

ACTIVITY REPORT 2016





This Activity Report provides an overview of Freshfel's work since the previous Freshfel Annual Event of October 2015 until the Annual Event of June 2016. This work will not have been possible without the leadership of the Freshfel Board, as well as the active support of all the members and associated members throughout the year.

The support of sponsors also made the publication of this annual report possible



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Foreword from the President

I would like to welcome you to the Annual Activity Report of Freshfel Europe, released on the occasion of the 2016 AGM in Brussels on (1-2 June 2016). I hope you will enjoy reading this report.

This Annual Report provides an overview of a wide diversity of topics that Freshfel Europe is engaged with on behalf on the European fresh fruit and vegetables sector. In the next pages, you will find out more about the "state of play" of the fresh produce sector, discover the latest business trends and learn about key policy areas that Freshfel has been involved in. This annual report also presents the overall structure of the association, its members and the benefits brought to the industry and the Freshfel community.

I am ending my first term of two years as President of the organisation. I have been particularly adamant to secure that the association focuses on the key issues for the sector and to consolidate positions on the basis of a consensual approach. I have also taken the lead to secure that the political voice of the sector is increased. The unique expertise and networking with the members are of great value to assist the secretariat in building strong and well-articulated professional and policy positions on behalf of the general interest built however on the diverse interests of the membership.

With the experience of the last two years, I would like in particular to underline the great willingness of the membership to work together and cooperate on matters of common concerns, which consequently facilitates the work of our secretariat. With the strong support of my colleagues in the Board and the secretariat, we have taken actions and initiatives to move the sector forward to cope with the multiplicity of industry challenges.

Reviewing the activities and events of the last two years, it is obvious that the sector is facing a turbulent time, given the ongoing lack of consumption, the far reaching implications of the Russian embargo and the different technical dossiers relating to food and plant safety, the role of new technology or the response to societal and environmental concerns as well as increasing and more sophisticated demand from consumers. During my first term, we have also positioned the sector and the association towards new responsibilities in research and innovation. The association became recently partner in three Horizon 2020 projects and was one of the pillars of a fresh produce "Task Force" together with AREFLH and EUFRIN. To cope with its commitments in research and innovation and to widen, through this new focus, the scope of services to members, the Board decided to enlarge the secretariat's staff to foster the role of Freshfel in these projects and seize other opportunities that could be beneficial for the membership.

Freshfel's agenda for the future will remain diversified and guided by the motivation to raise the political profile of the sector. Freshfel will assist members to develop activities in times where there is "no business as usual". Freshfel needs to be a strong

and professional voice of the sector and raise the image of the category to successfully address the future challenges. Freshfel trusts on the continuous support of its membership to move the produce business ahead with the ultimate objective to stimulate the consumption of fresh fruit and vegetables.



Luc Clerx
President of Freshfel Europe



We have the capacity to offer a wide range of Spanish-grown fruit and vegetables all year round, including innovative lines of produce adapted to consumer demands, thanks to years of research on our farms.



Freshfel Europe - Organisation and mission



Freshfel Europe is the European umbrella organisation for the fresh fruit and vegetable sector in Europe and beyond. Its members are associations and companies with an interest in the European fresh fruit and vegetable sector, including production, trade, logistics, retailing and

other services providers. Freshfel Europe is a non-profit association under the Belgian law of 1919. Freshfel's headquarter is based in Brussels in the heart of the "European district". Freshfel Europe is in the EU transparency register under the reference n° 1637225479-02.

Freshfel Europe is governed by an annual General Assembly for statutory and corporate matters, a Board for the overall management and coordination of the Association activities and several Divisions and Committees that could meet punctually to cover the various political and technical aspects relevant for the sector. Besides the Board assignments, which are *ad personam*, Freshfel Europe operates in an open manner as all its members and associated members can attend meetings organised by the association. Board representatives can be viewed on the Freshfel Europe's website (www.freshfel.org). The daily work of Freshfel Europe is conducted by a permanent secretariat based in Brussels.

Freshfel Europe is also a unique place for professional networking. Meetings are consistently well attended and contribute to foster discussions among the members and to set Freshfel's priorities and positions. Freshfel Europe's mission is to be a platform for the representation and the networking of the European fresh fruit and vegetables sector with a view to enhance efficiency and competitiveness of its members across the supply chain. The following axes drive the daily work of Freshfel Europe:

FRESHFEL STRUCTURE

Presidency

President Vice-President Treasurer

Divisions/Committees

Production
Import
Export
Wholesale & Distribution
Retail
Promotion & Communication
Food Quality and Sustainability
Convenience
Citrus committee
Banana committee

- Advise, inform and represent members interest on EU policy matters or industry topics
- 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 within Europe and share best practices
- Position the sector in research and innovation
- Stimulate the consumption of fresh fruit and vegetables, emphasizing health assets as well as diversity of taste and texture and the fun & pleasure to consume fresh fruit and vegetables







Freshfel Europe - External cooperation

In order to voice the professional views of the sector, Freshfel Europe regularly cooperates with the EU institutions. Freshfel members and secretariat regularly participate in EU Civil Dialogue Group (CDG) and hoc Expert Groups of DG AGRI, SANTE and TRADE with a view of representing the sector. Freshfel takes responsibilities of chairing or co-chairing these Civil Dialogue meetings, in particular the CDG on Horticulture and on Promotion and Quality.



Within its daily working environment, Freshfel closely cooperates with

organisations hosted in the same premises, namely WAPA (World Apple and Pear Association), SHAFFE (Southern Hemisphere Association of Fresh Fruit Exporters), ESSA (European Sprouted Seeds Association) and Europatat (European Potato Trade Association). Since December 2011, Freshfel also joined forces with SACAR (Secretariat des Associations Agricoles Réunies) incorporating FRUCOM (Dried Food Importers), Union Fleurs (International Flowers Trade) and Assuc (Trade in Sugar). This provides to the secretariat a broader perspective of EU agriculture sectors. It allows multiple synergies on many administrative and policy issues including the representation in Civil Dialogue Groups and since the beginning of 2016 the membership to CELCAA (European Liaison Committee for the Agricultural and Agri-Food Trade). Freshfel also closely cooperates with other organisations at European level such as COPA-COGECA, AREFLH, PROFEL, AIJN, FoodDrink Europe, EUROCOMMERCE, EPHA, and ECPA, and is accredited with organisations such as FAO, WHO, UN/ECE, or OECD.

















International Arbitration Chamber and COFREUROP rules

Since 1967, a dedicated International Arbitration Chamber for fruit and vegetables (CAIFL) is available to the sector as well as a set of standard rules known as COFREUROP. The Chamber is based in Paris and Philippe Ruelle (UGPBAN) is currently chairing the Fruit and Vegetables Arbitration body. Early 2014, Freshfel and CAIFL decided to increase cooperation. Freshfel will assist in keeping the COFREUROP guide up-to-date, in line with evolving business practice. Through its network, Freshfel provides to CAIFL with a greater visibility. In 2015, the rules of procedure of the Chamber were simplified and adjusted to take into account the evolution of law governing arbitration. The fees for arbitration were also revised downwards as of 1st July 2015. More information about the chamber are available on the Freshfel website on

http://www.freshfel.org/asp/what we do/index.asp?doc id=431





Freshfel Europe - Communication tools

Freshfel members receive up-to-date information through several communication tools:

- The Freshfel Newsletter is distributed to members on a weekly basis, every Monday around midday. It includes the latest information on crucial legislation, policy developments and important developments within the fruit and vegetables sector. It also informs members about actions undertaken by the Association.
- The **weekly Freshfel Press Review**, published each Wednesday as an online paper, features a selection of international press articles and news from members that are of interest to the fresh produce business.
- Every two months, Freshfel issues a **Fresh Times**, giving examples of latest best practices and other initiatives undertaken relating to promote the consumption of fresh fruit and vegetables.
- Freshfel also publishes its **Freshfel Headlines** on a bimonthly basis to outline key activities and positions addressed to a larger audience within the public and private sectors.







Freshfel Europe - Communication tools

Next to the standard communication methods, Freshfel also regularly publishes press releases and position papers, whenever necessary. The Freshfel position papers are sent to different policy makers on a variety of topics to raise awareness for matters of interest to the fresh fruit and vegetable sector. Freshfel also sends out official letters to the EU policy makers to get attention for important matters to the fresh fruit and vegetable sector.

Furthermore, Freshfel has good connections with several Members of the European Parliament. The secretariat and members of Freshfel have met with several MEPs and assistants on various occasions to exchange views during



the last year. Meetings have taken place for example on topics relating to trade, organics or on the school fruit scheme (which is shown in the picture). During the Freshfel Annual Event there is also always a good attendance of MEPs and other policy makers from the EU institutions.



Working together for sustainable agriculture



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For more information contact:

Bayer CropScience AG Food Chain Management Alfred-Nobel-Str. 50 40789 Monheim Germany

foodchainpartnership@bayer.com www.foodchainpartnership.com food chain partnership











Freshfel Europe - Communication tools

Freshfel controls a range of websites to provide members, stakeholders and consumers with a variety of useful information about fresh fruit and vegetables and the sector.



On **www.enjoyfresh.eu**, visitors find a wealth of information about the assets of fresh produce. The site offers insight into the nutritional benefits of fruit and vegetables, recent health studies related to fresh produce consumption, advice on how to store and cook fruit and vegetables and many other bits of information. A range of videos give further incentives of how to prepare a tasty meal with fresh produce. Freshfel invites visitors to make this website their regular companion and to enjoy fresh fruit and vegetables in different forms and fashions.

On www.kidsenjoyfresh.eu, children, parents and teachers find adapted information to let kids discover the benefits of healthy and tasty fruit and vegetables. For kids, the website offers games, quizzes, colouring books and many other incentives to have fun with fruit and veg. For parents, KidsEnjoyFresh gives valuable advice why fresh produce is good for the kids, and how to let them enjoy it in the best possible ways. Teachers can find useful information about the EU School Fruit scheme as well as fruit promotion initiatives in all parts of the world.





Freshfel's Fresh Quality Guide on the website **www.freshquality.eu** keeps fruit and vegetable professionals from all over the world updated about the current fresh produce legislation in the EU. The website is a one-stop shop to find out what are the applicable labelling rules, which pesticide restrictions apply and what quality standards products have to observe in Europe. Freshfel keeps the website updated to facilitate the trade of fresh fruit and vegetables in and out of Europe.

The Freshfel website **www.freshfel.org** is available for everybody who is looking for information about Freshfel's activities, its structure, role and mission as well as latest publications and press releases. Freshfel members find a wealth of up-to-date information, data, reports and presentations in the **Freshfel members' area**, accessible from the Freshfel homepage. Members and interested parties can also remain connected with the association through the **LinkedIn page** and the Twitter account at **@Freshfel**.









Fresh produce - Business trends

Production

Fruit 35.8 million T

Vegetables 34.7 million T

The EU fruit and vegetables production destined for the fresh market (excluding products for processing) today accounts for more than 70 million T. The production is covering a wide diversity of categories. Apples, pears, citrus, peaches and nectarines, kiwifruit and melons/watermelons are the main fruit categories produce in the EU. Tomatoes, cabbages, onions, cucumbers, sweet peppers, carrots, salads and beetroots are the main vegetables categories. Over the last years and adjusting to evolving consumption, the overall EU production tends to decline, while the sector is investing in new varieties to better address consumers expectations for taste, texture and convenience.

Intra-EU trade

29.8 million T

30 billion EUR

The intra-EU trade showed a slight growth in 2015 to reach 29.8 million T, one million more than in 2014. This corresponded to roughly 17.8 million T of fruit and 12 million T of vegetables. The overall growth of 3,5% in volume is outperformed by the growth in value by 9,9%. While the overall value of fresh fruit and vegetable in the EU amounted around 27.3 billion € in 2014, it reached a new peak with 30 billion € which is a significant increase of nearly 10%.

Traditionally, the main suppliers and recipients stayed similar to previous years. Spain is still the leading supplier of fruit and vegetables with almost 12.2 million T shipped to other EU member states in 2015, thereof 7.42 million T in fruits and 4.7 million T in vegetables. The Netherlands, traditionally stronger in the export of vegetables, rank secondary behind Spain with about 6.3 million T of exported fresh produce (including domestic and re-shipped produce). While Belgium with 3 million T of exported produce only showed a little increase, Italy built upon its third position in the ranking with a trade growth of fresh produce from 2.9 million T in 2014 to 3.8 million T in 2015.

Little has changed in the ranking of the main recipients within the EU. Germany received in 2015 6.9 million T of fruit and vegetables. France follows with 3.8 million T of imported fresh produce. Other major recipient markets include United Kingdom (3 million T), Belgium (1.8 million T) and Poland (1.6 million T).

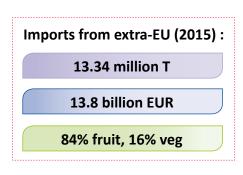
MAIN EU SUPPLIER TO OTHER MS – 2015 (VOLUME IN T)			
Supplier	Vegetables	Fruit	Total
Spain	4.751.929	7.423.574	12.175.502
Netherlands	3.768.188	2.503.499	6.271.687
Italy	804.091	3.023.180	3.827.271
Belgium	853.588	2.177.611	3.031.200
France	1.049.362	1.364.003	2.413.365
Poland	656.967	1.020.169	1.677.135
Lithuania	321.712	996.419	1.318.131
Greece	112.166	1.120.572	1.232.738
Germany	380.384	678.256	1.058.639
Portugal	291.683	406.986	698.669
Austria	142.863	224.502	367.365
Czech Republic	86.032	214.768	300.800
Hungary	93.807	150.420	244.227
United Kingdom	124.831	117.564	242.395
Other	303.525	506.912	810.437



Fresh produce - Business trends

EU Import

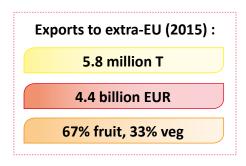
The EU still remains the world's largest importer of fresh fruit and vegetables. After a decline of imports in particular from Southern Hemisphere countries right after the financial and economic crisis in 2008, the imports in 2015 stands roughly 13.3 million T worth 13.8 billion € in value. The general trend of international market diversification also continued in 2015. Growing demand from Latin American Markets, South East Asia, the Middle East and Africa did compete strongly with the



European markets demand. This is not at least a result of rapidly evolving economies, growing middle class and the increase of population in emerging markets such as India, Indonesia and the Philippines as well as in the global perspective. 84% of the EU-imports are fresh fruit imported from mainly Central and Southern American suppliers such as Costa Rica, Ecuador, Columbia and Brazil next to products from South Africa or Turkey. Bananas remained the most introduced commodity by far, and continue to grow since 2006 to reach 5.2 million T in 2015 followed by exotics and citrus. EU-28 vegetable imports originate mostly from Morocco, Turkey and Egypt, with tomatoes and onions being the biggest share of imported products.

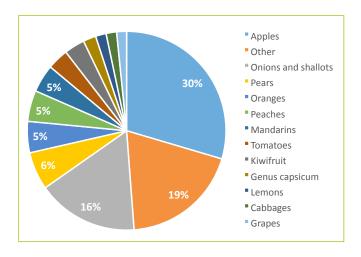
EU Export

As an ongoing consequence of the Russian embargo, 2015 shows a strong decline of fresh produce export by nearly 8% compared to the previous year. Despite strong diversification attempts and market access gains throughout the whole year European export to third countries amounted by only 5.8 million T (6.3 million T in 2014) in volume and 4.4 billion € in value (4.8 billion € in 2014). The ranking is now led by Belarus, who received 1.57million T of fresh produce

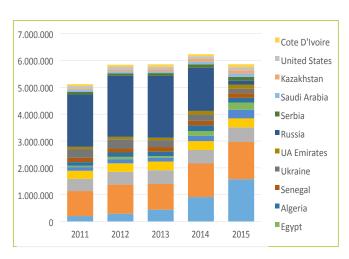


from EU-28, followed by Switzerland and Norway, Brazil and Egypt. All of these countries show a slight increase of exports, while exports to other destinations in the neighbourhood such as exports to Ukraine, Algeria or Albania declined. Most popular commodities exported are still apples and pears, citrus, various kinds of stone fruit as well as onions and shallots.

Exported products 2015



Export destinations 2015







Home of quality





www.hoogstraten.eu



Fresh produce – Business trends

Consumption

In June 2015, Freshfel launched the latest version of its annual Consumption Monitor, which includes the trends in production, trade and consumption up until 2013. The data shows that estimated net consumption in the EU-28 aggregate stands at 341.82 g/capita/day of fresh fruit and vegetables in 2013. This represents a slight increase compared to 2012 level by 5.6%, but the longer term still indicates a decrease by 1.9% compared to the average of the last five years (2008-2012). On average, consumption levels remain also under the minimum threshold recommended by the World Health Organization (WHO) of 400 g of fruit and vegetables per day.



Fruit consumption reached 188.60 g/capita/day in 2013. This is

10.1% more than in 2012, but still 1.5% less than the average of the years 2008-2012. In regard to vegetables, the per capita consumption in 2013 stands at 153.22 g/capita/day, corresponding to an increase of 0.5% compared with 2012 and of 2.3% compared with the average of the previous five years.

DEVELOPMENT OF CONSUMPTION 2013 VS. THE AVERAGE 2008-2012		
Apples & pears	-1,6 %	
Bananas	5,0 %	
Cabbages, cauliflowers	-4,2 %	
Carrots & turnips	1,1 %	
Citrus fruit	-5,5 %	
Cucumbers & gherkins	-4,1 %	
Dates, figs & exotics	1,9 %	
Leguminous vegetables	-14,3 %	
Lettuce & chicory	-3,0 %	
Melons & papayas	-6,0 %	
Onions, shallots, garlic	2,8 %	
Stone fruit	-5,0 %	
Table grapes	2,9 %	
Tomatoes	-7,3 %	
Other fruit	-3,3 %	
Other vegetables	1,4 %	

The next Consumption Monitor is expected around June 2016, covering up to the year 2014. The Freshfel consumption Monitor is year on year improved. It is based on official statistics (FAOSTAT, Eurostat) but sometimes data require adjustments based on industry insight. Freshfel therefore takes responsibility to adjust some clearly incorrect data, particularly relating to subsequent intra-EU trade in processed business.

The data behind the net consumption of fresh fruit and vegetables also takes into account a factor for waste of 20%.



With or without pesticides?



Up to

40%

of global crop yields are lost to pests and diseases every year.

These losses could double without pesticides.

Consider the facts.

ecpa.eu/with-or-without

Source: European Union, European Parliament. (2015), Draft Report on Technological solutions to sustainable agriculture in the EU (2015/2225(INI)).

Source: OECD/FAO (2012), OECD-FAO Agricultural Outlook 2012 – 2021, OECD Publishing and FAO.







Fresh produce – Business trends

Statistical Extranet for members

In April 2015, Freshfel Europe has launched an online database that gives access to the production, import, export and consumption statistics of fresh fruit and vegetables in the EU and around the world. The program allows Freshfel members direct visualisation of data through graphs and tables as well as the extraction of data into Excel charts. At the beginning of 2016 the system improved once more, giving extra features to the members.

The database brings together trade and production statistics from the databases of FAOstat (production), Eurostat (EU trade) and UN Comtrade (global trade) for all fresh fruit and vegetables categories. The production statistics show the production volume and harvested acreage for all individual fruit and vegetables in all countries of the world. The trade statistics for the EU and the world can be consulted for the overall fruit and vegetable trade but also in great detail (specific exporters and importers, specific products). It also has been made possible to search for certain areas of the

world. Consumption figures are calculated by Freshfel on basis of official figures with the same methodology that lies behind the annual Freshfel Consumption Monitor. Consumption data should not be seen as hard evidence but can give valuable insights into trends and developments for different products in different EU and non-EU countries.

To further expand the analysis of this market data, Freshfel and its members are also active in various ad hoc experts groups of the Commission. Freshfel provides experts to the ad hoc experts group on citrus, tomatoes, peaches and nectarines and apples and pears. These experts were renewed and the number of Freshfel experts enlarged. Freshfel also hold regular dedicated exchange on citrus to get the latest trends on production and trade at a global level. The reports of these meetings are available on the Freshfel website. Finally and through the cooperation of the secretariat with WAPA (World Apples and Pears Association), the Freshfel secretariat is also involved in the organization and compilation of the apples and pears productions, e.g. as released in Prognosfruit.









Freshfel activities at a glance

Some areas in which Freshfel is active:



Adjusting the fruit and vegetable CMO policy

The EU finished its revision of the Common Agriculture Policy in 2013. The change had less impact on the fruit and vegetable sector since the revised Common Market Organisation legislation for fresh produce was already in place as of 2007. However, as with any reform, also the last one brought along some changes to the sector such as the possibility for an association of Producer Organisations (POs), crisis and prevention measure instruments as well as changes to direct payments, EU aid for producer groups and changes to the entry price system. The European Commission continues its process of simplification and also adjusts the legislation to the Lisbon Treaty. A new regulation was adopted early 2016 (Regulation 232/2016) providing some clarification on the role of PO's, outsourcing activities, as well as other aspects linked to transnational PO, APO, Interbranch. The final stage of the reshape of CMO into delegated and implementing acts are also being finalized with a view of publication by the end of the summer 2016. Several concerns remain

regarding the confidence in the rule, the low attractiveness of withdrawal price, the externalisation of activities, on the scope of environmental measures. The European Parliament continues to monitor the fresh fruit and vegetables CMO. An initiative report was published in 2015 and new initiatives are being taken, e.g. on CAP instruments that could assist coping or minimizing price volatility. Freshfel, together with several members will follow these Parliamentary initiatives and provide input as appropriate. Furthermore, there are still discussions going on regarding unfair trading practices in the food supply chain. The European Commission decided not to aim for EU legislation on this matter, but the European Parliament remains hopeful for EU intervention. Freshfel will continue to follow this and other CAP related matters in the vear to come.

The next review of the legislation for the fruit and vegetable sector will not take place until the next complete revision of the CAP in 2018



FRESH PRODUCE CENTRE

At the heart of the industry

We are the centre of expertise in the Netherlands for fruits and vegetables, with a global outreach. Fresh Produce Centre focuses primarily on six key fields of knowledge:

Nutrition & Health
Food Safety & Quality
Market Intelligence & Statistics
Logistics & ICT
Labor
Common Agricultural Policy

We cooperate globally with the PMA on Fresh Connections, an intimate gathering that facilitates networking opportunities and the development of new business relationships.





Fresh Produce Centre was established in early 2014 by Frugi Venta and the Dutch Produce Association.





Enhancing food safety and quality

Organic farming



Since March 2014 and the launch of the Commission proposal for new organic farming legislation, Freshfel closely followed the organic dossier. A Freshfel working group was instrumental to shape a solid position for the industry. Freshfel furthermore confronted and coordinated its position with other organizations such as FRUCOM, COPA COGECA, IFOAM, or EPAGMA. Under the guidance of the Board of Freshfel, the Association reviewed its position again at the beginning

of 2016 to feed into the current trialogue discussions. Trialogue means that the European Commission, Parliament and Council will negotiate and hopefully come to a consensus on the dossier based on their respective position. All three parties are very committed to getting a first political agreement before the end of June 2016 under the Dutch presidency.

Freshfel position evolved since its first published position in November 2014. A first update was released in April 2015 on many critical aspects under debate at Council and Parliament. Finally and with a view of the Trialogue, the position of April 2016 was released to feed into the main topics in the final stage of the compromise discussion. The latest position therefore clarifies Freshfel views on aspects such as mixed-farming, growing conditions and matters relating to definitions and ambitions, as well as aspects related to the import system, the use of active substances and MRLs (incl. the authorization of pesticides in third countries), official controls and other matters. This updated position paper has also been published on the Freshfel website. Freshfel will remain in close coordination and collaboration with the EU institutions on this dossier. Freshfel will closely follow the final steps of the reform, but will also continue to inform members about the developments and will work with members with practical and operational insights into the organic legislation, as the debate continues with the delegated and implementing acts of the new law.

Marketing standards

The EU currently keeps specific marketing standards for the 10 leading fresh fruit and vegetables covering almost 70 % of the assortment. Since early 2015, the Commission is undertaking an evaluation of all its agricultural marketing standards. This initiative could simplify the current legislation and better align the requirements to international voluntary standards. While marketing standards facilitate communication in the supply chain, some simplification might have to be considered to secure that compulsory marketing standards are an added value for the sector and do not lead to unnecessary burden or restriction. The debate on the simplification is due to continue in the coming months and will be carefully followed by Freshfel.

Besides, Freshfel is engaged in seeking clarification on the concurrent, but contradictory labelling provisions set, on the one hand by the specific provisions on marketing standards for fruit and vegetables included in the CMO regulation, and on the other hand those set by the Regulation on food information to consumers. This situation is leading to multiple interpretations by Member States and business operators. Freshfel is seeking confirmation of the primary position of the specific fruit and vegetables rules. This would have among other an impact regarding the identification of the business operators (packers, dispatchers, importers) as well as the rules on the use of languages, labelling of nutrients, etc.



Enhancing food safety and quality

Food labelling

Besides the aspects covered in the previous section on marketing standards, other aspects relating to labelling were also on the Freshfel desk. The other aspects could relate to the sizing requirement of the fonts or other aspects regarding the labelling of origin. These matters relate to the new requirements for country of origin labelling for minimally processed products or fresh cut fruit and vegetables mixes under Regulation (EU) No 1169/2011. A Commission's study on the mandatory indication of country of origin or place of provenance of different food commodities, including pre-cut fresh fruit and vegetables, overall concluded that voluntary origin labelling, combined with existing mandatory origin labelling regimes for specific foods or categories of food, is the most suitable way forward. During the evaluation process, Freshfel kept contact with the Commission and provided its expertise and views to the contractors appointed by the Commission.

Another aspect is voluntary food labelling under Regulation (EU) No 1169/2011. In some cases, food business operators may want to indicate the origin of a food on a voluntary basis to draw consumers' attention to the qualities of their product. Such indications should also comply with harmonised criteria. The Commission is currently reviewing the precision of origin of product aiming to ensure that consumers are not misled where the country of origin or the place of provenance of a food is given and that they are accurately informed where food business operators draw their attention to in highlighting such characteristic of the food concerned. Freshfel will work on this matter together with the Commission and its members in order to obtain the most reasonable conclusion.

Novel foods and new breeding techniques

Based on specific case study, Freshfel was also called by its members to look into the implication of the legislation on novel foods (Regulation 258/97). The inappropriate understanding of the evolution of varieties placed on the market could lead to unexpected consequences for some of the segmentation efforts undertaken by the sector.

An emblematic case was in the last few months the case of kiwiberries, a new variety, with market development mainly since 2010. Kiwiberries are part of the actinidia group already well present on the market. While evidence of kiwiberries sales prior to 1997 are not easy to find, many arguments were put forward to justify that kiwiberries should not fall in the complex requirements of the novel food legislation. As this would have far reaching administrative implications, Freshfel, with its concerned members, is seeking to clarify the matter and avoid any interpretation that would give prejudice to the sector in the future.

In a broader framework, Freshfel is also looking at the upcoming proposal of the Commission COM 2013 (894) where a new definition of novel food is being considered and the overall legislation being revised.

Besides, Freshfel is also looking at the outcome of a Commission guidelines for legal interpretations of the Directive 2001/18 to identify if new breeding techniques are are covered or not by this directive on the deliberate release in the environment of GMO.





















Enhancing food safety and quality

Plant protection products and MRL

Food safety in fresh fruit and vegetables is linked to active substances, minor uses and their residues as well to matters relating to food additives, biocidal products, fertilizers, sanitizers and contaminants. Last year's activities have been no exception to the rule, demonstrating once again all the relevance of these matters, their impact on business and very often the pending gaps in the EU legislative framework given the evolution of technologies and consumer expectations. Many issues had to be addressed regarding registration of substances, lack of authorisations for certain crop, lack of mutual recognition and a multiplication of difficulties with MRL, ARfD, import tolerance, etc. Freshfel has welcomed the progress on minor use dossier following the setting of a secretariat in the EPPO office in Paris. Freshfel is eager that there is a great level of confidence in the legislation (Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005). Freshfel looks forward to contribute to the forthcoming revision and evaluation of the EU legislation on plant protection products and pesticide residues.

All the matters related to food safety and quality are discussed twice a year together with members at *Freshfel Food Quality and Sustainability Working Group*. Freshfel is also actively involved in the activities of "Agri-food Chain Roundtable for Plant Protection products". At the start of 2015 Philippe Binard, the General Delegate of Freshfel, was elected as a chairman of this platform for a period of one year. At the start of 2016 this mandate was extended for another year. The Agrifood chain RT includes 20 Brussels based organization. Overall, Freshfel aims that the sector is seeking full compliance with legislation, encourage minimizing the use of PPP while moving towards better agriculture practice and use of improved substances to get full confidence of consumers. The high level rate of MRL compliance is reconfirming the steps undertaken in the sector towards compliance (> 99% with MRL trading limits). The industry practices towards the reduction of pesticides were reconfirmed in a Parliamentary event *(4th Symposium: Feeding Europe by reducing pesticide dependency')*, hosted by IBMA, IOBC, PAN EUROPE and Greenpeace.

Microbiological risks



European Sprouted Seeds Association

Following the EHEC crisis in 2011, most European Member States (MS) have significantly increased the number of controls aiming at controlling the microbiological safety of fruit and vegetables. As a result, the Member States have requested the Commission to draft a guidance document on food products contaminated with STEC. Freshfel took part in the consultations and

with the support of members provided valuable input to the Commission. Also, Freshfel took part in the consultation on *Specific guidance document on the implementation of hygiene requirements for food of non-animal origin*. The guidance document was drafted based on refined assessments for five priority commodities: leafy vegetables, berries, melons, tomatoes and bulb & stem vegetables. Freshfel will continue taking part in further consultations with regards to microbiological matters.

Freshfel secretariat also coordinates the activities of ESSA, the European Sprouted Seeds Association. ESSA took the initiative to draft the ESSA hygiene guideline for the production of sprouts and seeds for sprouting, and followed-up on import requirements for sprouts.



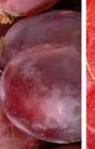


















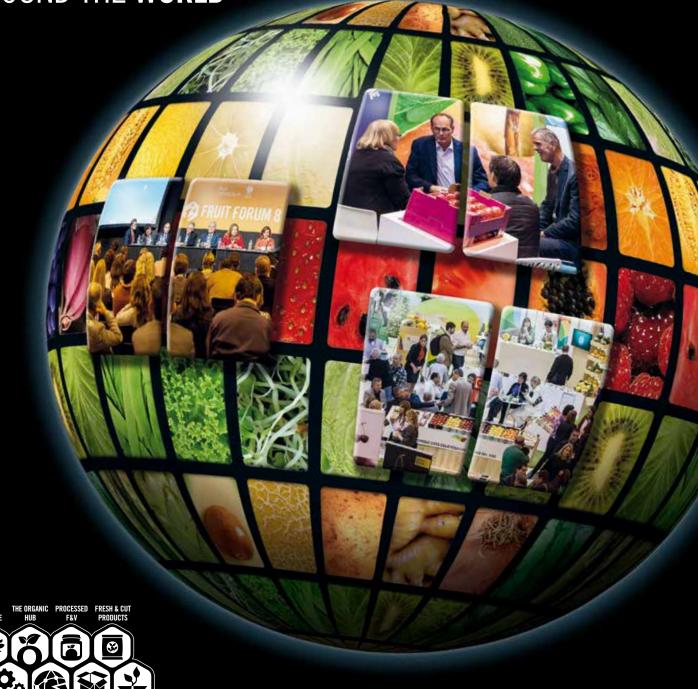
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Securing plant safety

Plant health

At the end of 2015, a political compromise on the reform of the plant health regime was reached in "trialogue" between the Council, Parliament and Commission. This was concluding the debate on the legislative proposal released in May 2013 by the European Commission to update the basis of a legislation which found its roots in 1977. Since then, many aspects drastically changed, such as the dimension of the EU, the globalisation, the climate change, the evolution of pests and diseases, the reduction of tools to mitigate pests, etc.

The protection of European production against harmful organisms is of paramount importance within the new structure of DG SANTE, within a new directorate in charge of crisis management in food and plants. For the fresh produce sector in Europe, a sound production is a prerequisite to trade and consumption, as the EU production represents the core of the supply on the EU market. The EU production should remain adequately protected from any contamination of harmful organisms inside the EU but also from organisms not known to occur in the EU. Outbreaks of diseases (PSA, drosophila suzukii, tristeza virus, sharka) expose growers to huge controls or mitigation costs or expose exports to market closure or restrictions. Freshfel Europe carefully followed this complex dossier, in close collaboration with other stakeholders associations such as representatives of COPA COGECA, Union Fleurs, European Seeds Association, and Europatat.

The compromise reached at the end of 2015 is now opening the debate on the delegated and implementing acts of the revised legislation. This would include an in-depth revision of the annexes of the legislation with the list of pests and the requirements to remedy to these pests, but it will also require the Commission to evaluate under a PRA the status of some high risk pests.

In parallel to this dossier, Freshfel has continued to call for more reciprocity in exchange with third countries on SPS issues as well as within an international context (WTO, IPPC). The EU operates an open system, while several of our main trading partners imposing strict and excessive requirements on EU imports under rules which are significantly more stringent than those they are confronted with when exporting to Europe. While export matters are not directly covered by the reform, Freshfel continued to seek improvements for EU exports. Acting as a "single entity" on SPS matters, improving the transparency at EU level on existing or pending protocols, setting clear SPS provisions in FTA agreements, developing international standards and building relationship based on trust to foster system approach rather than costly preclearance are some of



Securing plant safety

Compliance with plant health legislation and Europhyt

The Commission and the FVO are closely following the compliance of imports with the requirements of the directive 2000/29 to prevent the introduction of harmful organisms. The monthly and annual Europhyt reports are now the "barometer" of the non-compliances in regard to harmful organisms. In 2015, 6.762 consignments were reported non-compliant. The nature of interceptions might vary between those resulting from the introduction of harmful organisms, from documentary inaccuracies or from wood packaging non-compliances. In 2015, 2.142 interceptions were reported on harmful organisms not present in the EU. Fruit and vegetables are accountable, for ca 1.800 of these interceptions with harmful organisms.

On the basis of these findings, the Commission is closely monitoring with Member States the situation resulting from the countries responsible for the larger number of non–compliances. As a result several third countries introduced detailed action plans to increase the controls and monitoring of exports with a view of reducing the number of interceptions. Freshfel has been encouraging importers and

suppliers from third countries to take all the necessary steps to drastically reduce the number of interceptions.

Besides, in some cases the measures were deemed insufficient by the EU , leading the Commission to take safeguard measures, ranging from temporary market closure for several products from India (measures on mangoes removed in 2015) and Ghana or to more detailed requirements on citrus originating in Uruguay. In regard to citrus, the Commission consolidated in April 2016, its requirements for citrus black spot with specific rules for Brazil and other safeguard measures applying to both Uruguay and South Africa. New provisions are also planned to be introduced shortly for citrus import destined for processing. FVO visits in South Africa confirmed the tightening of the measures in that country which were leading to lower level of interceptions. Other FVO visits also took place in Argentina and Uruguay. Freshfel continues to stress the need for improvements to keep trade flows going without endangering the domestic production. Freshfel will continue to closely follow the policy actions and encourage supplying countries to take the necessary remedy actions to avoid a discontinuation of supply.

As the Europhyt reports are becoming more important for day to day business, Freshfel will continue to pursue improvement in the reporting tool with information

becoming more accessible and transparent. More detailed information about the interceptions should be included in a public data base, similar to the Rapid Alert system for food safety. Freshfel recommended to revise the setup of the database to include information regarding volume intercepted, Member States where interceptions were registered, actions taken.



Engaging in sustainability

Sustainability continues to rapidly influence and change the political agenda. The concept of sustainability and sustainable food has also trickled down to the level of the consumer. Public authorities and consumers increasingly ask for sustainable food production, consumption and lifestyle.

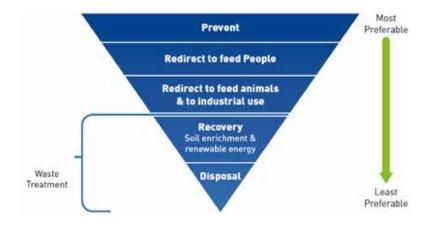
For the fruit and vegetable sector, a key topic which falls under sustainability is food wastage. This was addressed at EU level in a consultation on sustainable food. The input gathered by the European Commission eventually led to a Communication being published on the matter, which focused heavily on reducing food waste. Freshfel, along with several other stakeholders who participated in the debate, launched a joint stakeholder declaration on food waste, called 'Every Crumb Counts'. The declaration constitutes a voluntary commitment to deal with food waste issues within the supply chain and sets a number of policy recommendations which could influence the European Commission. A key issue in discussions is the definition of food waste and the development of a food waste hierarchy.

The European Commission has published a collective set of legislative measures on sustainability, called the 'Circular Economy Package'. The package is immensely broad and covers anything relating to re-using, repairing, refurbishing and recycling. During the development of this Circular Economy Package, Freshfel contributed to a consultation with a position paper on the specific issues relating to food waste. In the package the Commission focused heavily on waste, including commitments to the non-binding target to halve food waste by 2030 as stated in the Sustainable Development Goals. Regarding food waste the Commission outlined several specific measures, including:

- develop a common EU methodology to measure food waste and define relevant indicators;
- create a platform, bringing together Member States and all actors of the food chain;
- take measures to clarify EU legislation relating to waste, food and feed, and facilitate food donation as well as the safe use of former foodstuffs and by-products in feed production.

The Commission also adopted at the end of March 2016 a proposed new Regulation on fertilisers which will significantly ease the access of organic and waste-based fertilisers to the EU single market.

Finally and following the entry into force of the trade agreement between the EU and Central America, Freshfel has also become a member of a trade and sustainable development advisory group between the two trade partners. The advisory group will serve to follow aspects related to sustainable development and approximate views between third countries suppliers and the requirements of the EU supply chain. So far limited progress were reached in this fora.







in cooperation with

FRUCHTHANDEL MAGAZINE







Setting a fresh produce research & innovation agenda

The European Commission places heavier emphasis on Research and Innovation (R&I). The Horizon 2020 programme is one of the most ambitious efforts to invest in R&I with an 80 billion budget available for funding during the period 2014-2020.

Freshfel adjusted its structure to facilitate the coordination of Freshfel members in research and innovation projects. The tool is now available for future action. In the meantime, the Freshfel secretariat already embarked into three new programmes under the Horizon 2020. The role of Freshfel is to facilitate the dissemination of the findings of the projects. The projects are described in more detail on the following pages and include:

- 1. FRESH-DEMO
- 2. EUROMIX
- 3. EUFRUIT



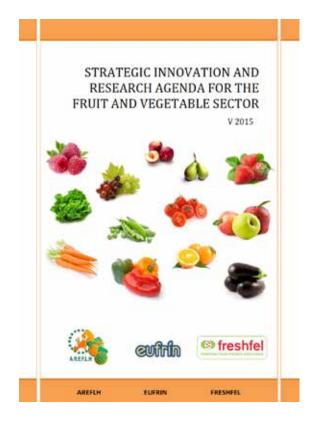




Next to the projects, Freshfel Europe also joined forces since 2014 with AREFLH and EUFRIN in a Task Force which identifies the priorities for the fruit and vegetables supply chain. This cooperation has already led to the development of a strategic innovation and research agenda for the fruit and vegetable sector. This agenda should be used as a roadmap in H2020 projects and to help the Commission define priorities for future research in the field.

The Task Force already welcomed that Commission took into account the fruit and vegetables priorities in the drafting of its upcoming annual work plan priorities (2016-2017). The Task Force will also be a communication platform representing the fruit and vegetables sector with the services of the European Commission and could be a driving force for the coordination of future programmes.

In the meantime, the Task Force also recommended to create a new platform that could focus on matters relating to vegetables. In January 2016, Freshfel and ARFELH were pleased to announce the setting up of EUVRIN, a network of 50 research centres for vegetables.











FRESH-DEMO Project























In March 2015, Freshfel has joined FRESH-DEMO project. It is a project financed under the Horizon 2020 research and innovation program and it has a duration of 2 years.

Around 160 million tons of fruits and vegetables are harvested and distributed throughout Europe every year. Fruits and vegetables can be regarded as highly perishable foods and are especially susceptible to changing temperature



and humidity after harvest. More than 40% do not end up on a plate: they are wasted in the long distribution pathways after harvest (logistics), or are of an inferior quality on reaching the consumer. Food waste is currently a priority topic in the EU with a reduction target of 50% by 2020.

A novel, innovative technology which has been developed based on several successful European research activities can contribute substantially to reducing food waste while simultaneously enhancing the shelf life and the hygienic properties of fruit and vegetables.

Dry mist is generated through an innovative technology of ultrasonic humidification/sanitation. It provides a cool, humid, and bacteria-free climate and with that has the ability to significantly reduce waste in the distribution chain by extending the shelf life and hygienic properties of fruit and vegetables. The Fresh Demo project will evaluate the benefits of this technology, together with a natural acidifier to preserve and enhance the quality and freshness of fruit and vegetables along the entire post-harvest supply chain in real-scale case studies (directly after harvesting - washing step, in transportation, storage, and retail facilities).

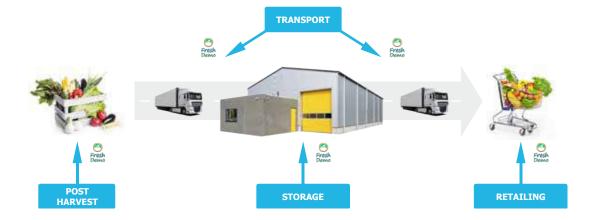
Freshfel is involved in dissemination of the progress and results of the project. Freshfel has been

actively updating its membership on the outcome of ongoing activities about the project through its newsletter or various meetings. Freshfel had a joint stand together with FRESH-DEMO project this year at Fruit Logistica. The exhibition was a great success for the promotion of project and its technologies.











EuroMix Project















































In April 2015, Freshfel has joined a research project called EuroMix. EuroMix is a 4 years project and is included in the EU Research and Innovation Programme Horizon 2020, which builds on previous European research programs (e.g. Acropolis Project).

EuroMix aims to develop an experimentally verified, tiered test strategy of mixtures of multiple chemicals derived from multiple sources across different life stages. Experiments will be performed and results and experience will be described in practical guidance for future implementation of the test strategy. Since the number of mixtures to which the population is exposed during everyday life is infinite, key mixtures will have to be identified.

The EuroMix project will deliver a mixture test strategy and test instruments using novel techniques as recently proposed by the Joint Research Centre (JRC) of the European Commission. The tests will result in data needed for refining future risk assessment of mixtures relevant to national food safety authorities, public health institutes, the European Food Safety Authority (EFSA), the European Chemical Agency (ECHA), industry, regulatory bodies and other stakeholders. Ultimately, this will provide information for future risk management decisions on the safety of chemicals in mixtures to be taken by the European Commission and the Codex Alimentarius.

Among 22 different partners involved in the project, from 16 countries and 4 third parties including WHO and US-EPA, Freshfel plays an active role in the area of dissemination of the results and goals of the project. Freshfel is also involved in the management of stakeholder involvement from fresh produce industry. As a result, Freshfel will organise various events, specialised workshops and face-to-face meetings with representative of the food sector. In spring 2017, Freshfel will organise a first stakeholder meeting in Brussels. Freshfel members and all interested private business or public stakeholders will be invited to attend the event.

Freshfel so far has been actively updating its membership on the outcome on ongoing activities about the project through its newsletter or various meetings. The website of the project is www.euromixproject.eu





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EUFRUIT Project









































Freshfel joined another research project called EUFRUIT, financed under the Horizon 2020 programme of the European Union. This project is a project which has been made possible, amongst others, because of the Strategic Innovation and Research Agenda (SIRA) for the fruit and vegetable sector, as published by the task force of AREFLH, EUFRIN and Freshfel. The EUFRUIT project launched on 3-4 March 2016 is a concrete result of the efforts of AREFLH and Freshfel Europe in collaboration with EUFRIN to bring together the fruit sector and their research institutes.

EUFRUIT is a project focussed primarily on research exchange in Europe. The aim is to set up a unique thematic European Fruit Network where research institutes and the European representative organizations of the fresh fruit sector are joining forces. Currently, much of the knowledge gathered through research is wasted as it is not properly shared throughout Europe. The aim of this project is to facilitate a better exchange of information for the benefit of (applied) research in the EU.

Altogether, EUFRUIT gathers a consortium of 21 partners from 12 different countries. The consortium will focus its activities on 4 crucial thematic areas for the competiveness and innovation potential of the European fruit sector. These areas include:

- 1. New cultivar development,
- 2. Minimise residues on fruit and in the environment,
- 3. Optimise storage and fruit quality, as well as,
- 4. Enhance sustainable production systems.

EUFRUIT will act as a knowledge platform while providing unique networking opportunities for academics and researchers partners, fruit business operators as well as decision makers. From the fresh produce sector, both AREFLH (Association of the Regions producing fruit, vegetables and horticulture products) and Freshfel Europe (European fruit and vegetables Association) will be actively involved in the dissemination of the project achievements to the sector. As such, Freshfel will play an active role in communicating and disseminating information about this project.

The project has an overall budget of 1.8 million EUR for a three year period. The network will establish in the upcoming three years a systematic approach for knowledge gathering and dissemination. This will be facilitated by harmonizing methodologies for the scanning and synthesis of knowledge, and foster exchange of best practises and technologies reviewed by international experts in the 4 priorities areas of the thematic network. It will importantly secure a direct path for new knowledge and reduce the likelihood of repetition of research at a national level.

Jointly with the other partners in the project AREFLH and Freshfel Europe will regularly update the sector on the progress of the work. The websites of EUFRIN (www.eufrin.org), Areflh (www.areflh.org) and Freshfel Europe (www.freshfel.org) will provide regular updates on the project developments.



Sponsor Activity Report

GREENYARD FOODS

Enhancing trade

Repositioning after the Russian embargo

The effects of the Russian embargo introduced in August 2014 have been the dominating theme influencing trade both on the internal market and on external markets. The recent extension of the embargo by Russia to Turkey is exposing the European fruit and vegetables market to another challenge, as one third of the Turkish fresh produce export (1,3 million T) were destined to Russia. To date, several fresh fruit and vegetables categories continue to suffer the aftermath and consequences of the Russian embargoes, with low prices, difficulties to reposition to new market or just to stimulate the further consumption on the internal market. For not underestimating the impact on fresh produce of the embargo, it is always worth to remind that out of a total ban of 7,5 billion € of agricultural products originating in the countries affected by the sanctions, the EU agriculture products were concerned up to 5 billion € out of which 2,5 billion € were fresh produce. Our sector is therefore by far the most affected one.

The sector has welcomed in 2014 the quick response to introduce compensation measures and new budget for promotion, as well as accompanying the sector in opening new

markets. Compensation measures
were re-conducted for the
2015/2016 but with a more
limited coverage and are
also planned to
be kept for

2016/2017, but still with a lower threshold. The scheme is becoming less and less attractive to have a significant impact on the market.

The introduction of the Russian ban has been — despite its negative economic effects — a true wake-up call for the European fruit and vegetable sector, not to rely on one destination only, but to ensure access to a wide range of destinations all over the world. Export destinations in South East Asia, Southern and Central America did hereby manifest itself as the key interest region for European fresh produce. But this exercise also led to the following insights. The negotiation of bilateral import protocols including extensive pest risk analysis stays the most costly and time consuming key hurdle in gaining market access to third countries, accompanied by partly complex plant health and food safety legislation providing high technical barriers for the import European fresh produce.

In close cooperation with the European Commission, Freshfel worked intensively on opening up new market destinations. Throughout the year, Freshfel had been active on gaining access for apple and pears to the U.S. market, addressing technical and SPS barriers in attractive key destinations such as India, Indonesia, Colombia and Brazil. It further aimed to work strongly on a better inclusion of SPS measures into currently negotiated trade agreements as well as on intensified bundling of market access attempts, where it is necessary and useful. The European Commission, in particular DG Trade, DG Agri and DG Sante continued to cooperate closely on gaining market access as response to the current challenges.



Enhancing trade

Seeking new business opportunities



Commissioner Hogan works on a more offensive market access strategy to tackle the effects of the general agricultural crisis. Part of these efforts have been trade missions conducted to Columbia and Mexico, as well as China and Japan in early 2016 to promote European agricultural products and to create new business contacts. Freshfel's General Delegate Philippe Binard, as well as some other Freshfel members has been participating in these trade missions. Commissioner Hogan was therefore particularly active to assist the fresh produce sector in diversifying market opportunities outside the EU market. These are also positive steps to move the EU to act on export matters more and more as a single entity in support of Member States initiative to open new markets.

Trade Commissioner Cecilia Malmström has also released a new "Trade for all"-Strategy which among other topics identified key regions to be opened up for the future such as the Philippines, India, China and others. Also here Freshfel

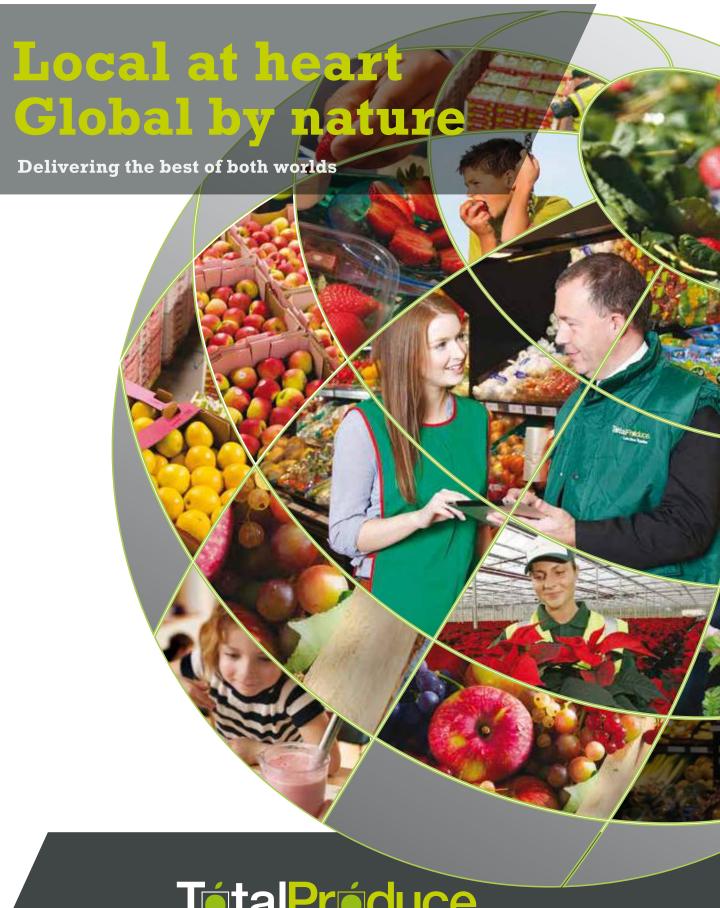
provides substantial input and moreover welcomes the intensified efforts of all three Directorates-General as well as their improved cooperation. DG SANTE is also involved in the SPS aspects more particularly relating to new FTA, such as the renegotiation of the agreement with Mexico. On general terms Freshfel was also closely involved in seeking solution on to trade with India, in particular after the introduction of the import ban for apple to five out of six key ports. The closure of the key import harbour for fresh produce in Jakarta/Indonesia as well as a newly introduced legislation on food safety in Indonesia have been a further working area.

Bilateral trade negotiations (FTA)

The turn-away from global multilateral trade agreements back to bilateral trade agreements also continued in 2015. In particular, the European Union worked upon improved market access conditions in several key destinations. Currently, two big agreements

are in the wait loop for final ratification and enforcement. The bilateral free trade agreement with Columbia and Peru has been extended to Ecuador. This agreement had been already ratified by the European Parliament and has now to be voted on in the respective bodies in Colombia, Peru and Ecuador. The agreement would in particular be meaningful for an improved custom duty on the import of banana. The free trade deal with Canada is currently under legal review and will probably be ratified in autumn 2016. It includes substantial improvements on the field of SPS such as fast track procedures on priority fresh produce products aiming to gain access to Canada.





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Enhancing trade

Two still ongoing negotiations shall be concluded in the course of 2016. The TTIP negotiations have been accelerated in the past months – even though on essential points in the agri-food sector no final conclusions have been reached yet. Further, the trade negotiations with Japan shall come to an end this year. Moreover, the European Commission is working on opening up new negotiations with the Philippines, Australia and New Zealand and the Mercosur bloc excluding Venezuela.

Freshfel follows these negotiations very closely and works intensively to have fresh fruit and vegetables well on the agenda, removing both ways tariff and addressing concrete SPS measures. In line with the Commission's approach to harmonize market access efforts and bundle where necessary, Freshfel developed and suggested constructive







ideas how transparency in the field of reporting can be improved, to create better dynamics in the work between the Commission, the member states and exporters of fresh produce.

Together with Commission services, Freshfel and its members will continue to seek improvement for market access, challenging pre clearance systems and also looking how to enhance harmonization of rules through the IPPC on issues such as cold treatment.







Stimulating consumption through promotion, nutrition and health priorities

Promotion of Agricultural Products

Regulation (EU) No 1144/2014 of 22 October 2014 on information provision and promotion measures concerning agricultural products was implemented in the internal market and in third countries entered into force on **1 December 2015**. As of 2016, the first applications for projects under the new Regulation were introduced. These are done under a new scheme which provides new opportunities but also increased competition compared to the previous regime. The main aspects of the new system can be highlighted as follows:

- The budget will rise to 200 million EUR with higher rates of EU co-finding available.
- National co-funding disappeared, while EU co-financing rates raised to 70% for simple programmes presented by an organisation from one Member State, 80% for multi Member State programmes and programmes targeting third countries, 85% for crisis measures.
- The new promotion policy is being supported by a European executive agency ("Consumers, Health and Food Executive Agency", known as CHAFEA, in Luxembourg.)
- Other changes include a wider range of eligible products (including processed products such as bread or pasta), and the possibility for Producer Organisations to participate as proposing organisations.
- With the common denominator 'Enjoy, it's from Europe', the policy aims to help
 the sector's professionals break into or consolidate international markets and make
 consumers more aware of the efforts made by European farmers.



The fruit and vegetables sector is and should remain one of the main beneficiaries of this EU policy, with roughly 25% of both the number projects and requested budget.

To secure that the priorities for the calls reflect the particularities of the fruit and vegetables sectors, Freshfel has contributed to both the 2016 and 2017 annual working programme that the European Commission prepares each year. The Freshfel position provided input for both the priorities for the internal and international markets. Freshfel also participated to the launch conference and information day of the new scheme to keep its member updated on the latest development.







Stimulating consumption through promotion, nutrition and health priorities



School Fruit and Vegetables Scheme

The school fruit and vegetables scheme remains an important tool to educate the children, tomorrow's consumers. In the last year, Freshfel welcomed the CAP reform decision to increase the budget to 150 million EUR (from 90 million EUR) including an increase of the EU co-financing rate for the accompanying measures.

During 2015 and upon request of Commission Vice-President Timmermans, the Commission embarked in a re-evaluation of the school schemes, particularly regarding the principle of proportionality, subsidiarity and better regulation. The Commission took this opportunity to call the Council and Parliament to suspend in the meantime the legislative process on the joint framework for the school schemes. Both the Council and the Parliament however continued their work, convinced that the CAP instruments are valuable tools. At the end of 2015, the evaluation report of the services of DG AGRI confirmed the important role of the school fruit and vegetables schemes. The scheme seems now to be confirmed for the next 6 years pending

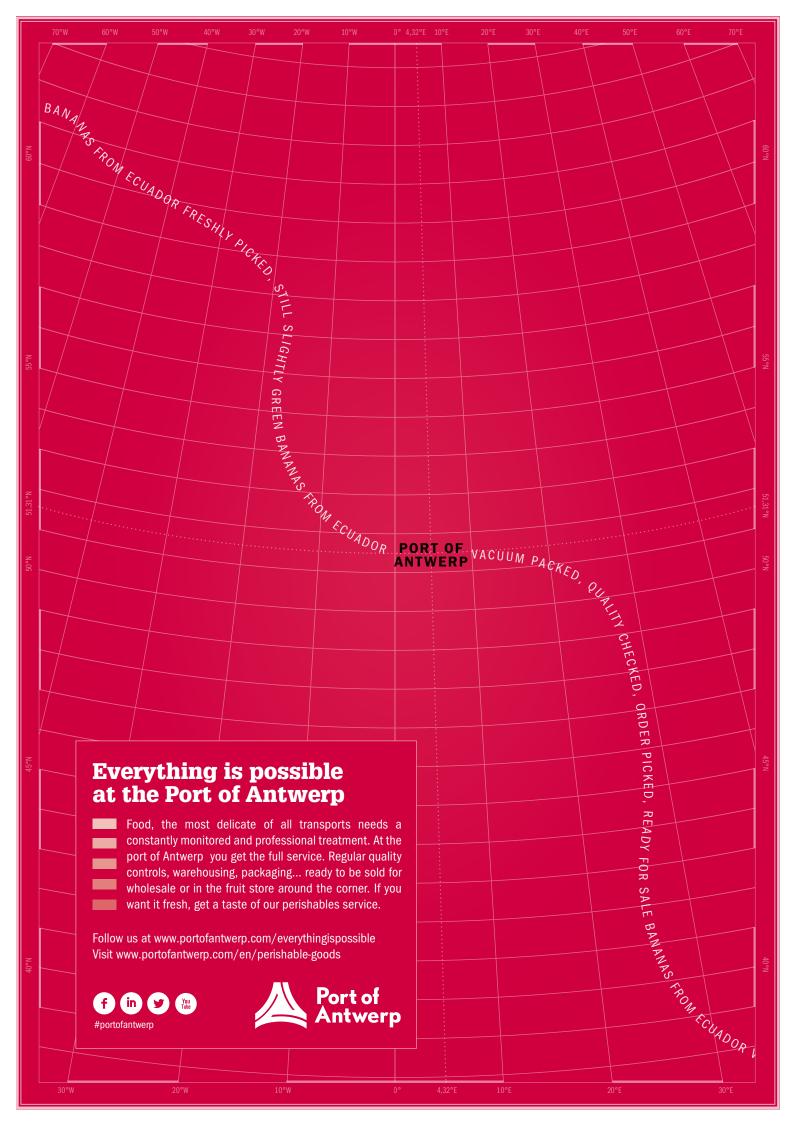
a prolongation of the financial envelope beyond the 2014-2020 EU financial package.

At the end of 2015, a compromise was reached between the Council, Parliament and Commission on the single administrative framework for school schemes, distributing fruits, vegetables and milk to children. The new single framework will be operational as of August 2017. The budget of €250 million will be distributed with €150 million going into the fruit and vegetables scheme and €100 million, going into the milk scheme. In the fruit and veg scheme priority will remain for fresh produce.

For the upcoming year and under the 150 million € envelope for the 2016/ 2017 school term, Germany will be granted 30 million €, Italy close to 26 million €, Poland 17 million €, France 15 million €, Spain 11 million €, and so on. The EU average co-financing rate stands at 79%, and could vary depending of the Member States from 75% to 90 %. The scheme now covers the distribution as well as the accompanying measures. It is now important that the sector take full benefit of the instrument.







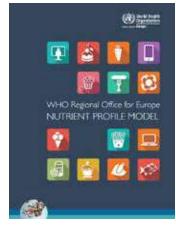


Stimulating consumption through promotion, nutrition and health priorities

Nutrition and Health Claims

Nutrition and health claims made on food are legislated via Regulation (EC) No 1924/2006. The European Commission (DG SANTE) has recently launched a Roadmap which looks at the concept of having nutrient profiles in the legislation (so that foods beyond certain limits of fat, sugar and salt cannot make health claims) and there will be consultations and a report over the next months. In this context, the European Parliament has requested to the European Commission to review the scientific basis of the health and nutritional claims legislation and, if appropriate, to delete the concept of nutrient profiles altogether.

Freshfel is of the opinion that scrapping nutrient profiles from the legislation will sadly allow unhealthy food to keep bearing healthy messages. Nutrient profiles as a condition for making health and nutrition claims would go a long way towards reducing marketing of unhealthy



foods and thus towards effectively addressing EU's heavy burden from non-communicable diseases such as overweight and obesity. A model for defining foods which can and cannot be advertised to children has indeed recently been launched by the European Office of the World Health Organisation (WHO). Based on a combination of models used in Denmark and Norway, the model identifies 17 food categories and sets threshold levels of total fat, saturated fat, total sugar, added sugar, artificial sweeteners, salt (sodium) and energy. Under this model, fresh and frozen fruit, vegetables and legumes are permitted in all cases.



European Platform for Action on Diet, Physical Activity and Health

Freshfel is an active member of the European Platform

for Action on Diet, Physical Activity and Health since 2005. The platform tackles the growing rate of obesity and related illnesses. The intake of fresh fruit and vegetable as part of a healthy diet is an essential contribution to the solution of this alarming development. 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 addressing diet-related chronic disease such as diabetes. The Platform is currently going to a revision process, for better monitoring and have an impact assessment of the current and new commitments while creating a new dynamics and initiatives within the platform. New commitments are planned to be bound to targets agreed within World Health Organization context and contributing to the "Action Plan on Childhood Obesity". Among others, these targets include the increase of intake of fruit and vegetables — a shared aim of Freshfel and its membership. Freshfel has two active commitments within the platform: the "Fresh Times" and the "Consumption Monitor".



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Moving ahead

Fresh fruit and vegetables has a number of non-negligible assets for jobs, growth, sustainability and health. Those are often disregarded. Convincing consumers to eat just one more portion of fresh fruit or vegetables would make a lot of difference to the sector, but also for the environment and sustainability of the food supply and also and more importantly for the health of the European consumers.

Understanding better consumers expectations, making a diversity of quality fresh produce available for consumers at different moment of the day and securing availability in different locations, investing into research and innovation to enhance the category, its competitiveness and efficiency are some of the requirements for fully seizing the opportunity granted to fresh produce.

The current European policy environment driven by reinforced security measures due to terrorism, the threat of the suspension of some of the basic achievements of the European treaty in terms of free circulation of people and goods, the on-going pressure on the Euro and the slow recovery process of the economy, the challenge of political instability in the European neighbourhood leading to migratory pressure are creating additional uncertainties for business. Besides the impact of climate change, the debate on circular economy, the future of the policy on energy, the digital agenda are some of the other important factors that might impact day to day business of our sector.

Based on the priorities outlined in the next page, Freshfel will continue to work hard to secure the brightest future for the fresh fruit and vegetable sector.















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Freshfel activities in pictures







Freshfel priorities 2016-2017

- 1. Encourage competitiveness of European fruit and vegetables production: A great variety and diversity of fruit and vegetables should be a made available to consumers by a strong and competitive European production. The CAP instruments as well as other policy instruments (plant and food safety) should enhance the production of fruit and vegetables in the EU. Increased production will also increase jobs creating a win-win-win situation for agriculture, employment and health. While fruits and vegetables are the foundation for a healthy diet, their detrimental impact in terms of carbon footprint, water footprint and ecological footprint is the lowest among all foodstuffs. This should be also highlighted.
- 2. Food and plant safety: Several dossiers are on the table regarding active substances, minor use, MRL, but also sanitizers and contaminants. Unclear regulatory aspects need to be addressed to provide to the sector confidence in the legislation and to get the deserved confidence of consumers. Plant security should be guaranteed, in particular in the frame of the current plant health reform.
- 3. **Research** and innovation: The sector should build upon a strategic research and innovation agenda elaborated by AREFLH, EUFRIN and FRESHFEL to position itself in the new Horizon 2020 and the European Innovation Partnership for agricultural productivity and sustainability. Freshfel will continue to get involved in project that are relevant for the membership.
- 4. **Enhance trade**: The Russian embargo is redesigning the trade agenda. While the sector was already in a process of diversification, this now needs to be accelerated. Non-tariff barriers need to be challenged vigorously and covered in the future to have a less burdensome condition to access market. More reciprocity is demanded, while Europe should also remain an attractive market in a more global environment.
- 5. Securing efficient health and nutrition policy: This implies having health in all policy defining healthy diet and set nutrition recommendations with specific targets to increase fruit and vegetable consumption, develop nutritional guidelines for health professionals so that coherent nutrition advice and support is given at large. The EU regulation on nutritional and health claims should be adjusted to facilitate claims on fruit and vegetables.
- 6. Stimulating consumption: The opportunity of the reform of the EU promotion policy for agricultural products should be seized not only to enhance export but also to stimulate consumption on the EU domestic market. Policy should also consider improving availability and consumers' access to fresh produce, including using economic and fiscal tools. Increased efforts should be developed towards low-income communities such as the use of fruit and vegetables vouchers. The reshaped European School Fruit and Vegetables Scheme (SFS) should also be an instrument that the sector should fully exploit to get the youngest consumers acquainted to taste, texture and quality of the diversity of fresh fruit and vegetables.

All the above should contribute to build a stronger and more competitive sector to remedy the declining consumption trends





FRESHFEL MEMBERS AND ASSOCIATED MEMBERS



























































































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Dow AgroSciences



















Lah Zeeuws-Vlaanderen

































































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NFGF Forbundet
Norges Frukt- og Grønnsakgrossisters Forbund



















































































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Fruits & Vegetables



Visit our websites

www.freshfel.org - www.freshquality.eu www.enjoyfresh.eu - www.kidsenjoyfresh.eu

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