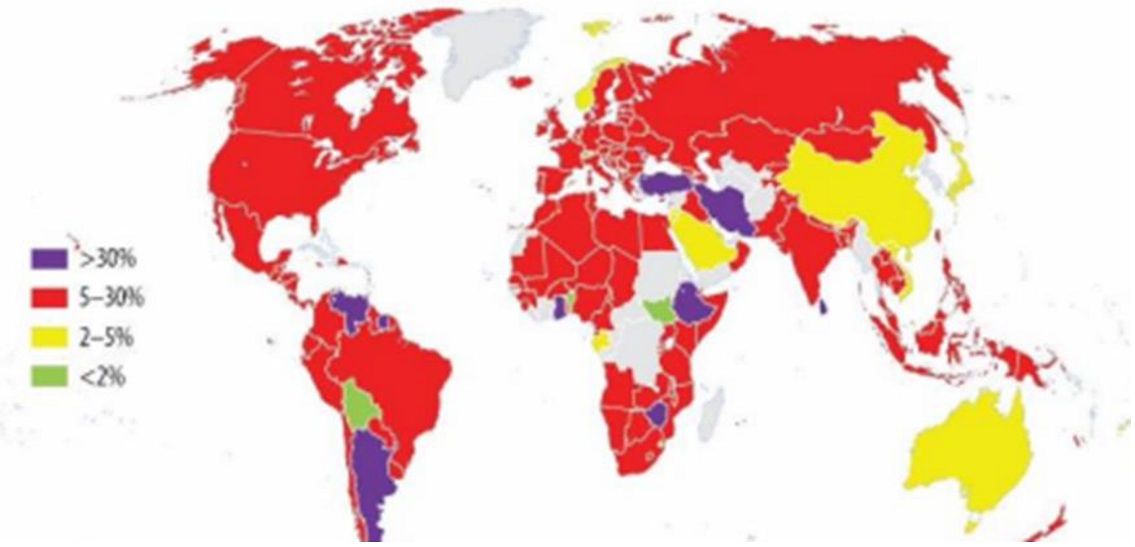


*Source: Twitter, Philippe Heimberger @heimbergecon Economist, Vienna Institute for International Economic Studies

- Brexit
- Post(?)-Covid supply chains
- China: Covid policies, Taiwan
- War in Ukraine
- EU Green Deal, F2F, Sustainability
- Climate emergency
- Energy and inflation

Sector demonstrated its resilience in coping with these successive crisis

No more business as usual



After years of resilience, what are on-going capacity to adress short term challenges=> No GREEN Deal , with RED figures in growers accounts

- **Logistic at stake**
  - Domestically , Intra EU, internationally
  - Lack of drivers, lack of containers
  - Lack of efficiency (empty return)
  - Significant increased of costs
- **Market access at stake**
  - Ambient growing protectionism internationally
  - Single market also endangered (buy local, packaging, labelling)
- **Sustainability at stake**
  - Economic (rising prices for the sector, reuduce purchaing powers of consumers)
  - Social (seasonal workers, lack HR, ..)
  - Environmental (SUR, F2F targets, organic market instability, IPM captan..)
- Food security at stake
  - Toolkit (captan , ..)
  - Climate change impact crop
  - Financial stability of the sector
  - Also impact on food loos , food waste

European sector perspective responses


FACT SHEET

COVID-19 IMPACT ASSESSMENT

Implications of the COVID-19 Pandemic for the EU Fresh Fruit & Vegetable Sector

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COVID-19

RECOMMENDATIONS TO POLICY-MAKERS

Freshfel Europe urges policy-makers to take decisive action to ensure the sustainability of the sector so that safe, healthy fresh fruit & vegetables are continually available to consumers now & beyond the pandemic.

A EUROPEAN SOLUTION

There is an urgent need for EU-wide measures & coordinated de-confinement; Member States' individual actions cannot ensure certainty & a level playing field for operators. Equally, in any future COVID-19 outbreak coordination in confinement measures must be immediately established.

BETTER RECOGNITION OF ESSENTIAL ROLE OF F&V WORKERS

All fresh produce workers should be considered essential & have priority in receiving protective material. Special conditions should also apply so seasonal workers are exempted from quarantine or travel bans to secure continued production.

ADAPTATION OF EU POLICY PLANNING

Short-term postponement of select new EU requirements (e.g. organic legislation) is needed. Future EU priorities should take account of the post-COVID-19 environment when defining action & support for the sector (e.g. promotion annual work programmes).

FINANCIAL ASSISTANCE FOR ECONOMIC SUSTAINABILITY

The CAP & other tools should secure the sector's economic sustainability especially for growers, wholesale actors & foodservice suppliers. EU assistance for developing partners as key EU suppliers should also be prioritized to secure the EU's long-term food security.

INTERNATIONAL COOPERATION TO SECURE F&V TRADE

An increased standardisation of protocols of action is necessary for the protection of transport workers & harbour management. The EU should lead a global effort to implement reciprocal trade facilitation measures by all trade partners, including international 'green lanes', global acceptance of electronic transmission for all export certifications & facilitations for EU exporters to comply with SPS requirements.

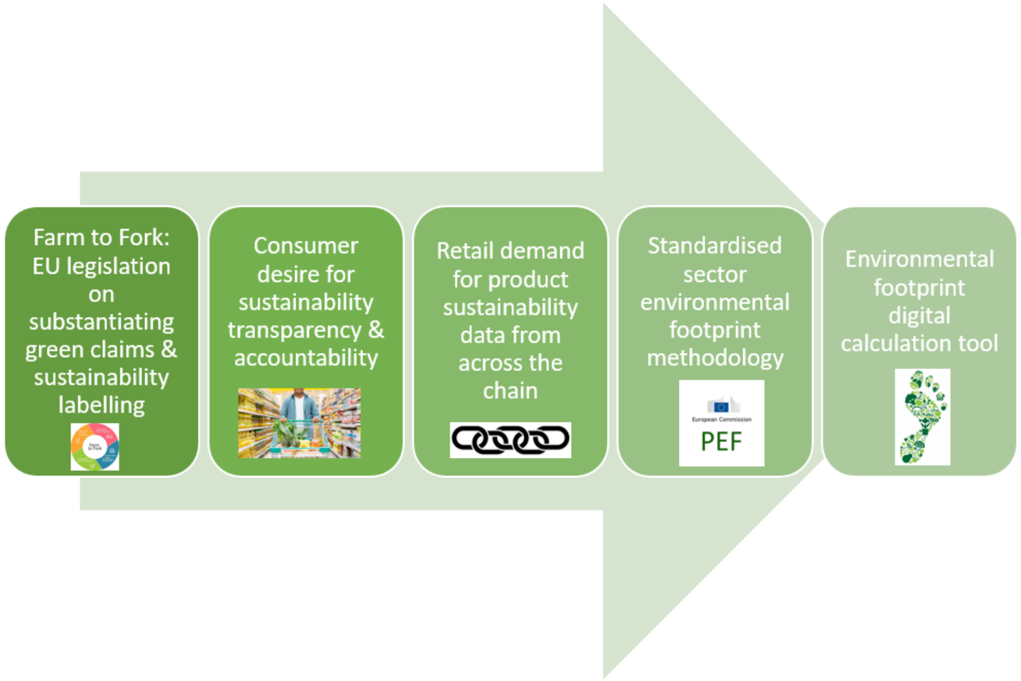
ABOUT THE EU FRESH FRUIT & VEGETABLE SECTOR

The EU fresh fruit & vegetable sector has an estimated turnover of more than €200 billion, creating ~5 million direct & indirect jobs. Each year 125 million T of fresh fruit & vegetables is produced in the EU (80 million T for the fresh market), while 50 million T is consumed in Member States where it is grown.

Annually the fresh fruit & vegetable intra-EU market trade (30 million T) is worth >€30 billion, while exports to 3rd countries (5 million T) are worth €4.8 billion & imports to the EU (16 million T) are worth €17 billion annually.

Impact assessment

Wide diversity of GD and F2F policy topics



Industry tools to be accountable

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European Food Security Crisis Prepardness and Response Mechanism

- Find its roots in the Farm to Fork strategy and its food security objective and impact on CAP
- COVID crisis was intrumental but immeditaly became exposed to a reality check with the war in Ukraine
- Contingency planning is based on monitoring and actions structured around three pillars

Improving the diversity of sources of supply

Mastering communication

Dashboard for the monitoring of food supply chain

Global fresh produce coalition – An active crisis response mechanism of the international fresh produce industry

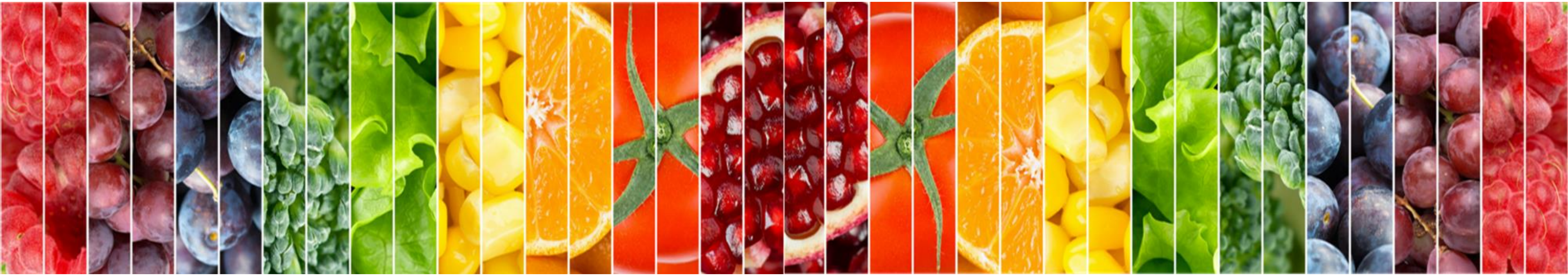
Vision:
"Together for resilient global fruit and vegetable value chains which enables economic, environmental and societal benefits"

Mission
Through a coalition of Associations from around the world, **to voice solutions addressing global supply chain disruptions for fresh produce production and trade** (in particular increasing costs), which have led to significant concerns on the economic model of the sector and its capacity to provide cost effective fresh fruit and vegetables to support food security and health.

Objective:

The Coalition will work to demonstrate the need to recognize our sector as essential to the public good and increase the awareness of the issues and provide solutions associated to supply chain disruptions which are impacting price, quality, availability of fresh fruit and vegetable.

More barries for business



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More barriers for business: case of PPP/SUR

Fruit and vegetables play an important role not only in achieving the Sustainable Development goals of UN/FAO but also to adhere to the three pillars of sustainability:

- ***Environmental sustainability***: *The fruit and vegetables sectors embarked in the sustainability journey at the turn of the century, starting by coping with strict EU PPP and MRL legislation, further reinforced by private standards of retail customers and multiples monitoring and products testing and certifications. Moreover, IPM and biodiversity are the core of the best practices of professional growers coping with societal and environmental concerns.*

- ***Social sustainability***: *Social aspects are very relevant for the sector, not only through the strict rules of protection and certification of growers, bystanders and relationship with the vicinity of orchards, but also because of the unique role of fruit and vegetables as part of the move towards plant diet as proposed by the Farm-to-Fork Strategy.*

- ***Economic sustainability***: *The fruit and vegetables sector showed resilience in the proliferation of crisis since the EHEC crisis, the Russian embargoes, Brexit, COVID-19 and post COVID-19 pandemic, the climatic crisis and now the energy crisis. Rising costs and stagnation of retail prices for fruit and vegetables in most of retail outlets, despite inflation put at risk the survival of many growers. The GREEN Deal cannot be reached with RED figures on the account of the growers. The evolving process and targets of F2F should take those into account.*

Fruit and vegetables is committed to further contribute to the objective of the Green Deal and Farm-to-Fork strategy. Fruit and vegetables probably more than any other agriculture sector are indeed part of the solution and not an obstacle to those strategies. Several aspects need to be taken into account for a soft transition towards sustainable food systems:

Impact of climate change of production - toolkit: *Like any agriculture sector, the fruit and vegetables is subject to the impact of climate change, impacting among other on evolution of pests and disease in the orchards. This requires the need for the sector of a toolkit to allow a soft transition. Removing a substance can lead indirectly to a further increase of alternative solutions to reach the safe protective results. This will endanger the reduction of use of PPPs target.*

Securing self-sufficiency and diversity of production: *The sensitive area debate and its finalisation can lead to significant impact for fruit and veg production. Depending on national definition, many areas might be located in those areas. That could lead to a stop of production and a shift to other crop, away from the initial fruit and vegetables production. This will result in issues relating to lack of crop diversification and economic damage to the growers.*

Research and innovation: *Research and innovation is therefore of paramount importance to secure sound production, preventing unnecessary food losses without endangering food security. It is important to safeguard solutions for the widest spectrum of fruit and vegetables, most of the being often classified as "minor crop" or speciality crops. Implementing F2F or SUR cannot lead to a collateral effect of loosing the unique European crop diversity. F2F strategy to guarantee food security and secure self-sufficiency should not generate indirectly new dependency from imported products, potentially not complying with similar high standards.*

Level playing field: *the fruit and vegetables sector in general and several Members States already have relatively low level of pesticide usage, which are always done as much as needed, bur as less as possible. These efforts need to be recognized and not lead to a further disadvantage at the time of setting new reduction targets. A coherent approach among policies should guarantee a balance between different policy objectives of food security, food loss, food safety, food affordability, food diversity and healthy diet.*

Administrative burden: *Growers are already overloaded with reporting obligation, due to certification. Those are important administrative burden and huge costs for individual growers or SME running the business. The process of reporting should be as much as possible simplified.*

Next Generation: *Agriculture and farming need to stay attractive and remunerative for a new generation of farmers to engage into the business with a long-term perspective and capacity to invest to the future challenges of the secto while building new opportunities for rural areas*

.Soft transition: *for a successful move, the transition should be done in a timely manner considering the time for testing efficiency and introducing alternative solutions, but also to allow the sector to invest in new production method.*

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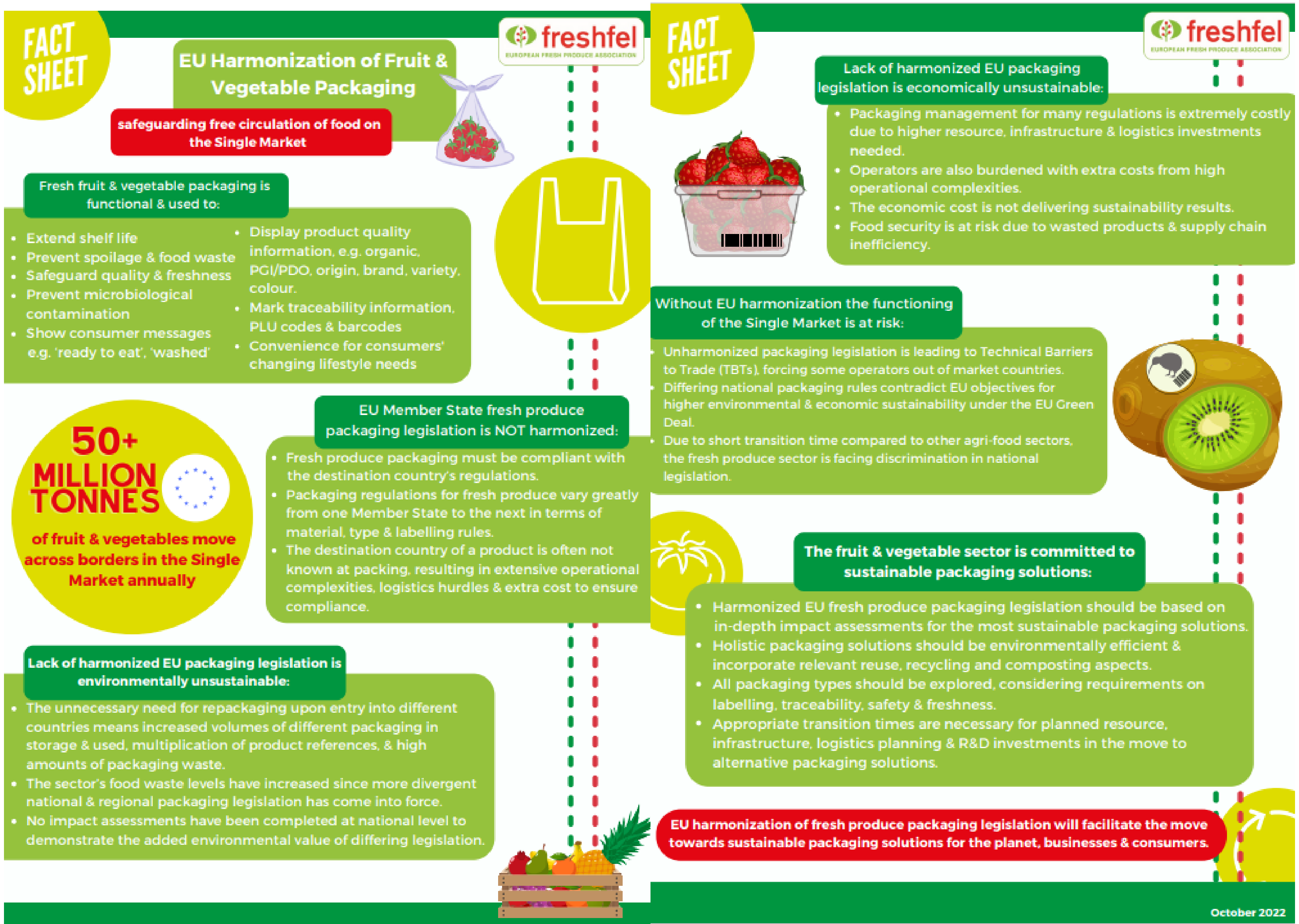
More barriers for business: case of packaging

Lack of harmonization:

- A major threat on single market?
- Impact of added costs due to evolution of demand per material
- Impact on safety
- Impact on sales
- Impact on investments
- Impact on material types
- Impact on relaibility of packaging type
- Impact of discrimnatory status of fresh produce



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More barriers for business: case of energy adding up on production costs rise

Gas: > 100%

Electricity: > 100%

Oil: 25%

Water: 10-20%

Storage : 50 %

Machinery: 35-40%

Labour : 10-15%

Plant production products: 20-30%

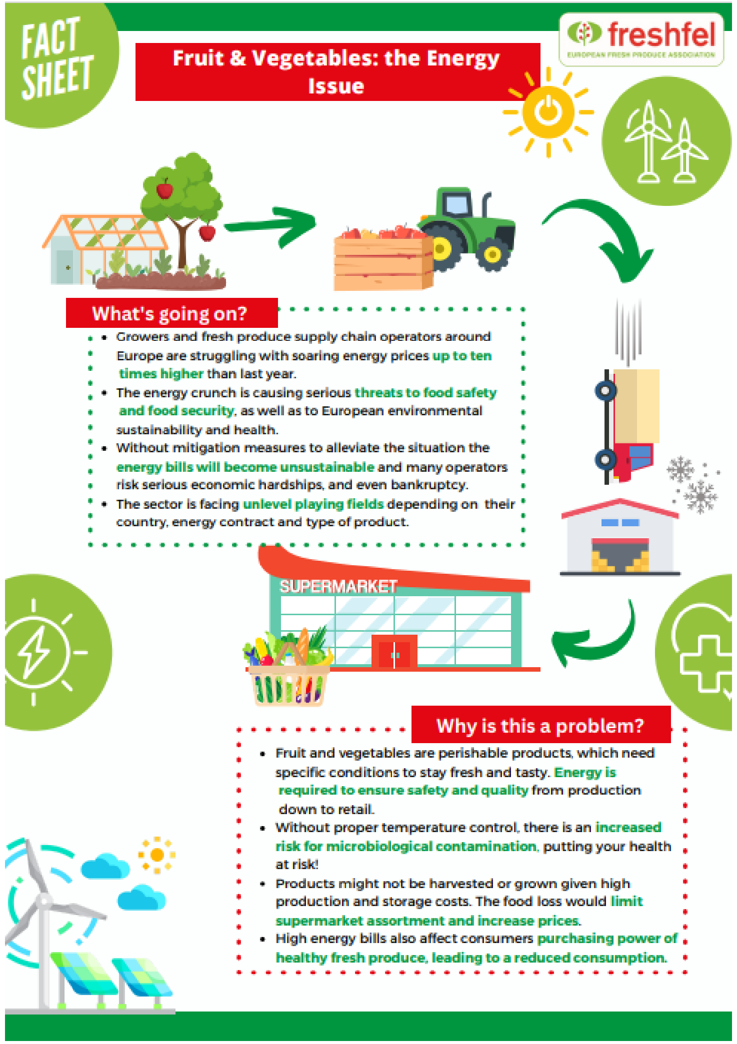
Fertilisers : 80-100%

Wood pallets : 100%

Wood box: 50%

Plastic packaging : 20-30%

Cardboard packaging: 40%



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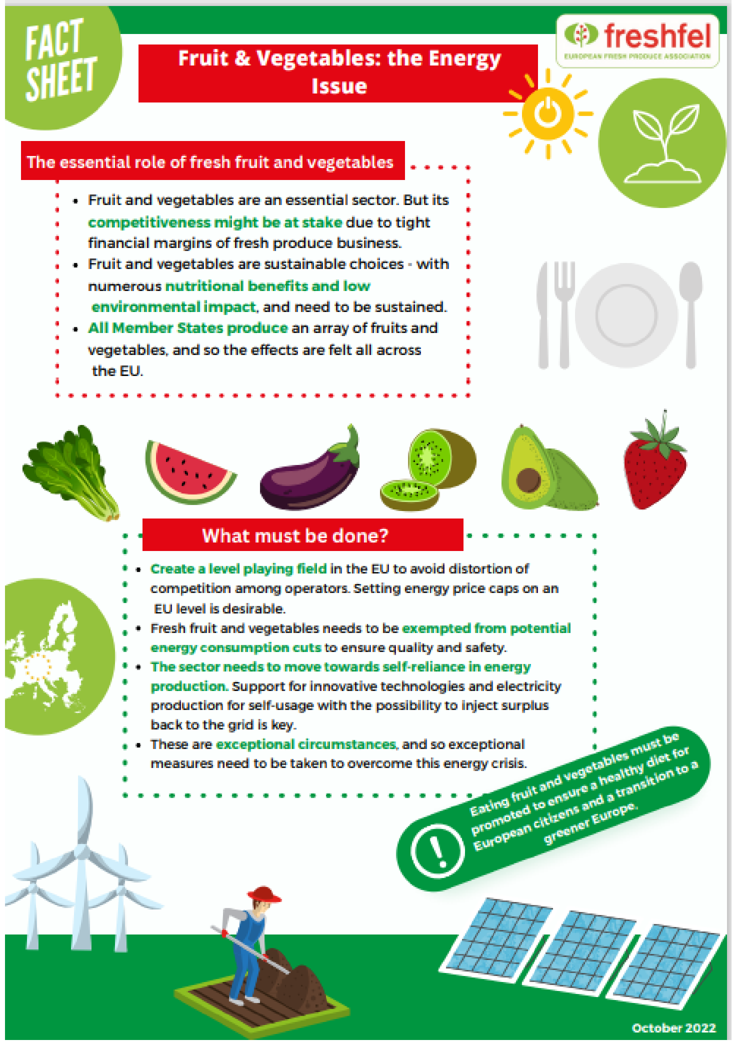
Fruit & Vegetables: the Energy Issue

What's going on?

- Growers and fresh produce supply chain operators around Europe are struggling with soaring energy prices **up to ten times higher** than last year.
- The energy crunch is causing serious **threats to food safety and food security**, as well as to European environmental sustainability and health.
- Without mitigation measures to alleviate the situation the **energy bills will become unsustainable** and many operators risk serious economic hardships, and even bankruptcy.
- The sector is facing **unlevel playing fields** depending on their country, energy contract and type of product.

Why is this a problem?

- Fruit and vegetables are perishable products, which need specific conditions to stay fresh and tasty. **Energy is required to ensure safety and quality** from production down to retail.
- Without proper temperature control, there is an **increased risk for microbiological contamination**, putting your health at risk!
- Products might not be harvested or grown given high production and storage costs. The food loss would **limit supermarket assortment and increase prices.**
- High energy bills also affect consumers **purchasing power of healthy fresh produce, leading to a reduced consumption.**



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Fruit & Vegetables: the Energy Issue

The essential role of fresh fruit and vegetables

- Fruit and vegetables are an essential sector. But its **competitiveness might be at stake** due to tight financial margins of fresh produce business.
- Fruit and vegetables are sustainable choices - with numerous **nutritional benefits and low environmental impact**, and need to be sustained.
- **All Member States produce** an array of fruits and vegetables, and so the effects are felt all across the EU.

What must be done?

- **Create a level playing field** in the EU to avoid distortion of competition among operators. Setting energy price caps on an EU level is desirable.
- Fresh fruit and vegetables needs to be **exempted from potential energy consumption cuts** to ensure quality and safety.
- **The sector needs to move towards self-reliance in energy production.** Support for innovative technologies and electricity production for self-usage with the possibility to inject surplus back to the grid is key.
- These are **exceptional circumstances**, and so exceptional measures need to be taken to overcome this energy crisis.

Eating fruit and vegetables must be promoted to ensure a healthy diet for European citizens and a transition to a greener Europe.

October 2022

More barriers for business: market access and SPS hurdles

A Committed & Responsible Sector

Sound and diversified production for supply reliability

Protecting biodiversity and enhancing environmental sustainability

Adapting to climate change and its impact on pests and diseases

R&I to cope with reduced toolkit and societal concerns

Raising awareness about plant health and plant safety

Safe trade as a prerequisite for sound production

WTO SPS and Trade Facilitation (TFA) Agreements require SPS rules to be:

- Science-based
- Proportionate
- Non-discriminatory
- Justifiable
- Risk-based
- Non-trade distortive
- Feasible
- Timely

Safe trade with sound production: international rules not delivering

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More barriers for business: market access and SPS hurdles

For most of its 145 export destinations, EU countries/exporters have to negotiate protocols, case-by-case, Member State-by-Member State, product-by-product or even often varieties by varieties => this has proven to be burdensome and problematic.

Hurdles on the road to market access

Huge Resources
(Human resources, dossier preparation and evaluation, costs)

Excessive Delays
(Over a decade in some cases)

Politicisation
(concluded technical talks never followed by publication)

Non-Recognition of EU single entity
(EU operate with common rules, but inability to bundle protocol negotiations or PRAs)

IPPC Standards
(lack of applicable global standards, mitigation measures)

FTA ,no real added value
(even if countries have FTAs with SPS chapters)

Safe trade with sound production: international rules not delivering

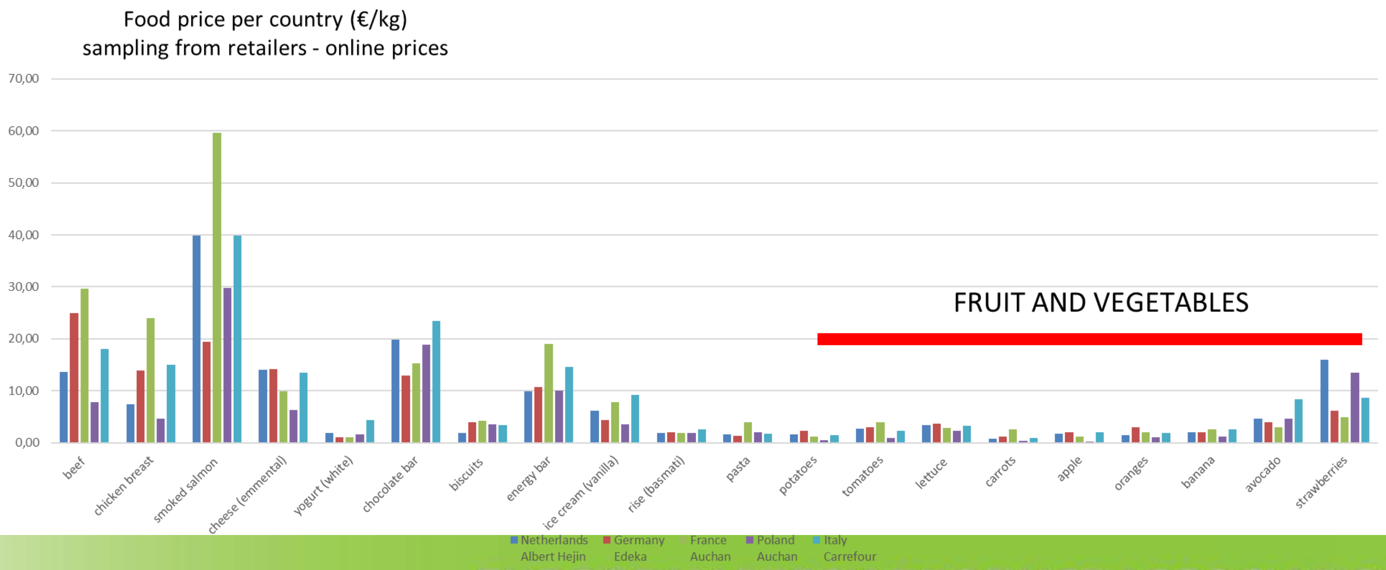
More barriers for business: purchasing power of consumers

Rise of prices for other food are much higher => but fruit and veg are perceived as expensive

Fruit and veg are the most affordable => room for increased prices at consumer level?

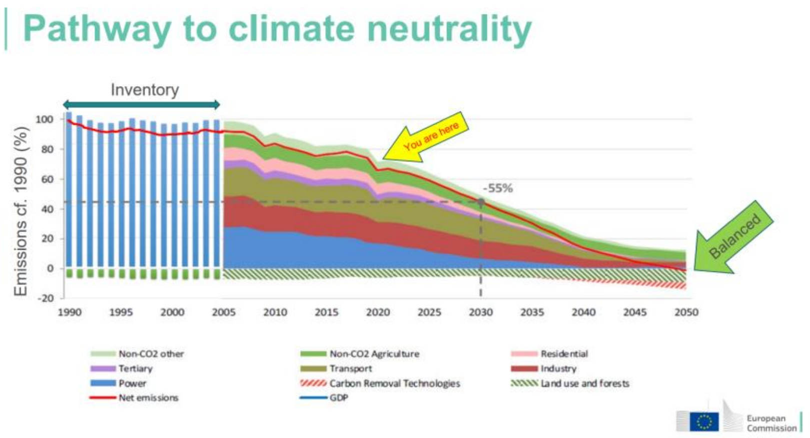
Support to transition into plant (based) diets? => not enough promotion instruments

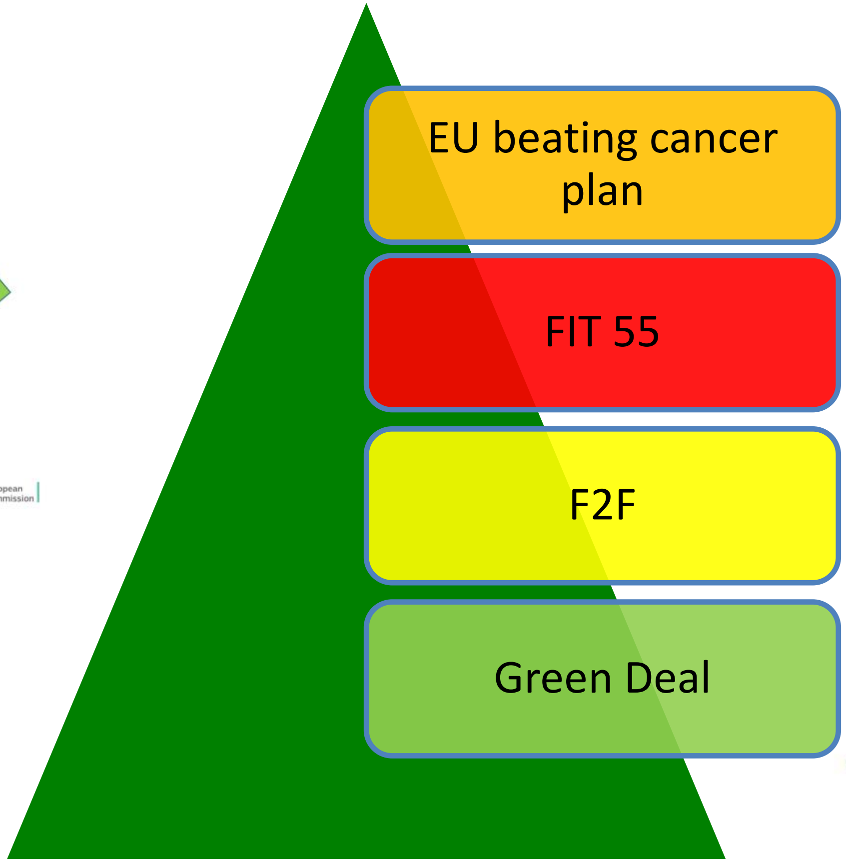
Consumption is declining => Promotion policy , School scheme,…

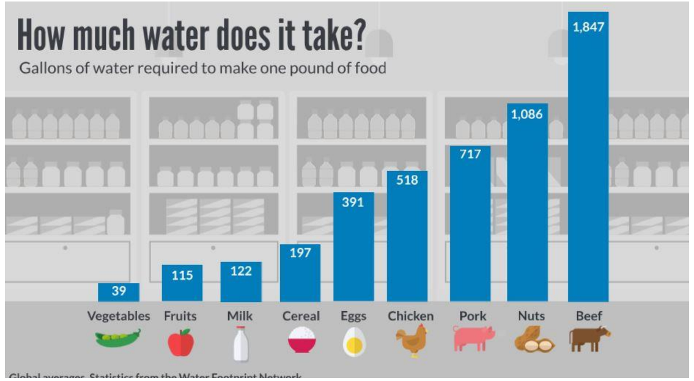


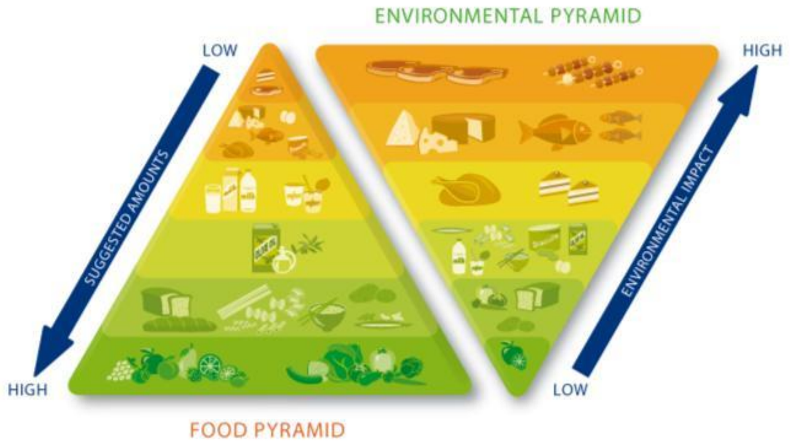
	Fruit	Vegetables
European Union 27	4.9	6.8
Belgium	0.7	3.2
Bulgaria	13.2	17.5
Czechia	1.7	7.6
Denmark	3.4	2.8
Germany	2.6	7.7
Estonia	4.5	27.1
Ireland	0.6	1.0
Greece	7.4	8.8
Spain	7.6	1.6
France	4.8	1.2
Croatia	10.6	13.9
Italy	5.1	9.0
Cyprus	13.4	19.0
Latvia	2.4	22.2
Lithuania	6.3	33.9
Luxembourg	0.7	1.2
Hungary	6.8	11.3
Malta	13.0	21.1
Netherlands	4.0	7.7
Austria	2.3	8.6
Poland	8.0	11.1
Portugal	0.6	3.4
Romania	6.7	10.4
Slovenia	9.8	7.0
Slovakia	6.7	15.3
Finland	3.0	6.7
Sweden	1.3	2.1

Fruit and vegetables are « essential » goods and part of the solutions to EU strategies









Good records , but accountability is needed ! => PEF project life cycle

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THANKS FOR THE ATTENTION

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