

Activity Report 2011-2012



freshfel

EUROPEAN FRESH PRODUCE ASSOCIATION



This Activity Report provides an overview of Freshfel's work over the past 12 months, covering the period from May 2011 until April 2012.
This work would not have been possible without the active support and input from our members - Thank you!



This activity report is brought to you with the support of FEFCO, the umbrella organization of European associations of corrugated board manufacturers (www.fefco.org). To discover one of their initiatives, go to the last page of this report to learn more about their "corrugated of course" project.

Freshfel thanks FEFCO for this support!

CORRUGATED
OF COURSE

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FOREWORD BY THE CHAIRMAN

On 19 June 2012, on the occasion of the 10th Freshfel AGM, I will end my second term as Freshfel President. This will conclude for me several years of commitments to the Association, chairing first the import division and then since 2008 the Board of the Association.

While departing, I am leaving behind a strong and professional Association, well positioned to assist the sector in coping with the ever increasing challenges. When I was elected Chairman, I was convinced that to improve its efficiency, Freshfel should enhance its image and visibility both internally with the members and externally with the decision makers. Simultaneously, more efforts should be undertaken to improve the efficiency of the promotion activities while increasing the communication about our products and our sector.

Several steps have been taken in this direction, but will have to be continued. The first steps of this policy were initiated with a revamp of the Freshfel website, of its intranet and newsletter and by the launch in 2004 of the fresh quality website, which is today a point of reference for many in our sector. This website is consulted around the world and its consultation continues to grow. The quality website was recently revamped and updated. During my presidency, I have also fostered the building of an "Enjoy Fresh" community. The website Enjoyfresh.eu is now a point of reference for all the positive assets of fresh produce, being further extended with a kids section to enhance the functioning of the school fruit scheme. This project is ongoing and more efforts will still need to be undertaken to make it stronger and move the project into a real "enjoy fresh" community.

Finally in this review, I can not overlook to write a few words about the last twelve months. Indeed, they will remain on records as one of the most difficult years ever for the fresh fruit and vegetables sector in Europe. The economic and financial uncertainties, the e-coli crisis, the production overlap in the market and the lack of consumer confidence have unfortunately been on the top of our day to day concerns throughout the year. The severe difficulties were



addressed within our companies to find the best ways to successfully mitigate the negative financial consequences of an unprecedented complex market situation. Freshfel Europe has also played its role, defending the interests of the sector, acting as a unique platform to join forces, foster renewed confidence and represent the sector interest with decision makers. Stimulating consumption was at the centre of this action.

With Freshfel Europe's office being now located at the heart of the European district, next to the European Commission, Parliament and other institutions, as well as associations with which Freshfel is already collaborating, new opportunities will arise, the networking possibilities will be strengthened and Freshfel's current position reinforced. I am glad also that this important project was also undertaken and concluded under my presidency.

As I am leaving the chair of Freshfel, I do it in confidence that Freshfel Europe is today a solid and professional structure well equipped with the support of its members to continue its efforts to build the most favourable environment for fresh produce in Europe. With Philippe Henri and Luc Clerx, respectively as President and Vice-President, and Jérôme Fabre as Treasurer the Association is in strong hands. They will be surrounded by an excellent team of colleagues in the Board to steer the Association and the sector further.

Many thanks to my colleagues at the Freshfel Board as well as to all of the members and associated members for their support and commitment to the activities of Freshfel Europe! I also thank the Freshfel General Delegate and its secretariat for their assistance in helping me to carry out my duty with the best possible support.

Ramon Rey
ARC Eurobanan / Total Produce
President Freshfel Europe

LOOKING BACK



Kai Krasemann

As Freshfel is celebrating its ten years of operation, I am pleased to see that the foundation that we built at the end of the “last century” was visionary and created a strong and cohesive structure for the representation of the industry. Our new Association was also built on the background of the new Common Market Organisation for Fruit and Vegetables (Regulation 2200/96), which influenced the structure of our sector.

By founding Freshfel, we opted to place our product at the centre of the activities, as the key protagonist, leaving aside our specific differences. The sector is confronted with many challenges but most of them are ultimately similar regardless of the function that each of the members performs in the supply chain.

My primary task as chairman of the association (between 2002 and 2006) was therefore to consolidate the new structure, bringing confidence among all the members, whether individual companies or national associations, whether suppliers of European produce or from third countries, whether importers, wholesalers, exporters or retailers. The project and the professional running of the Association became soon attractive to new entities that joined the association during its first years of existence, further reinforcing its knowledge and representativity. Under my presidency, we also witnessed important changes in Europe, being the introduction of the Euro, the enlargement of the European Union to 10 Eastern and Central European countries or the proliferation of private food safety standards, just to name some milestones which have marked our day to day business and still influence it today.

Kai Krasemann
Fruchthansa GmbH
Chairman of Freshfel 2002-2006



Guiseppe Calcagni

As I took the lead from Kai Krasemann for a two year term, the Association was reputable and operating in a smooth fashion, greatly facilitating my task as Chairman. The sector was however feeling the first signals of the decline of the consumption of fresh produce due to changing lifestyles, increased competition from FMCG, oversupply, etc. Freshfel took its first initiatives to better position fresh produce in the chain (looking at foodservices) but also taking benefit of the greater awareness on the health challenges resulting from raising obesity. Freshfel also at that time set the scene for the European school fruit scheme.

As consumption in the EU was stagnating, I have also been directing the Association towards a new export strategy, better balancing the EU external trade and moving towards more reciprocity in exchange. This work was further enhanced by the willingness of exporters to cooperate on this complex task of opening up markets, leading today to their joint effort to sign a common SPS protocol for 7 Member States for the export of apples and pears to the United States. I am glad to see that today these efforts are bearing results with the significant increase of our exports to third country markets.



Guiseppe Calcagni
Besana
Chairman of Freshfel 2006-2008



GOVERNANCE

FRESHFEL EUROPE

Freshfel Europe, the European Fresh Produce Association, is the forum for the fresh fruit and vegetables supply chain in Europe and beyond. Its members and associated members are associations and companies that have an interest in the European fresh fruit and vegetable sector, including production, trade, logistics, retailing and other services providers. Freshfel is a non-profit association under the

Belgian legislation of 1918. The seat of the association is located in Brussels – the headquarters of the European Union. Freshfel Europe is registered in the EU register of interest representatives, a European Commission initiative to increase transparency within the European environment. The Freshfel register n° is 1637225479-02.

MEMBERSHIP REPRESENTATION

Freshfel is a member-driven association. With its evolving membership across the supply chain, Freshfel Europe is becoming a vertically integrated association incorporating the leading companies and national associations of producers, importers, exporters, distributors, wholesalers, retailers and their service providers, both within the EU and in countries with an interest in the European fruit and vegetables market. The list of members and associated members and their logos are included in this report. Freshfel revenue and operational resources are exclusively coming

from membership fees. Freshfel is undertaking multiple representation and coordination of tasks for the overall benefit of the fresh produce sector. Freshfel defends the interests of the sector on the European and international scene, and updates members on recent legislative and supply chain developments. Freshfel provides a networking platform for its members and facilitate contacts among representatives of the sector. Within Freshfel, the sector has a forum to meet, to share views and to gear positions towards one another.

STRUCTURE

To organise its work, Freshfel Europe is structured around a General Assembly for statutory and corporate matters, a Board for the overall management, cohesion and coordination of the Association and several segments Divisions and Committees to cover the various political and technical aspects of relevance for the sector. Freshfel organises its work in a flexible manner according to the evolving needs of its members and to better respond to these emerging expectations. Besides the Board assignments which are ad personam, Freshfel



operates in an open manner, inviting all its members and associated members to attend the meetings organised by the association such as the Annual General Meeting, the division meetings, the committees, the working groups and teleconferences. Board representatives can be viewed on the Freshfel website (www.freshfel.org). The daily work of Freshfel Europe is conducted by the secretariat of the association based in Brussels. The secretariat acts as a team, and the five staff representatives coordinate the activities of the association covering a wide range of skills.

COOPERATION

Freshfel is closely cooperating with other organisations hosted in the same premises, namely WAPA (World Apple and Pear Association), SHAFFE (Southern Hemisphere Association of Fresh Fruit Exporters), and Europatat

(European Potato Trade Association). Since last December, Freshfel also joined forces with SACAR which incorporates FRUCOM (Dried Food Importers), Union Fleurs (International Flowers Trade) and Assuc (Trade in Sugar).



GUIDING PRINCIPLES

FRESHFEL CORE VALUES

The fresh fruit and vegetables sector faces global challenges to move towards sustainable production and consumption. Freshfel Europe cooperates with all its members to stimulate the supply of healthy and tasty products that comply with strict quality, environmental, social and safety requirements, with a view to place the fresh produce sector in a more competitive position, and assist its members satisfying consumer's expectations.

FRESHFEL MISSION

Freshfel Europe's mission is to be a platform for the European fresh fruit and vegetables sector with a view to enhance the efficiency and competitiveness of its members across the supply chain, from production down to retailing. By facilitating international trade, fostering compliance with the highest safety rules, gearing towards sustainable production and consumption, stimulating research and innovation, and improving the communication and image of the sector and its products, it will create a favourable environment to stimulate long term consumption of fresh fruit and vegetables.

FRESHFEL CORE VALUES

Freshfel operates within important principles which are key to its good functioning and image:

- Leadership to move the category to success
- Cooperation across the supply chain
- Transparency of lobbying and industry representation
- Responsibility, accountability and ethical conduct
- Professionalism and quality of services towards its members

Not yet a member of Freshfel Europe?

Freshfel's resources are exclusively resulting from membership fees. A strong organisation can only be built by gaining the support of all the stakeholders in the fresh produce supply chain. Freshfel Europe thanks its members and associated members for their support!

Look for the membership benefits on the next page or contact the Freshfel secretariat at info@freshfel.org!



MEMBERSHIP BENEFITS

REPRESENTING THE EUROPEAN FRESH PRODUCE SECTOR



Freshfel Europe, the European Fresh Produce Association, is the platform for the fresh fruit and vegetables supply chain, representing the interests of the fresh produce sector at European level. In its day-to-day work the association keeps regular contact with all relevant European Institutions, and the secretariat and members participate on a regular basis in EU Advisory Groups and EU expert committees. Freshfel is representing the voice of the sector at European level together with other organisations such as COPA-COGECA, AREFLH, PROFEL, AIJN, Food&Drink Europe, EUROCOMMERCE, EPHA, ECPA, etc. and is accredited with the United Nations organisations such as FAO, WHO, UN/ECE and OECD

JOINING A STRONG COMMUNITY

Freshfel's strength is built on its membership. Freshfel Europe not only incorporates around 100 companies and national associations of producers, importers, shippers and exporters, distributors, wholesalers, retailers and their service providers such as logistics and reefer transportation,

but also seed and crop protection companies. Counting subsidiaries, Freshfel's membership is exceeding 200 entities around the globe. Freshfel's core membership is from EU Member States, but also counts many associated members from around the world

BE INFORMED

Freshfel's keeps its members informed on a regular basis on industry and policy developments. A wide range of publications and media tools are used to timely disseminate to members the latest updates. Freshfel also

operates several websites that provide news, archives and a wealth of information about the fresh produce sector and its products. The next two sections (on publications, websites, and social media) provide more details

SUPPORTING COMMON OBJECTIVES

Freshfel is operating as a forum for the fresh produce sector and represents a platform where matters of common concern are tackled. The broad objective of Freshfel is to increase the consumption of fresh produce. Freshfel's mission is to:

- > Improve the efficiency and competitiveness of the sector
- > Facilitate international trade of fresh produce
 - > Assist members to comply with the highest safety, environmental and CSR rules/standards
 - > Secure a favourable environment to promote the benefits of fresh produce, increase the efficiency of promotion activities within Europe and beyond, and share best practices
 - > Position the sector in the new research and innovation policy
 - > Stimulate the consumption of fresh fruit and vegetables by defending the image of the product and emphasising its healthy assets, as well as its huge diversity of taste and texture



NETWORKING

REPRESENTING THE SECTOR

Freshfel Europe regularly cooperates with the European Commission, the European Parliament and other EU institutions as well as with other European representative organisations with an interest in the fresh produce sector. The Freshfel secretariat and members participate on a regular basis at EU Advisory and Expert Groups of DG AGRI, SANCO and Trade. Since February 2009, upon proposal of Freshfel, Pino Calcagni (Besana

Group/Fruit Imprese) was elected chairman of the EU Advisory Committee for Fruit and Vegetables and remains still today in this position. This committee is a liaison committee between the European Commission and the representative organisations of the sector, namely COPA-COGECA (producers), Freshfel Europe (fresh f&v), Frucom (dried f&v), PROFEL (processed f&v), BEUC (consumers) and EEB (NGO for the environment).

Besides and since February 2011, Luciano Trentini (CSO) became, upon Freshfel proposal, the chairman of the EU Advisory Committee on Promotion of agricultural products. Luciano was elected by the group for a period of two years. Finally, Freshfel also successfully appointed a representative in the EFSA working group on emerging risks. Mr Arie Van der Linden (The Greenery) is representing the voice of the sector in this important committee.



CONNECTING THE SECTOR

Freshfel is a unique place for professional networking. Freshfel meetings are consistently well attended, in particular the Annual General Meeting, but also the well established Trade Division meeting in Berlin on the eve of Fruit Logistica. These meetings attract close to 50 delegates each. Besides this, throughout the year Freshfel holds regular meetings for its members to discuss matters of common concern and to set the Freshfel priorities and positions. Together with Eurofruit magazine, Freshfel has also been since 2003 the organiser of Fresh, the leading conference for the fresh produce sector. In 2011, Fresh was organised

in one of the leading fresh produce cities in Europe: Rotterdam. The conference looked more into detail at the latest developments for the sector with a key note presentation from Magnus Scheving from Lazy Town. Close to 250 delegates participated in this event. In 2012, and for the tenth edition of the conference, Fresh moved for the first time to the Nordic markets, with the annual conference taking place in Copenhagen. Claus Meyer from world leading restaurant Noma was one of the keynote speakers looking at innovative approaches for fresh produce cooking.



INFORMATION

Information flow is a key for building policy positions, for networking and for accountability. Freshfel Europe has therefore developed several tools to communicate on a regular basis with its members and the outside world in the most efficient manner:

- ✓ The **Freshfel Newsletter**, disseminated to members on a weekly basis each Friday, includes the latest information on crucial legislation and important developments within the fruit and vegetables sector. It also informs members on actions undertaken by the Association.
- ✓ The weekly **Freshfel Press Review** published each Monday features summaries of international press articles that are of interest to the fresh produce business.
- ✓ Freshfel has also introduced **Thematic Fact Sheets** for its members on a series of topics, which are published given a specific event or development and regularly updated. These are compilations of available information in an FAQ-style on key issues, such as climate change, pesticides, consumer attitudes and obesity, as well as on statistics such as trade trends and production figures. They aim at improving the communication and reasoned information available within short notice, and to harmonise the industry message on certain topics.
- ✓ Every two months, Freshfel also issues a **Fresh Times**, summing up latest best practices and other initiatives undertaken to stimulate the consumption of fresh fruit and vegetables. The Fresh Times publication is disseminated to around 1.000 contacts within Europe and beyond.
- ✓ Freshfel also publishes its **Freshfel Headlines** on a bi-monthly basis to outline key activities and positions to the public and private sector. The Headlines are also disseminated to around 1.000 contacts within Europe and beyond.
- ✓ Throughout the year, Freshfel also issues a large number of **Press Releases** to communicate its positions. They include communication on policy issues (trade, promotion, climate change, etc.), on Freshfel's activities (committees, conferences, presentations, etc.) or on statistics (trade and production). They also aim at creating more visibility and acceptance for the association and the whole fresh produce business as well as their respective viewpoints.



WEBSITE AND SOCIAL MEDIA

Internet, media and social networking are also on the Freshfel agenda to facilitate communication and increase the transparency of its activities. The main communication tools are the following:

- ✓ The association's official website is accessible at www.freshfel.org. It is linked to an Extranet for improved communication with members. The Freshfel website is visited by around 11.000 people per month and is the point of reference for the sector on the internet.



- ✓ The "Enjoy Fresh" website launched by Freshfel in 2011 is a unique source of information dedicated to the assets of fresh produce. This website is accessible at www.enjoyfresh.eu. The website is the central point for the industry coordinated effort to stimulate the consumption and raise awareness on the benefits of fresh produce. Freshfel has decided to bring in 2012 the "Enjoy Fresh" concept to the youngest, their parents and teachers, with a newly created website, called www.kidsenjoyfresh.eu.

- ✓ Freshfel also runs the on-line Fresh Quality Guide accessible at www.freshquality.eu. Launched in February 2004, this website constitutes a unique compendium of all EU food quality and safety legislation applicable to fruits and vegetables, and interpretative guides thereof. In 2012, it has been completely revamped to take even more the expectations and requirements of the sector into account and be also more user-friendly. The website has over 3.500 visitors per month.



- ✓ Members have also access to the **Freshfel Extranet**, which contains all Freshfel publications. The extranet is a unique archive of documents, including meeting reports, newsletters, position papers, presentations, etc.



- ✓ In cooperation with Eurofruit Magazine, Freshfel organises each and every year a conference for industry leaders. The Fresh Congress rotates across Europe and is the opportunity to exchange on the latest topical issues, industry trends and other matters of concern. Information on the conference is accessible on www.freshcongress.com

- ✓ To adapt to social media developments, Freshfel has its own **Facebook**-page. This is being used as a tool to stay in touch with stakeholders, policy and decision makers and, more generally, to connect Freshfel with people interested in the sector and the work Freshfel is doing. The facebook page is accessible at www.facebook.com/pages/Freshfel-Europe/113012748281



- ✓ It is also possible to follow Freshfel activities on **Twitter** by linking to @freshfel

- ✓ The Secretariat has also created a **Wikipedia**-page for Freshfel, which gives the most important information about the association at a glance and is considering to further develop this tool to inform the public about some of the issues which are relevant for fresh fruit and vegetables.



- ✓ Finally, a **RSS-feed** on the Freshfel website keeps subscribers updated on all public communications published by Freshfel.

BUSINESS TRENDS

Fruit and vegetables are high-value crops with a wide diversity in species grown in relatively small production areas. While fruit and vegetables represent 3% of the EU's cultivated area, they account for 17% of the value of the EU's agricultural production. The total production value is estimated to be more than 50 billion €. The fruit and vegetables supply chain has an estimated turnover of more than 120 billion € with approximately 550.000 employees and 1,4 million farm holdings. A large part of the production is consumed locally in the Member State where the produce has been grown, while consumer choice is being further complemented by fresh fruit and vegetables coming from the other Member States or being imported from third countries. Consumers outside the EU are also more and more developing preferences for high quality European produce, as European exports are growing.

PRODUCTION

Based on 2010 data, European fresh fruit production is slightly below 35.6 million T. The apples and pears category represents 33.5% of the production, citrus almost 20%, stone fruits around 19%, melons 13% and table grapes around 7%. Fruit production declined in 2010 after being stable over the

last few years. Fruit production remains vulnerable to climatic conditions. Italy and Spain are the leading producing countries, representing close to 27% and 26% of all EU production respectively. Meanwhile, European vegetable production has declined to reach around 40.5 million T.

Cabbages and cauliflowers are the largest product group with circa 18 % of the volume followed by onions, shallots, garlic and leeks which represent 14.5%, and carrots & turnips 13%. The main vegetable producing countries include Italy, Spain, France and Poland.

INTRA-EUROPEAN TRADE TRENDS

While a significant part (65%) of production is marketed or processed on the local market of the Member State where the product has been grown, consumer choice is complemented by fresh fruit and vegetables originating from the other Member States. The intra-EU trade of fruit and vegetables represents around 27.2 million T of produce being exchanged in 2010 between Member States out of

a total production of 76 million T. In 2011 the intra trade declined slightly to 27.1 million T. Germany is the single largest receiver of intra-EU produce with 7.2 million T, despite imported volumes declining over the last 5 years. This trend was also confirmed in 2011 with the intra trade flow of produce from other Member States into Germany being at 6.8 million T.

IMPORT TRENDS

The import from third countries into the EU slightly declined in 2010 by 0.4%. Total fruit imports in 2010 represented 11.2 million T worth 9.3 billion €, while vegetable imports represented 1.8 million T worth almost 2 billion €. Bananas are the largest fruit category imported into the EU with 4.5 million T, followed by oranges (945.000 T), pineapples (901.000 T) and apples (588.000 T); while tomatoes are the largest vegetable

category imported into the EU with 0.5 million T, followed by onions (309.000 T). The import from third countries into the EU further declined in 2011 by 2% compared to the previous year. Total fruit imports in 2010 represented 11 million T worth 9.3 billion €, while vegetable imports represented 1.8 million T worth almost 1.9 billion €

EXPORT TRENDS

Meanwhile, exports increased in 2010 mainly due to the strong demand from the Russian market. The exports to Russia of fresh fruit increased by 18.9% and of fresh vegetables by 36.4% compared with the previous year. Total exports amounted in 2010 to 4.9 million T worth 3.8 billion €. The main exported categories included apples (1.2 million T), and onions & shallots (747.000 million T). In 2011 total EU27 exports of fresh fruit increased by 7.4% and by 4% for fresh vegetables compared with 2010, despite the EHEC crisis, reaching a total of 5.2 million T worth 3.9 billion €.



CONSUMPTION TRENDS

On the basis of the above data, Freshfel Europe releases each year its 'Consumption Monitor'. The Monitor is now a well-established tool for the industry, analysing the latest trends in the production, trade and supply of fresh fruit and vegetables across the EU-27. Findings from the Consumption Monitor show that there has been an on-going decline of the fresh produce consumption throughout the last decade. In 2010, the EU-27 total net supply of fruit per capita stands on a yearly basis at 85.8 kg (compared to an average of 94.7 kg over the previous five years), while the total yearly net

supply of vegetables per capita stands at 81.2 kg (compared to an average of 90.6 kg over the previous five years). This represents a decrease of net supply in 2010 of 7.7 % for fruits and a decrease of 8.9 % for vegetables when compared to the average of the previous five years. Considering the evolution of the EU population from 491 million in 2004 to 501 million in 2010, the per capita consumption of fresh produce also decreased by 7.8 % for fresh fruit and by 7.4 % for fresh vegetables.

CONSUMPTION MONITOR

The Freshfel Consumption Monitor is one of the services granted by Freshfel to its members and is therefore made available free of charge for the membership. Non-members of Freshfel can order the document from the Freshfel Secretariat at a cost of €500. This year the electronic edition of the "Fresh Fruit and Vegetable Production, Trade, Supply and Consumption Monitor in the EU-27" is the ninth edition of the report, covering the period 2005 to 2010.



CITRUS AND OTHER PRODUCTS FOCUS

Freshfel also operates a global citrus working group. This initiative is undertaken in coordination with SHAFPE, the Southern Hemisphere Association of Fresh Fruit Exporters. All the information elaborated by this working group is immediately placed on the Freshfel website to facilitate the access to the information. Freshfel is also closely monitoring other product groups such as apples and pears, peaches and nectarines, tomatoes, bananas, etc. either through the participation at the EU expert groups or through the cooperation between Freshfel and WAPA (the World Apple and Pear Association).



SUSTAINABLE PRODUCTION

In today's environment, the production of fruit and vegetables should permanently adjust to cope with the rapidly evolving demands of the market, and to match the highest quality and taste requirements expected by customers and consumers.

Growers should cope with the new and demanding legislation in regard to active substances, MRLs and sustainable use of pesticides. As a result of this process, the use of plant protection products is falling back not only under the influence of new legislative requirements, but also as a result of the compliance with GAP or GDP schemes. Besides safety requirements, environmental or social aspects are also increasingly complex and require a consistent and proactive response from the sector while seeking harmonisation and avoiding proliferation of private standards. Clear rules and requirements are of paramount importance to gain consumer confidence and limit exposure to NGO's emotional campaigns.

Against this background, Freshfel is gearing public authorities to be proactive in supporting the legislation in place, namely in the area of food safety, which is in Europe one of the strictest and most advanced at international level. This must be reflected in consumers' perception about the safety of products. The annual EFSA report on MRLs is a good parameter to demonstrate the constant effort of the sector to avoid MRL exceedances and comply with the legislation.

Freshfel coordinates sector positions and assists its membership to cope with a demand driven production

by addressing the issues in its well attended Food Quality and Sustainability Committee. The ambitious agenda of this committee demonstrates the workload and challenges still ahead for our sector.

The dossiers that have been handled are numerous, ranging from registration of active substances, the status and solutions for minor use, the authorisation of use of the substances in the Member States, the MRL compliance, the monitoring scheme and their possible cooperation, the role and adjustment of quality standards, new requirements and raising awareness for environmental and climate change requirements such as water, energy, soil and waste, etc. In the last year several dossiers linked to the EU food additives legislation were also swiftly addressed by Freshfel.

Freshfel also embarked in the ACROPOLIS project under the 7th EU research programme focusing on cumulative and aggregate effects of pesticides residues. The deliverables of this project are important to accompany the EFSA and European Commission reflection on this important dossier. In 2012 Freshfel contributed to the awareness of this project by hosting an interim report conference in Brussels attended by close to 100 participants from the PPP industry, from our sector as well as from the European Commission, Universities and National Food Safety Authorities. The programme is due to be concluded in 2013 and a closing conference with the main findings of the project should be again hosted by Freshfel in Brussels.

Finally, the EU is also currently reviewing its plant health legislation. As the plant health legislation has been in place for several years, and while the plant health challenges are evolving, the discussion for a new framework is relevant. The new framework should cope with the new challenges to keep adequately protected crops, while it should not unnecessarily impair trade with unjustified measures. Freshfel has welcomed the increased transparency of the report of non compliance in a monthly report elaborated by the European Commission.



LOCAL AGRICULTURE AND SHORT SUPPLY CHAIN

The European Commission opened this year a debate on local agriculture and short supply chain. Freshfel is closely following this debate and its possible impact for our business while securing that the specificities of our sector are taken into account. There is not a clear definition of these concepts, and the debate seems inappropriate for our sector given the features of fresh produce. Close to 80% on average of fresh vegetables produced in a Member State are either processed or consumed fresh locally. This assertion is also valid in the case of fruit although to a lesser percentage, closer to 65%. The fresh produce business is therefore already primarily a “local oriented” business sector which already grants a significant part of its opportunities to growers within a local context.

To cope with the perishability of fresh produce and importantly to limit waste, fresh fruit and vegetables need to secure a market outlet within a short deadline. Operators in the fruit and vegetables sector already operate within tight and sophisticated supply chains, a great part of the supply being delivered overnight either in the neighbourhood of its production location or across Europe. Existing trade channels provide the logistics expertise and solutions required while securing as appropriate information on the product (origin, seasonality, safety, handling, packaging, etc.).

Open markets give incentives to meet high quality and safety requirements and stimulate growers to meet local expectations while being also in a position to compete on demanding and growing international markets. The emphasis on local products should not lead to any derogation in regard to food safety or hygiene for products on local distribution. The weaknesses of control of organic local products led the sector to the recent EHEC crisis, with devastating effects for the fresh produce business. Any sector will always be as weak as its weakest segment. There is a perception that local products are safer, more environmentally friendly or grown organically. This perception might be seriously misleading and underestimating the commitments of the fresh produce sector as a whole towards the supply of safe and tasty products.

Given the urban structure of the European society, efforts to facilitate the distribution of fresh produce within a local environment are not allowing growers to have a large consumer outreach. To get access to urban population, growers will always require getting access to logistic services securing that produce is delivered within the right timing while coping with consumers’ safety and logistics expectations.

At a moment of stagnating consumption, consumers should have the final word and decide about their sourcing preference in particular in regard to origin, production method, quality or taste, the role of the authorities being limited to generically stimulating consumption and securing a healthy diet for European consumers. A narrow focus of public authorities on local seasonal products might undermine the sorting of fresh produce offered to consumers and be detrimental for a healthy balanced diet.



INTERNATIONAL FRESH PRODUCE TRADE

The European fresh produce sector should position itself to keep pace of worldwide evolving consumer demands and to open up to new markets. A favourable trade environment should be built on the basis of fair and reciprocal trade opportunities both for imports and exports.

In recent years, the imports from third countries have been on a declining trend and importers had more and more difficulties to convince suppliers to destine their produce to the competitive and highly demanding European markets, while new markets opportunities are being offered in other regions of the world such as Asia, Middle East or Latin America. In Freshfel's annual trade survey, importers consider that after several years of growth, the import of fresh produce into the EU might stagnate in the coming years, confirming a declining trend already observed in the last 2-3 years. On the other hand European exporters are taking pace of this development on the international markets. While a significant part of the EU exports are bound to the large neighbourhood markets (Russia and Ukraine), efforts to diversify exports should continue. In Freshfel's annual trade survey released at Fruitlogistica, exporters still expect to witness some moderate growth in the future.

The export conditions to the Russian market remained at the centre of all the attention of Freshfel, given the on-going developments of European exports to that destination. While Russia is moving into the WTO and also implementing a custom union with Belarus and Kazakhstan, several adjustments of the market conditions were discussed, including the status of the safety certificate, the progressive

harmonisation of MRLs with international or EU standards, or some aspects

relating to custom valuation. Some of these issues remain complex and require a close cooperation between Freshfel and the EU authorities.



To boost international trade, Freshfel closely follows the efforts of the European Commission to negotiate bilateral free trade agreements (FTA) with third countries. Freshfel is vigilant to secure that fresh produce have the place that it deserve to allow that concessions are granted within the expectations from the market, without leading to any destabilisation. In the last year, the sector witnessed a multiplicity of progresses for several key partners of the EU such as most of the countries in the Mediterranean basin, Andean and Central American countries, etc. Of particular relevance was the conclusion of the agreement with Morocco, leading to new concessions for the export of EU fresh produce to Morocco, while new import conditions for Moroccan produce into the EU were negotiated, taking into account the sensitivity of some of the crops for the adaptation of the tariff rate quota and other import mechanisms. Other agreements negotiated in the last months with Latin America (Central America, Peru, Colombia, etc.) should also soon come into force. They might provide new tariff reductions both ways, while some modalities to frame the additional duty reductions to go beyond the MFN duties are being considered and closely monitored by Freshfel. Other important negotiations remain open namely with India, Ukraine, Mercosur, and EPA countries, as well as the upcoming revision of the GSP scheme. These are dossiers that will remain on Freshfel's agenda in the coming months.

Finally, it is to be reminded that market access often remains affected by SPS barriers. These technical barriers might undermine the efforts undertaken to facilitate market access. For imports into the EU, the proliferation of private standards remain a complex burden for many suppliers, while on the export side, the rigidity of plant health requirements remain a burden. Access to Asian markets (South Korea, Japan, China, etc.) remains challenging given the limited number of protocols in place, or the tight and costly conditions imposed by them. The recent efforts of the EU to pool negotiations such as in the case of an apple and pear protocol for access conditions to the U.S. market, demonstrate how lengthy and complex the progress in this kind of dossiers are. Freshfel will continue to dedicate its efforts to reach progress within timely acceptable deadlines.

SUPPLY CHAIN

Freshfel is designed to approach industry issues from a supply chain perspective, placing the product at the centre of the discussion while incorporating perspectives and experiences from the various segments of the sector. At its 2012 AGM, Freshfel is further adjusting its structure to reflect in its Board composition the various segments of the sector from production down to retail. This is an important milestone for the future of the association, as it is more adequately reflecting its membership after 10 years of operation.

Stagnating consumption, heavy competition from the fast moving consumer goods, significant discrepancies within the chain between a heavily fragmented supply base and a highly concentrated demand side, rising costs, market overlap and severe competition affecting returns across the chain are some of the challenges of the sector.

The upcoming CMO reform as well as the deliverables of the high level group for the competitiveness of the agri-food sector and the high level forum for a better functioning food supply chain are some of the policy developments addressing these issues. The May 2012 Commission report on competition law enforcement and market monitoring in the food sector is also an important area of interest.

Freshfel contributed in 2011-2012 also to a reflection on the functioning of interbranch organisations in the fruit and vegetables sector. The position paper, which came in a timely manner for the upcoming reform of the CMO, highlights the role of interbranch organisations in regard to prevention of crises, and should one occur, about its management, its assets for promotion and communication, and the role of such a body to improve transparency. The document provides recommendations on how to seek compliance with the competition policy while fully taking into account the specificity of the fresh produce sector.

Finally, it is worth to remind that Freshfel is holding the Presidency of the European Commission Advisory Committee on fruit and vegetables. Pino Calcagni was re-elected in April 2011 for a new term of two years as Chairman of this Committee. The Advisory Committee Fruit and Vegetables is a platform for growers, processors, traders and consumers' representatives to meet and discuss with the Commission policy matters of concern for the sector. Luciano Trentini is also, on behalf of Freshfel, chairing the Advisory group on Promotion of EU agricultural products, a vertical body looking at promotion issues.



FOOD SAFETY AND SUSTAINABILITY

Whilst the food safety focus in fresh fruit and vegetables is traditionally linked with pesticides and contaminants, last year's EHEC-crisis unveiled that plant products can also cause severe food-borne outbreaks. This unique microbiological contamination had far reaching implications for the sector and placed a collective discredit to fresh produce. Restoring confidence will be a costly and timely task. The effective and proven functioning of all existing food quality and safety protocols in place (GAP, GDP, HACCP and traceability) across the sector as a whole should not be brought into question as a result of this serious incident.

The multiple aspects of this crisis required all different levels of expertise present within the secretariat and the membership. From internal day-to-day updates to the membership to external communication with international press agencies and newspapers, from alleviating concerns of the EU's main trading partners to requesting EU assistance to stimulate consumption and rebuild consumer confidence, Freshfel played a key role in managing this unprecedented crisis building upon the knowledge of previous incidents.

Whereas all fruit and vegetable categories suffered heavy losses, the sprouted seeds sector was most affected since sprouted fenugreek seeds were deemed to be responsible for the outbreak and consumer confidence had consequently been hard hit. Freshfel coordinated the efforts to assist this highly specialised segment of the fresh produce sector with EU proposals for additional food safety requirements.

In the aftermath of the crisis; the EU Commission has asked the European Food Safety Authority (EFSA) to assess the risk of pathogens in food of non-animal origin. This exercise will follow a two-tiered approach in which EFSA will first have to provide a ranking of the food/pathogen combinations most often linked to food-borne outbreaks (Dec 2012) and report back to the risk managers before proposing mitigation options for those combinations which are considered of concern. Freshfel will closely monitor developments in this regard as any measures are likely to impact the fresh produce sector.

In follow-up of the incident at the end of 2010 involving morpholine, an unauthorized food additive used in fruit waxes, Freshfel has taken forward initiatives to ensure the fresh produce supply chain continues to dispose of a wide range of post-harvest solutions where needed. Besides coordinating applications for extensions of use, Freshfel has also provided clarifications on the legal status of various solutions.

Acknowledging the importance of raising awareness on the continuously evolving EU regulatory landscape, Freshfel overhauled its Fresh Quality Guide, initially launched in 2004. The revamped Fresh Quality website represents a user-friendly source of all general legislative requirements covering quality standards, the food safety dossier and all topics related to labelling and nutrition, but also hygiene requirements, product packaging etc. These legal requirements cover all fresh fruit and vegetables, are easy accessible and are continuously updated to provide up to date information for everyone involved in the fresh produce supply chain.



HEALTH AND NUTRITION

NUTRITION & HEALTH CLAIMS

In 2006 the European Commission introduced new legislation to harmonise the way nutrition and health claims are made across the EU. The Regulation (Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20th December 2006 on nutrition and health claims made on foods), in force since 1st July 2007, applies to all food, drinks and dietary supplements and covers nutrition and health claims on labels, in advertising and other media. The move should ensure the harmonisation of the way health claims are made across the EU, making diet and health messages on food clearer to consumers.

The definition of a claim is the following: any non-mandatory message or representation (incl. pictorial, graphic or symbolic) that states, suggests or implies a food has particular characteristics.

A nutrition claim is: any claim which states, suggests or implies that a food has particular beneficial nutritional properties, due

to the energy or nutrients it provides /provides in reduced or increased amounts /or does not provide. Nutrition claims can be made only for those nutrients listed in the 'Annex' of the Regulation and provided they conform with the conditions set out in that Annex. This list will be periodically updated as submissions to EFSA for additional nutrients are authorised.

A health claim is: any claim which states, suggests or implies that a relationship exists between a food category, a food, or one of its constituents and health. Health claims other than those referring to reduction of disease risk and children's development and health, can be made only if part of the list of 222 permitted health claims that has been published in Commission Regulation (EU) No 432/2012 of 25 May 2012. The Regulation will enter into force on 14 June 2012, and as of 14 December 2012, any unauthorised claims or claims still under consideration are prohibited and may not appear on any products.

EUROPEAN PLATFORM FOR ACTION ON DIET, PHYSICAL ACTIVITY AND HEALTH

Freshfel remains active in this forum, profiling fresh produce as one of the solutions to address the alarming growing rate of obesity and related illnesses. Since its creation in 2005, the main purpose of the Platform is to conduct open and informal discussions to examine ways of achieving binding commitments aimed at tackling the obesity epidemic and at addressing diet-related chronic diseases such as cardiovascular disease. The Platform meets at regular intervals for plenary meetings to monitor overall progress and discuss relevant issues. Over the eight years of the Platform, close to 300 commitments have been submitted by its members, covering a very wide range of activities, and including actions in key fields such as consumer information, labelling, education, physical activity promotion, marketing, advertising targeting children and product reformulation. Freshfel's current active commitments are the "Fresh Times", the "Consumption Monitor" and the support to the EU "School Fruit Scheme" (SFS). This last commitment entails a unique

collaboration between the public health sector (EPHA – European Public Health Alliance, and EHN – European Heart Network) and the fresh fruit and vegetables sector (Freshfel), which has been established to provide Platform members and the Directorate-General for Health of the European Commission with information on their work in relation to implementing the EU SFS. In coordination with DG SANCO, a new commitment is planned to be introduced this year relating to the new kid's section of the "Enjoy Fresh" website.



EU Platform on Diet,
Physical Activity and Health

RESEARCH AND INNOVATION

Research and innovation are of key importance to any industry in maintaining competitive advantage, addressing new consumer needs and improving the supply chain. The fresh produce sector can only fulfil its pivotal role in supplying to consumers tasty and healthy products of the highest quality if it remains an innovative sector. Therefore, it is crucial for research to be strengthened and to be translated into practical daily operations, responding to the major challenges of today.

Whereas research and innovation primarily falls within the remit of individual companies or groups of companies, Freshfel fully acknowledges the need for collective actions in certain areas. In this light, Freshfel has taken in the last years a more active role with regard to the EU research funding. Freshfel has been approached regarding a number of relevant projects for the fresh produce sector and has or is participating in some of them, after close consideration with the Freshfel Board to select projects that are relevant for the members.

Freshfel has for example decided to be part of the Acropolis project, which is operating under the Seventh Framework Programme (FP7), which itself is running for seven years (from 2007 until 2013) with a total funding for more than € 1,9 billion in the area of Food, Agriculture and Fisheries, and Biotechnology. The Acropolis project aims at developing models and strategies for assessing risks arising from cumulative and aggregate exposure to pesticides with a similar mode of action, suspected additive or synergistic effects, or complex mixtures, contributing to improve the European policy and regulatory basis and benefit the international community.

The years ahead will mark a significant step forward for all activities in the area of research and innovation: The Europe 2020 strategy put forward by the European Commission has defined clear and ambitious goals to deliver growth that is smart, sustainable and inclusive focusing on key areas such as employment, innovation, education, poverty reduction and climate/energy. As a cornerstone of this strategy the European Commission envisages its Horizon 2020 framework programme for research and innovation. Running from 2014 to 2020 with an €80 billion budget it will combine all research and innovation funding currently provided through a set of different frameworks.

European agriculture will need to become knowledge based and it is research and innovation that will achieve this. That is why the European Commission has proposed to double the budget for agricultural research and innovation from 2014, up to over € 4.5 billion. The European fresh produce sector is ideally positioned to positively contribute to this strategy via the economic, societal, environmental and innovation benefits it can provide to society. Indeed our sector has many assets to contribute when it comes to human health and wellbeing, the environment and sustainability, food security, etc.

To represent the interest of the fresh produce sector in the area of research and innovation Freshfel has therefore strengthened its activities to foster cooperation and build up strategic partnerships, such as for example with AREFLH, to secure fresh produce's position vis-à-vis other major agri-business sectors in these important years to come.



NEW TECHNOLOGIES

IFPS



Since 2011, Freshfel is part of the IFPS, the International Federation of Produce Standards. The Association is providing an international platform for cooperation on a wide range of matters:

1. **Product identification:** PLU codes have been used by supermarkets since 1990 to make check-out and inventory control easier, faster and more accurate. PLU codes are used to identify bulk produce (and related items such as nuts and herbs). They tell the supermarket cashier whether an apple is a conventionally grown Fuji apple which may sell for \$1.29 per pound versus an organically grown Fuji apple which may sell for \$2.29 per pound. IFPS is the global organisation that assigns PLU codes to produce items. Besides, IFPS is currently working with GSI on their Databar project with regard to PLU reference/inclusion. The GSI system is a series of standards designed to improve supply chain management, and as such, the GSI aims are compatible with IFPS.
2. **Chain information management:** The Information Management Committee's principle role is to advise the IFPS Board on opportunities in the management of electronic information exchange in the global fresh produce value chain.

3. **Food Safety:** IFPS is committed to Food Safety and has established a Board Committee to channel that commitment and focus. Its position on Food Safety is as follows:

- a) establish a single set of internationally recognised criteria against which food safety programs are benchmarked
- b) outcome must encompass the total fresh produce supply chain
- c) move towards one global benchmarking system is preferable for the fresh produce sector

Besides, IFPS' work in this area will be enhanced through having been granted liaison status with the International Standards Organisation (ISO) on their Food Safety Management Committee - ISO/TC 34/SC 17 Management systems for food safety, and observer status with Codex. The Codex Alimentarius Commission was created in 1963 by FAO and WHO to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme. The main purposes of this Programme are protecting health of the consumers and ensuring fair trade practices in the food trade, and promoting co-ordination of all food standards work undertaken by international governmental and non-governmental organisations.

E-CERTIFICATION

In line with the Commission efforts towards the setting up of a digital community, Freshfel is collecting expertise and membership input to work towards paperless administration in the chain. This includes several aspects of the custom operations, including plant health certificates, quality documents and certificates of origin.

A working group is being set up to look more into detail of the aspects of this dossier which could lead to more efficiency, less administration and mistakes.



PROMOTION

While some tools are available at European level to promote fresh produce, these should be further developed and adjusted in close cooperation with the sector to meet expectations and react rapidly to market needs. Obesity is today one of the major health challenges that Europe is confronted with, and a balanced diet rich in fruit and vegetables is one of the remedies to counter obesity trends across Europe. The fruit and vegetable sector is fragmented and operates with tight margins; consequently, limited promotional activities are undertaken by the sector as a whole or by individual companies. At the same time, fresh fruit and vegetables are competing today with a wide range of food categories, such as those of the fast moving consumers' goods (FMCG), which have significantly larger marketing resources.

GENERIC PROMOTION / 5 A DAY LIKE CAMPAIGNS

Within the sector, more cooperation is also needed to further streamline actions of the existing "5 a day"-like initiatives, which remain fragmented and are lacking a pan-European perspective. Against a background of on-going trends of a declining fresh fruit

and vegetables consumption, Freshfel is pursuing the objective of having a more structured collaboration at the European level on promotion. To start the process, coordination has been made with a core group of "5 a day" alike organisations, with the objective

of reviewing the current functioning of "5 a day" alike organisations across Europe, and evaluate the scope and format of a more structured information exchange, including the possibility of developing joint actions under EU co-financed projects.

REFORM OF THE EUROPEAN PROMOTION POLICY

In parallel with the CAP post-2013 reform process the European Commission launched a wide-ranging consultation process with a view to defining the contours of a more targeted and ambitious promotion strategy which makes better use of the considerable resources of the agriculture and food sector in Europe. Following the green paper consultation in 2011, the Commission adopted a communication in March 2012 to launch a debate on the future promotion policy on the inter-institutional level. This communication should lead to legislative proposals by the end of 2012.

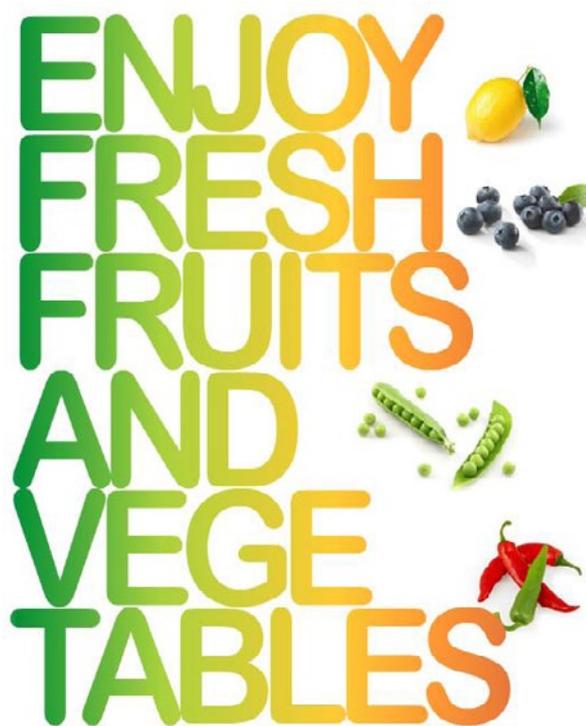


Freshfel has been closely following this process and has and will continue contributing to the debate given that EU promotion schemes are highly relevant for the fresh fruit and vegetables sector. While the EU scheme for the promotion of agricultural products is a key element of the CAP, its structure and functioning need to be reshaped. Freshfel has identified the main weaknesses of this scheme as follows: The budget should be increased, hand in hand with the necessary improvements of the scheme to facilitate its access by operators; The impossibility to implement centralised European programmes, under the responsibility of European organisations and under the direct management of the European Commission; The lack of motivation for commercial operators to finance programmes given lack of brand recognition; The lack of flexibility of the programme, to reposition priorities of the programme according to changing market conditions, both on the EU or third country markets; Difficulties to respond to emerging issues such as safety or health crisis which require a prompt and strong response.

IMAGE

With its on-going 'media strategy', Freshfel has throughout 2011 and continuously in 2012 aimed at better positioning fresh produce and the sector through increasing awareness and knowledge, enhancing the image and the visibility and finally spreading the message to 'enjoy fresh'. Taking the lead in assisting the industry in gaining consumer confidence and market share and continuing its efforts to build the most favourable environment to stimulate the consumption of fresh produce in Europe, Freshfel has been active on several levels:

- Comprehensive press activities in 2012, calling for a holistic approach when it comes to promoting fresh produce, including, besides the positive assets with regard to nutrition, health or the environment, also the inherent properties of the product, namely taste, texture, quality and the sheer pleasure of enjoying a fresh fruit or vegetable. Besides, Freshfel has stressed the need for a multidimensional approach and avoiding oversimplification in order to stimulate consumption patterns in the long run.
- The "Enjoy Fresh" website (www.enjoyfresh.eu), encompassing all the key data to better profile fresh produce, has been further promoted and is on its way of becoming a recognised and trustworthy source of information for stakeholders, public authorities, the media and consumers alike.



- Freshfel has also decided to bring in 2012 the "Enjoy Fresh" concept to the youngest, their parents and teachers, with a newly created website, called www.kidsenjoyfresh.eu.



- Freshfel will continue to profile its 'Enjoy Fresh' concept to move it to a recognised platform of networking and communication for the sector at European level, gathering the support of the whole chain to work together for the common goal of stimulating consumption. It will be integrated within the Freshfel Committee on Promotion, Communication and Image.
- Freshfel has continued to develop its social media strategy and tools to facilitate communication and increase the transparency of its activities. Freshfel stays in touch via Facebook with stakeholders, decision makers and, more generally, with people interested in the sector and the work Freshfel is doing. Via Twitter the association keeps its followers up-to-date on its activities and points of view. Freshfel will continue to develop these media tools further in order to integrate them into its media strategy for the 'Enjoy Fresh' concept.
- The Fresh Times and the Freshfel Headlines remain also well appreciated instruments of communication both for fresh products and best practices in promotion initiatives, as well as for the image of the organisation.

Besides these external communication activities, Freshfel has also worked on further enhancing its internal communication activities with members. The Extranet has seen some upgrades (e.g. comprehensive search function for Newsletter and Press Review articles) and a facelift has been used to make the regular communications as well as the Extranet even more user-friendly. Finally, the well received Freshfel Fact Sheets have seen some updates as well as new editions on topical issues to further improve the communication and reasoned information available within short notice and to harmonise the industry message on certain topics.

STIMULATING CONSUMPTION

For the last decade, a declining trend has been witnessed and analysed by Freshfel in order to bring the right response to this worrying development. The reasons behind the decline are multiple including price and convenience (mis) perception, lack of penetration in emerging segments such as the food services sector, the severe competition of heavily branded agri-food products, which often misuse the fresh produce image for their own benefit (see Freshfel's "Where is the fruit?" Study), etc. Reasons are also to be found within the sector that should better take benefit of its own assets, rationalise its communication and avoid the proliferation of generic messages while also increasing permanently looking for improvement of the quality, taste and texture of fresh produce. A close monitoring of consumption trends to allow benchmarking and analysis of the state of play is needed. On this background, Freshfel is evaluating all the necessary initiatives to stimulate the consumption and raise it well above the minimum recommended level of the WHO of 400 g/day. Freshfel actions are focusing in particular on the stimuli of existing policy tools directly influencing consumption:

- **Generic communication on fresh produce assets:** European public authorities have an important role to play and a significant responsibility to encourage consumers to adopt a healthy diet rich in fruit and vegetables. To get the CAP closer to its taxpayer citizens, the agriculture policy must reinforce among its objectives incentive tools to stimulate consumers to adopt a healthy and balanced diet. The EC Commission should reinforce its communication towards healthy eating and a balanced diet and enhance Freshfel's initiative to raise the profile of fresh produce as with its "Enjoy Fresh" website.
- **Promotion:** An efficient promotion scheme at EU level both for the internal and external market is of significant relevance for the fresh produce sector and should be reinforced by the upcoming reform. The involvement and support of retailers within the promotion campaign to support sales of fresh produce is in this point of high importance. The procedure for the elaboration of pan-European programmes should be facilitated. Within today's environment, it is hardly or not possible given the necessary co-financing of Member States. Existing Freshfel tools such as the 'Enjoy Fresh' website could be further enhanced throughout the EU should the promotion policy facilitate the access to the instruments for information campaigns and get synergies at EU

level on actions relating to the benefit of fresh produce consumption.

- **School Fruit Scheme:** Freshfel has since its inception been very supportive of the EU School Fruit Scheme (SFS), a tool of paramount importance to stimulate the consumption of fresh produce among children. Through the upcoming reform, it should be further reinforced to fully reach its ambitious long term objective. The launch of the experts group could assist the Commission towards the success of this scheme by securing that it strictly adheres to its initial public health objective and lead to the distribution of a diversified range of fresh produce to children. By increasing volume, logistics should be facilitated to move overtime to a daily intake. Finally and importantly, the official EU SFS communication needs to be improved dramatically to remedy the lack of awareness of the scheme. This includes the development of an interactive and attractive website, containing not only administrative information about the SFS but also information of the benefit of consuming fresh produce. A media campaign should be undertaken to motivate schools to participate on a large scale.
- **'Enjoy Fresh' platform:** Launching a platform to facilitate the pan-European promotion on fresh produce. As the consumption is under pressure, all the stakeholders should join forces for addressing the matter. Freshfel is setting up a platform which should be a catalyst of all stakeholders to cooperate and find long term solutions within a European context. Freshfel is suggesting to launch such a platform in the course of 2012 on the roots of its Communication, Promotion and Image Committee. Support by the European Commission should be explored.
- **Convenience and food services:** Freshfel will continue to adjust its structure and focus to identify new market segments and facilitate the availability of fresh produce. The Freshfel division on Wholesale, Distribution and Food Services, as well as the new focus on convenience and fresh cut in a new representation at the Board are highlighting the Freshfel interest to explore new avenues for the consumption of fresh produce.

The upcoming CAP reform provides a favourable momentum to take decisive steps towards an all embracing policy to stimulate the consumption and support the efforts undertaken by the sector.



MOVING AHEAD



This report provides a summary of the main activities conducted by Freshfel during the last twelve months. Most of the issues are evolving and will remain on the agenda in the coming months. Several subjects are becoming increasingly complex and technical.

Collectively much progress can be achieved, and with its increased expertise and know-how delivered by its member community, Freshfel remains the ideal vehicle for handling the dossiers that can advance the fruit and vegetable sector at the European level.

As in-coming Chairman of the Association, I will praise this on-going cooperation, one of the guarantees of success to provide the most favourable environment for the sector to take full benefit of all the assets and diversity of fresh fruit and vegetables.

In the upcoming months under my leadership, the Board and the various divisions and committees of Freshfel will have many dossiers on its agenda, besides the challenges and responsibility that we all have individually with our companies to raise quality and convenience of fresh produce with a view to stimulate the consumption.

Besides, many European policy dossiers will also be on the horizon. All of them will require Freshfel's attention and membership input, going beyond our individual specificities to identify our common interests.

Among the policy dossiers, one could highlight in particular the following areas:

- **CAP reform and CMO reform:** The European Commission has launched a public consultation on the future of the EU regime for fruit and vegetables. The responses will feed into a Commission report on the regime next May which will look at the 2007 reform, with proposals for further changes if necessary, which would apply from 2014 on.
- **School Fruit Scheme:** While proposals to increase the budget to 150 Mio €, linked to some amendments on the co-financing rates and the accompanying measures rules, are on the table, the Commission should release during the 4th quarter of 2012 a report to the EP and Council on the application of the School Fruit Scheme with possible additional legislative proposals.
- **Promotion of EU farm products reform:** In parallel with the CAP post-2013 reform process the Commission launched a consultation process with a view to reform the EU promotion policy of agricultural products. A communication was adopted in March 2012 which should lead to legislative proposals by the end of 2012.
- **Health claims:** Commission Regulation (EU) No 432/2012 establishing a list of 222 permitted "functional" health claims made on foods, was published in the Official Journal on 25 May 2012. The Regulation entered into force on 14 June, and as of 14 December 2012, any unauthorised claims or claims still under consideration are prohibited and may not appear on any products.



- **Food safety:** Several aspects of EU food safety legislation are undergoing a major review with concrete proposals being expected by the end of 2012 on hygiene, official controls, plant health and seed regulations, as well as the report on minor use expected in July as requested by Regulation 1107/2009.
- **Sustainable food production:** The European Commission is to publish proposals on sustainable food consumption in 2013. It will also further assess how to best limit food waste throughout the food chain, and to investigate incentives to halve the disposal of edible food waste in the EU by 2020.
- **Competition:** Follow up of the report launched in spring 2012 on the findings on how competition works in the food sector on the basis of the most recent enforcement and monitoring actions undertaken by national competition authorities and the Commission in this area. Besides, the High Level Forum for Food Supply Chain is continuing its reflection with a mandate to terminate at the end of 2012. A communication from the Commission is expected to come out in the second half 2012 on b-to-b-practices.
- **Trade:** As several FTAs recently signed are due to come or are coming into force in 2012 (Morocco, Korea, Central America, Andean countries), new negotiations are pending and will continue with Mercosur, India, Gulf countries, Singapore, Ukraine, Japan, etc., while some other might also be launched with Russia and USA. Besides, the implementation of EPA agreements as well as the new GSP scheme as of 2014 will also be on the agenda of the coming months. Consultations will also take place with members and with third countries on non tariff barriers (that go beyond international standards and barriers which are set without providing the necessary scientific evidence).
- **Research and innovation:** Commission report on the implementation of the European Innovation Partnership on Agricultural productivity and Sustainability (4th quarter of 2012), building upon the Communication earlier this year (COM(2012)79 launched on 29 February 2012).

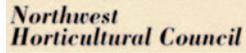
The role of the association will therefore remain of paramount importance in the coming months. Freshfel will more than ever require the full support of all its members, and relies on the unique expertise of the members' representatives in its day-to-day work under the coordination of the Board that I am to serve for the next two years.

**Philippe Henri
Creno/UNCGFL**



LIST OF FRESHFEL MEMBERS AND ASSOCIATED MEMBERS





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Freshfel Europe

The European Fresh Produce Association

Rue de Trèves 49-51, bte 8
1040 Brussels

Tel: +32 2 777 15 80

Fax: +32 2 777 15 81

info@freshfel.org

www.freshfel.org • www.freshquality.eu
www.enjoyfresh.eu • www.freshcongress.com
www.kidsenjoyfresh.eu

