

Freshfel Europe Activity Report 2014



This Activity Report provides an overview of Freshfel's work since the Freshfel AGM 2013 (June 2013) to September 2014. This work will not have been possible without the leadership of the Freshfel Board, the active support of all the members and associated members throughout the year. The support of sponsors also made possible the publication of this annual report.



Not yet a Freshfel member?

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!

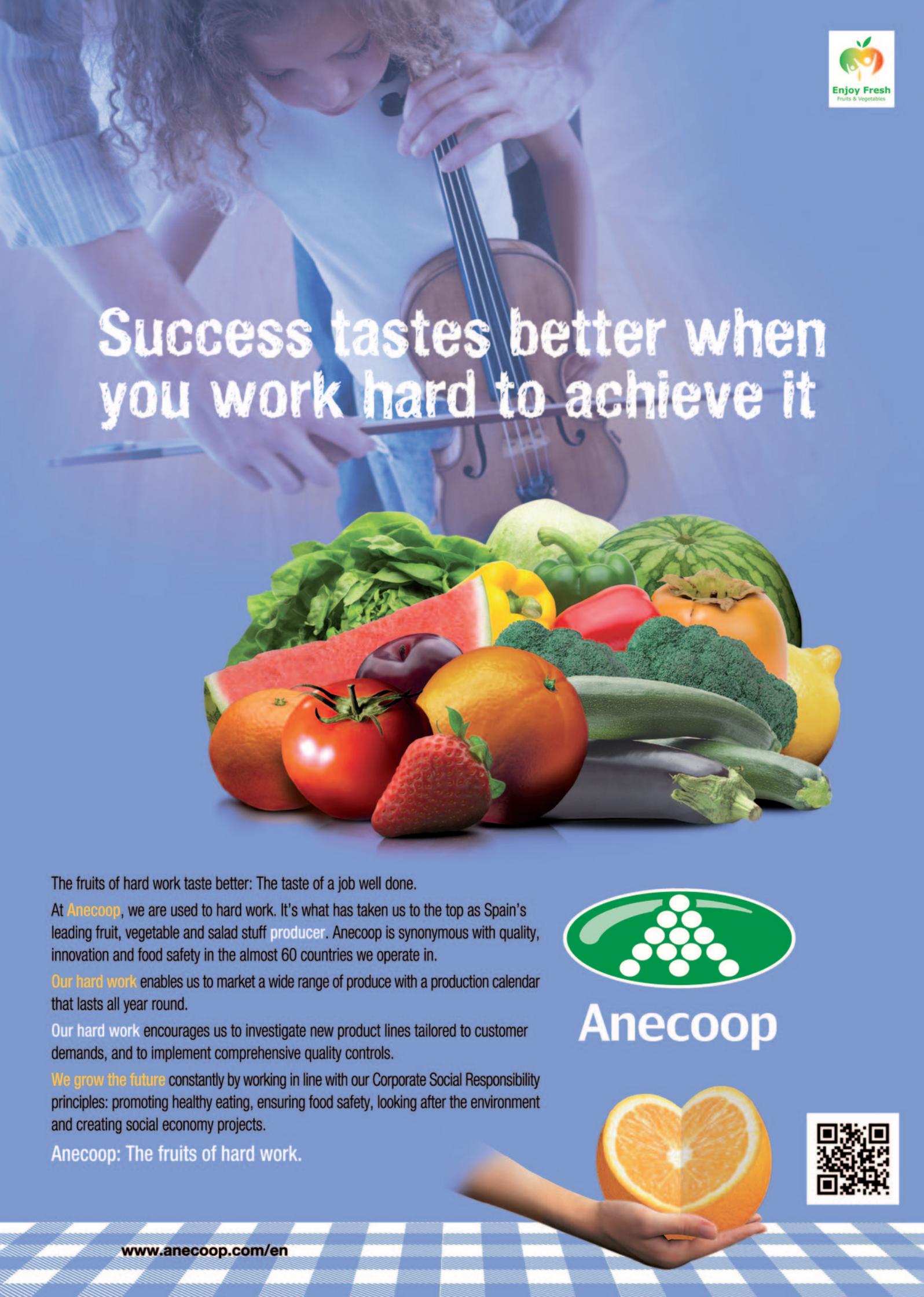
To learn how to become a Freshfel member, scan the code on the right



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Success tastes better when you work hard to achieve it

The fruits of hard work taste better: The taste of a job well done.

At **Anecoop**, we are used to hard work. It's what has taken us to the top as Spain's leading fruit, vegetable and salad stuff **producer**. Anecoop is synonymous with quality, innovation and food safety in the almost 60 countries we operate in.

Our hard work enables us to market a wide range of produce with a production calendar that lasts all year round.

Our hard work encourages us to investigate new product lines tailored to customer demands, and to implement comprehensive quality controls.

We grow the future constantly by working in line with our Corporate Social Responsibility principles: promoting healthy eating, ensuring food safety, looking after the environment and creating social economy projects.

Anecoop: The fruits of hard work.



Anecoop



Foreword

This Activity Report is released on the occasion of the 2014 Annual General Assembly of Freshfel Europe (October 2014). It provides a “*state of play*” of the fresh produce business, covering key policy areas that Freshfel has been involved in the last few months. It also provides data and trends about the fruit and vegetables sector. I hope you will enjoy the reading.

I have chaired the Association for the last two years and will complete my term at the 2014 AGM. Throughout my mandate, I have been inspired by the objective of looking at the general interest of the sector. With the strong support of my colleagues in the Board, we have taken actions and initiatives to move the sector to a more competitive business environment and to provide the tools for the Association to be strong and professional to cope with the industry challenges.

However, the difficult economic situation in Europe, the international geopolitical uncertainties, and the complex market situation for several products (further aggravated by the Russian ban announced early August) are still some of the hurdles that pose challenges to further business development. These difficulties are to be added to the decline of consumption witnessed throughout the last decade across the EU. The sector is looking for solutions to translate consumers’ awareness of the health and nutritional benefits of fresh produce into an effective consumption attitude.

During my term as chairman, but also during my involvement in Freshfel activities during the last twelve years, I have been impressed by the willingness of the membership to work together and cooperate on matters of common concern. While

confronted with complex dossiers, the association has always been a useful platform of professional exchange of opinions and networking, seeking compromise positions on a wide range of issues in the general interest of the sector.

We cannot rest on our laurels as the road ahead remains demanding and challenging. However, with the high quality of our business people and the expertise of our companies, we have the capacity to turn the current difficulties into opportunities. Counting in our core business with such a great diversity of tasty produce, we will have – no doubts - promising business developments in the coming years.

I hope this Activity Report will provide you with an overview of the important matters on the agenda of the Association. Freshfel needs to remain to be strong to address the future and therefore trust that it will continue to rely on the support and input of the sector at large, gearing the produce business towards a successful and fruitful future.

Philippe Henri

President of Freshfel Europe
2012-2014



BEST
FRESH
GROUP



Join the Best Ideas in Fresh

The Best Fresh Group is a group of international and established companies in marketing fresh fruit and vegetables.



Freshfel Europe: Mission and structure



Freshfel Europe is the European umbrella organisation for the 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 1918. The association is based in the heart of the European district in Brussels. It 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 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 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.

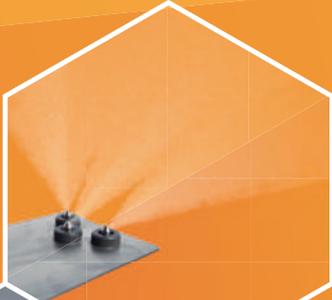
- Advise, inform and represent members interest on EU policy matters or industry topics
- Facilitate international trade of fresh produce
- Assist members to comply with the highest safety, environmental and CSR rules/standards
- Secure a favourable environment to promote the benefits of fresh produce
- 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 Structure	
<u>Presidency</u>	
President	
Vice-President	
Treasurer	
<u>Divisions/Committees</u>	
Production	
Import	
Export	
Wholesale & Distribution	
Retail	
Promotion & Communication	
Food Quality and Sustainability	
Convenience	
Citrus committee	
Banana committee	



CITROSOL TECHNOLOGIES

CONSTANTLY MAINTAINING THE HIGH LEVELS
OF EFFECTIVENESS OF OUR PRODUCTS



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Complete disinfection of the Packinghouse: effective, easy and economical



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Maximum efficacy in "on line" treatments



CITROSOL ZERO SPILL[®] System

Maximum effectiveness and consistency in decay control, no spillage,
no environmental clean up



CITROCIDE[®] FRUIT WASHER SANITATION EQUIPMENT

Maintains washer sanitized without leaving residue on fruit



ULV (Ultra Low Volume) APPLICATOR with CITROVISION

Optimum and uniform wax application even at maximum levels of productivity

PEACE OF MIND THAT COMES FROM A
GOOD CHOICE, **THE BEST CHOICE OF ALL**

CITROSOL
ADVANCED POSTHARVEST SOLUTIONS

Freshfel Europe: external cooperation

In order to voice the professional views of the industry at large, Freshfel Europe regularly cooperates with the European Commission, the European Parliament and other EU institutions. The Freshfel members and secretariat regularly participate in EU Advisory and Expert Groups of DG AGRI, SANCO and TRADE with a view of representing the sector. For some of these groups, notably the Advisory Group on Fruit and Vegetables and the Group on Promotion, Freshfel also took and will continue to take responsibilities chairing or co-chairing meetings. Freshfel will be represented in the revised EU Civil Society Dialogue groups of DG AGRI, participating in several groups on behalf of the industry. The internal and external activities of Freshfel are driven by core values that are key for the good functioning and image of the association.

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 in the same premises with SACAR (Secretariat des Associations Agricoles Réunies) which incorporates 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.

Freshfel also closely cooperates with other organisations at European level such as COPA-COGECA, AREFLH, PROFEL, AIJN, Food&Drink Europe, CELCAA, EUROCOMMERCE, EPHA, and ECPA, and is accredited with the UN organisations such as FAO, WHO, UN/ECE or OECD.

Core values	
✓	Leadership
✓	Cooperation across the supply chain
✓	Transparency of lobbying and industry representation
✓	Responsibility, accountability and ethical conduct
✓	Professionalism and quality of services towards Freshfel's members



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 join forces and increase their cooperation. Freshfel will provide its professional assistance to keep the COFREUROP guide up-to-date, in line with evolving business practice. Through its network, it will provide to CAIFL with a greater visibility.

Freshfel Europe: communication tools

There are also a range of Freshfel websites to provide members, stakeholders and consumers with a range of varied and useful about fresh fruit and vegetables.



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. It is also possible to follow the [Enjoy Fresh Facebook Group](#) and the Twitter account at [@enjoyfresh_EU](#).

On www.kidsenjoyfresh.eu, kids, 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, coloring 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.

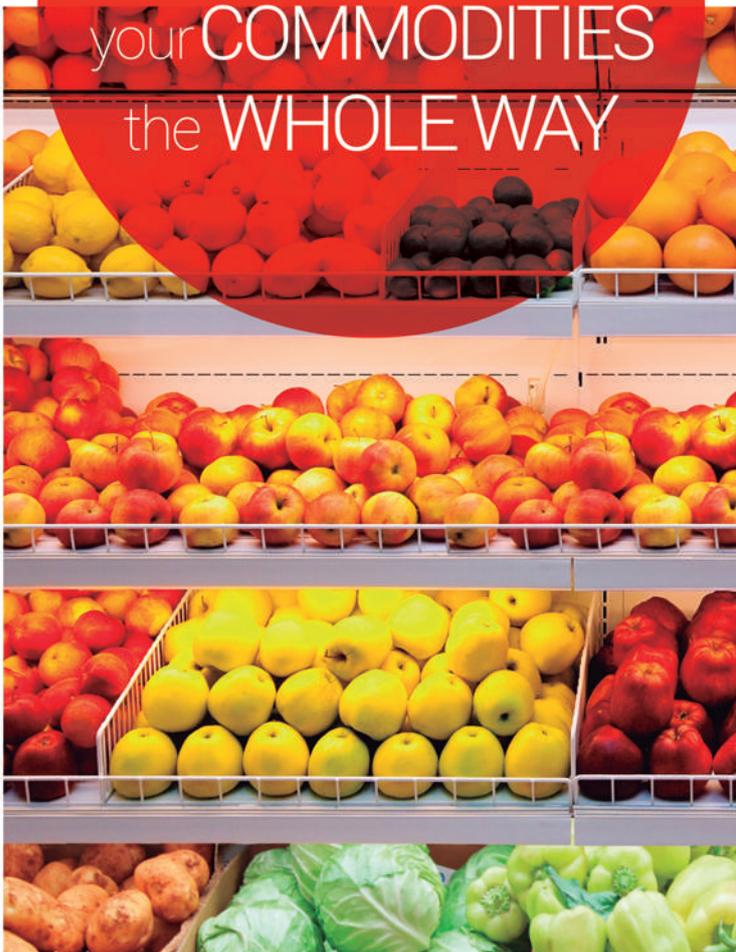
The Freshfel website www.freshfel.org is available for everybody who is looking for information about Freshfel's activities, its structure, role and mission as well as latest publications and press releases. Freshfel members find a wealth of up-to-date information, data, reports and presentations in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





PROTECTING

your **COMMODITIES**
the **WHOLE WAY**



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Storage and transport solutions



Alternative treatments



Disinfectant smoke pots



Sunburn protector

MELANITE

New fungicide against Geotrichum



We create smart protection
Post-harvest and Storage Solutions

Decco worldwide
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Fresh produce industry – Business trends

Fruit production (2012):

32.5 million T

Veg production (2012):

50.3 million T

Production

The EU fruit and vegetables production destined for the fresh market (excluding products for processing) today accounts for more than 82 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 f&v trade (2013):

27.2 million T

26.7 billion EUR

Intra-EU trade

Within the EU, around 27 million T of EU fruit and vegetables are shipped among Member States. In 2013, this corresponded to 15.5 million T of fruit and 11.5 million T of vegetables. Germany is the main recipient of fruit and vegetables, marketing close to 6.5 million T of produce in 2013 on top of its domestic production. Other major recipient markets include France (3.8 million T) and the UK (3.3 million T). Belgium and the Netherlands both traded around 1.5

million T for other Member States, though part of this volume will be reshipped afterwards and not consumed there. Poland also receives close to 1.5 million T from the other Member States. Spain is the main supplier country accounting to a volume of 9.3 million T shipped to other EU-28 countries. The Netherlands ranked second with 6.3 million T (of both domestic and transshipped produce). Italy and Belgium shipped to other EU countries around 2.5 million T each. France is next in the ranking with about 2 million T. EU intra trade has been stable over the last few years.

Main EU suppliers to other MS - 2013

Supplier	Fruit	Vegetables	TOTAL
Spain	5.678.413	3.716.269	9.394.681
Netherlands	2.153.019	4.215.128	6.368.147
Italy	2.037.191	645.874	2.683.065
Belgium	1.834.831	692.804	2.527.635
France	972.745	934.747	1.907.492
Germany	609.065	397.961	1.007.026
Greece	668.786	83.988	752.774
Poland	320.152	385.715	705.867
Portugal	221.200	201.707	422.906
Austria	196.948	137.950	334.898
Hungary	165.539	76.789	242.328
Czech Republic	149.754	78.205	227.959
United Kingdom	148.210	73.330	221.540
Slovenia	65.650	44.347	109.997
Other	293.864	211.193	505.056
TOTAL	15.515.365	11.896.007	27.411.371

Fresh produce industry – Business trends

Imports from extra-EU (2013):

13.0 million T

12.3 billion EUR

87% fruit, 13% veg

EU Import

The EU remains the largest importer of fruit and vegetables in the world. However, since the world financial crisis of 2008, the globalisation and greater demand in new markets in Latin America, Asia, Middle East or Africa, a process of diversification is taking place leading due to the opening of new markets, and increase demand from emerging economies. This is reducing the attractiveness of the EU. In 2013, the EU imported around 13 million T (worth 12.3 billion EUR). 87% of imported volume is fruit. The main categories imported are bananas, pineapples, apples and pears from the Southern Hemisphere, table grapes and citrus fruit. The EU remains a net importer as the volume imported exceed the export volume. The biggest suppliers include Costa Rica, Ecuador, South Africa, Colombia, Morocco, Turkey, Chile, Brazil, Peru, Argentina, Egypt, Dominican Republic, New Zealand, and Israel.

EU Export

The EU exports have been constantly growing since the turn of the century. In 2013, exports reached 5.8 million T (worth 5,1 billion EUR). 65% of the volume corresponds to fruit and 35% are vegetables. Russia is the main recipient of EU produce with 2.2 million T. This indicates the dramatic implications of the embargo introduced by Russia on 6th August 2014. A significant drop of total exported volume is expected in 2014 as a result. In the last few years, however, a diversification process to open up new markets was initiated which will have to be accelerated. The main export destinations include Russia, Switzerland, Belarus, Norway, Ukraine, Senegal, Algeria, Brazil and the United States.

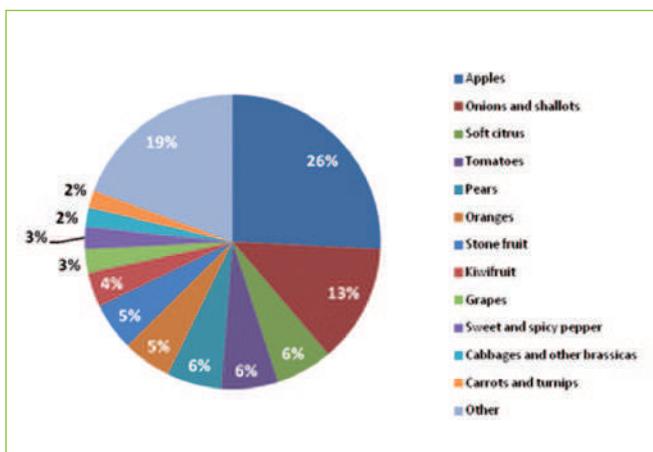
Exports to extra-EU (2013):

5.86 million T

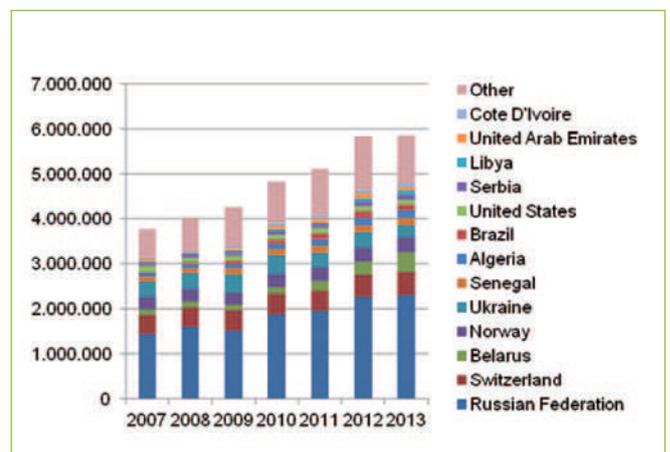
5.16 billion EUR

65% fruit, 35% veg

Exported products



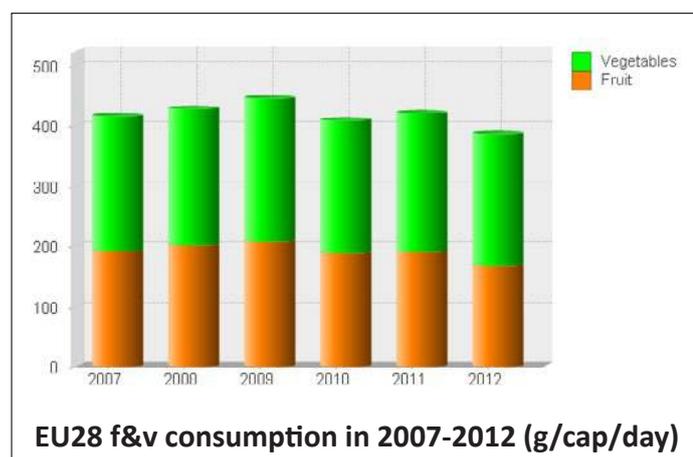
Export destinations



Fresh produce industry – Business trends

Consumption

In April 2014, Freshfel released its latest (annual) Consumption Monitor with production, trade and consumption trends up to 2012. The data shows that the consumption of fresh fruit and vegetables in the EU28 stands at 386.96 g/capita/day. This is a decrease of 8.2% compared with 2011 and a decrease of 8.7% compared with the average of the years 2007-2011. Consumption in the EU28 as an average (as well as in 17 Member States individually) remains under the minimum level recommended by the World Health Organisation (WHO) of 400 g of fresh produce per day.

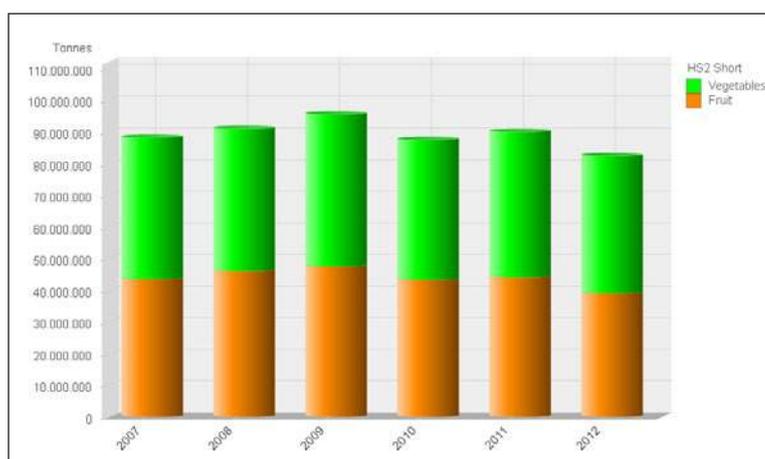


While vegetable consumption in 2012 increased in 18 countries and decreased in eight countries compared with 2011 (EHEC crisis year), fruit consumption declined in 22 EU countries over the same period. Since the turn of the century, it is almost the equivalent of one piece of fruit or vegetables lost per capita/day.

The reasons for this trend are multiple, ranging from changing lifestyles, lack of marketing budget compared to that of competing branded industries, as well as some image or perception issues, etc. Freshfel carefully analyses the situation and looks to remedy the shortcomings.

Development of consumption 2012 vs average of 2007-2011	
Apples & pears	-13,1%
Bananas	-0,7%
Cabbages, cauliflowers	-4,2%
Carrots & turnips	-0,1%
Citrus fruit	-13,9%
Cucumbers & gherkins	-0,5%
Dates, figs, exotics	+0,7%
Leguminous vegetables	-2,8%
Lettuce & chicory	-4,9%
Melons & papayas	-4,9%
Onions, shallots, garlic	-3,8%
Other fruit	-2,9%
Other vegetables	+2,3%
Stone fruit	-10,0%
Table grapes	-10,8%
Tomatoes	-13,9%

Total EU28 fruit and veg supply 2012 in T





European Crop Protection



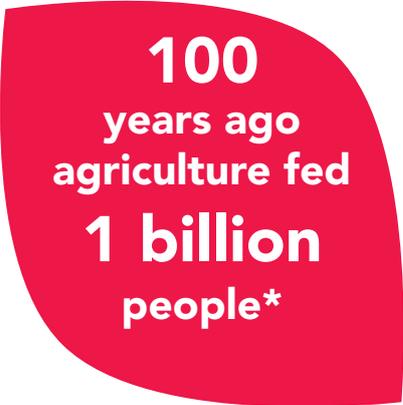
9 billion reasons to talk about pesticides

A century ago a single farmer could provide enough food to feed one family.

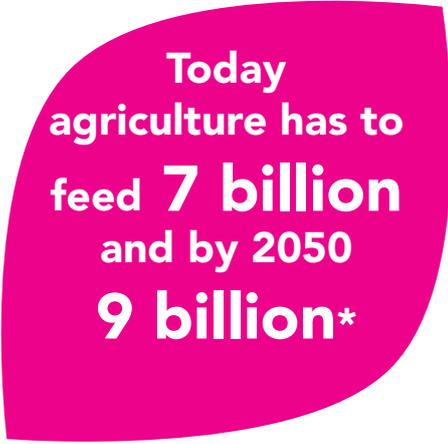
Today one farmer with access to technology can feed more than 100 people and can make more productive use of the same land area*.

Innovative tools such as pesticides help today's farmers to boost crop yields, prevent pre- and post-harvest losses and make more efficient use of natural resources such as land, water and energy.

The pesticide industry plays an essential role in agricultural productivity and in meeting the rising global demand for food.



100
years ago
agriculture fed
1 billion
people*

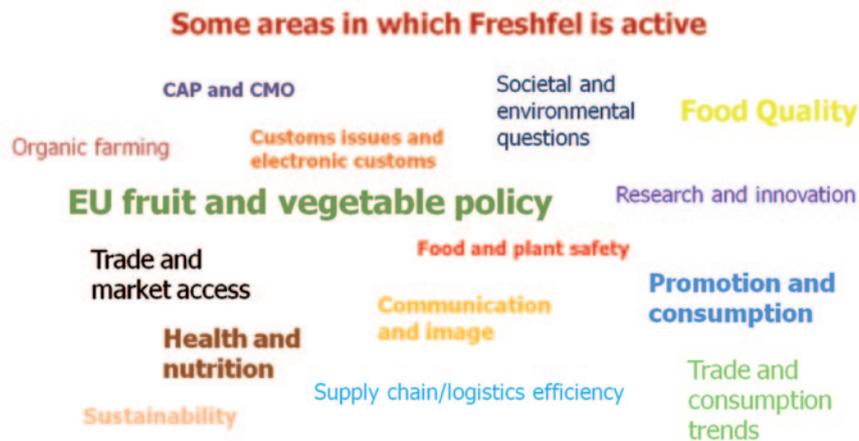


Today
agriculture has to
feed **7 billion**
and by 2050
9 billion*



Without
crop protection
solutions
potential losses
of crop production
could **double***

Freshfel activities at a glance

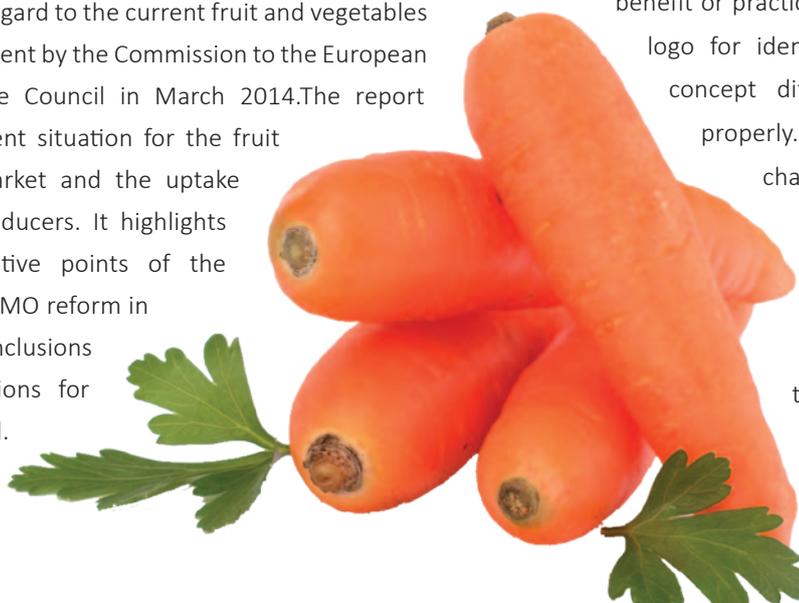


Common Agricultural Policy

In 2013, the EU finalised a new set of legal provisions which will govern the Common Agriculture Policy. For the fruit and vegetables, it does not introduce major changes to the extent that instruments such as Producers Organisation and Operational Programmes are already in place and are consolidated in the new CAP for all agriculture products. However, some new tools will become available such as association of POs with a co-financed operational fund. The set of crisis prevention and management instruments will also be extended while the EU aid to producers groups will be available under the second pillar. Finally, all the fruit and vegetables areas become now available for direct payments. Besides and as mentioned in the Custom section of this report, the CAP reform also included changes in the entry price system. The delegated acts to secure the implementation of these measures were adopted in the spring of 2014. In regard to the current fruit and vegetables CMO, a report was sent by the Commission to the European Parliament and the Council in March 2014. The report evaluates the current situation for the fruit and vegetables market and the uptake of the PO's by producers. It highlights positive and negative points of the impact of the last CMO reform in 2007 and draw conclusions and recommendations for the way forward. It might lead to

some additional adjustments to enhance participation to POs. Separately, the Commission continued its works on the "Newcastle process" to provide greater legal certainties for those applying for co-financing of operation programmes.

Freshfel also followed the on-going discussion on local products and short supply chain. The fruit and vegetables sector is most probably today the agriculture category with the greatest local consumption connotation, a perception that does not seem to be understood by decision makers and consumers. The vast majority of fresh produce grown in a Member State are either consumed or processed in that Member States. Trade however provides a greater diversity of produce to consumers, a positive element to enhance consumption. Freshfel is therefore skeptical about the benefit or practicality of setting up an additional logo for identification of local products, a concept difficult to define and control properly. When addressing short supply chain issues, Freshfel is adamant that it does not lead to any trade distortion or compromise on food safety. Current supply chain structures provides all the food safety guarantees for consumers and appropriate traceability across the chain.





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MAGAZINE

 Messe Berlin

Food & plant safety and quality

Organic farming



In March 2014, the Commission presented a proposal for new organic farming legislation. The Commission proposal follows a two-year consultation period with the sector in which Freshfel was very involved. Some of the measures the Commission proposes are very welcome to the fruit and vegetable sector, such as the introduction of a level-playing field for production conditions and pesticide use. In other areas, the proposal needs to be adapted to be workable for the organic sector. The obligation for all organic farmers to convert all their production to organic agriculture is a point in case. The new policy of organic equivalence only within FTA agreement with third countries also needs to be evaluated. A third point concerns the possible introduction of an additional and very strict maximum residue level (MRL) for unauthorised pesticides in organic products which could lead to the automatic rejection of many fruit and vegetables grown according to organic criteria. Freshfel has created an Organic Agriculture Working Group to raise the voice of the fruit and vegetable sector. Parliament and Council want to adopt their final positions in December 2014. The new legislation will not enter into force before 2017.

Plant protection products and MRL

Food safety in fresh fruit and vegetables is traditionally linked to active substances, minor uses and their residues as well to matters relating to food additives, 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. Freshfel has welcomed some of the progress on minor use, and mutual recognition but remains concerns about new developments which might further limit the tools available for EU growers, endangering their competitiveness or could jeopardize trade flows, as MRL's for EU phased out substances are often decrease to detection levels. The Freshfel Food Safety and Sustainability Working Group has done a lot to follow legislative development and clarify matters for the industry. Freshfel involvement in the ACROPOLIS project on multi-residues was also moving into the same objective of clarification of legislation. The project was concluded mid-2013 with a closing conference in Brussels hosted by Freshfel (see www.acropolis-eu.org for more details).



Freshfel's Food Safety and Sustainability WG: an important vehicle to brief members on latest EU food safety developments.



Food & plant safety and quality

Microbiological risks

As a follow up of the EHEC crisis, microbiological risks have been high on the agenda of both legislators and private standards. Following an initial assessment of microbiological risks in fresh produce at the end of 2012, the European Food Safety Authority (EFSA) is carrying out refined assessments for five priority categories: leafy vegetables, berries, melons, tomatoes and bulb & stem vegetables. Freshfel has provided EFSA with advice on the various product categories with several members taking part in expert hearings during 2013 and 2014. The opinions on leafy vegetables and berries have been published early 2014, the EU Commission intends to follow-up on the EFSA recommendations as soon as all opinions are released (January 2015). Freshfel was also associated to the ongoing efforts of GlobalGAP to encompass specific microbiological risk mitigation measures in the various stages of production.

Freshfel also coordinates the activities of ESSA, the European Sprouted Seeds Association for the follow up of the new hygiene legislation and import requirements for sprouts.

Freshfel also co-organised a symposium on water management in the fresh produce supply chain with the partners of the Veg-I-Trade research project. Around 70 participants from industry, industry associations and competent authorities in EU discussed the microbiological risks linked to water use in the fresh produce supply chain and the pros and cons of various water treatment technologies.



Freshfel participated in the Veg-I-Trade research project and co-organised a symposium on water management with 70 participants.

Food & plant safety and quality

Plant health

Since 2010, the European Union is evaluating its plant health regime, a legislation reshaped in 2000 which finds its origin in 1977. A legislative proposal was released in May 2013 by the European Commission to adjust the legislation to the evolving environment and the new challenges of plant health and plant disease due to increased trade, climate change etc.

Freshfel carefully followed this complex dossier. The protection of the European production against harmful organisms is of paramount importance as a sound production is a prerequisite to trade. EU production represents the core of the EU market supply and should remain adequately protected from any contamination of harmful organisms not known to occur in the EU. Outbreaks of new disease expose the sector to huge costs and could also confront EU exports to market closure or restriction. For years, Freshfel has been calling for more reciprocity in exchange with third countries on SPS issues. While export matters are not directly covered by the reform, Freshfel took the opportunity of the debate to call for greater leadership of the Commission in the negotiation with third countries to remove SPS hurdles and costs. Freshfel elaborated a detailed position paper in this respect in January 2013 and in March 2014. The plant health reform should therefore be an opportunity to rebalance import and export rules, with an effective implementation of existing import rules, application of corrective measures in case of non-compliance and more harmonised controls procedure across the EU. A flexible monitoring of the list of pests would be required for the inclusion of new pests. On the export side, the EU should be proactive to gain more reciprocity on the implementation of plant health rules, in particular if trade partners enjoy the benefits of a bilateral FTA with the EU. The EU should also take the lead in seeking harmonised plant health tools in IPPC (International Plant Protection Convention) e.g. fostering standards on cold treatment etc.

Compliance with plant health legislation

The debate on the plant health reform came at the time of concrete dossiers affecting imports following non-compliance. The European Commission banned import of several products from India on 1st of May and currently investigates remedy actions to be taken by other countries with more than 100 cases of non-compliance on a yearly basis. Targeted countries include Cambodia, Dominican Republic, Ghana, Kenya, Pakistan and Sri Lanka. An evaluation is due in the autumn based on proposed remedy measures from those countries. If appropriate, the EU might adopt similar measures to those adopted for India. Besides, the Citrus Black Spot (CBS) dossier for citrus originating in South Africa also remained on the agenda throughout the year. At the end of last season, the Commission adopted temporary requirements for the 2013 campaign restricting imports only for citrus originating in South African region/districts where CBS is not known to occur. Early 2014, EFSA released a risk assessment opinion confirming the rationale behind the existing rules. The EU decided, in coordination with the South African authorities to take additional requirements for the 2014 season in particular for the most susceptible varieties exported towards the season. The evaluation of the season and the final number of interceptions during the 2014 seasons will be key for assessing the rules that will govern the 2015 season.



Feel good!

To really enjoy life, it helps to get yourself into the right mindset...

Feel good about your fitness

Whatever your level of activity, a banana can help you on your way. From a gentle stroll to a full-on triathlon, the range of carbs in a banana gives you the energy you need in a natural and easily digestible form.



Feel good about your diet

Bananas truly are the feel good fruit! Packed with essential vitamins and minerals, low in fat and high in fibre, a banana is one of nature's little miracles. They're deliciously sweet too - being healthy really doesn't have to be a chore!

So whether at breakfast, as a mid-morning snack to banish those between meals hunger pangs, in a sarnie at lunchtime, in a chicken curry at dinner time, or in a delicious fruit salad, you can feel good about including a banana...

Just feel good!

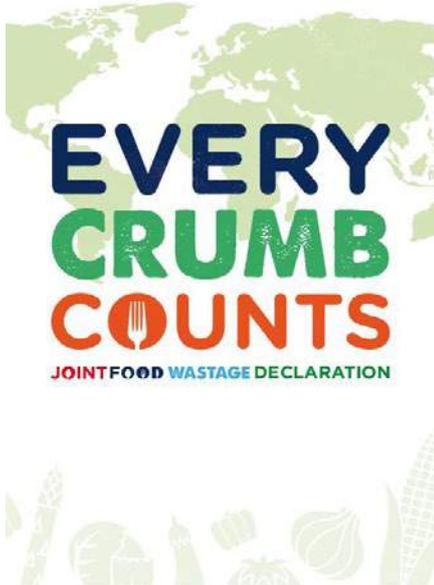
And what's more, bananas contain tryptophan - a type of protein that the body converts into serotonin, known to help you relax, improve your mood and generally make you feel happier. Now there's something to smile about!



Bananas – the feel good fruit!



Sustainability



Sustainable development has rapidly shifted upwards the political agenda, and public authorities are now actively promoting the consumption of ‘green products’. Acknowledging the scope and complexity of the debate, EU food chain partners, have set up a joint initiative, the Food Chain Sustainable Consumption & Production Roundtable, in order to collectively address the challenges regarding assessment methodologies and communication tools, while also exchanging best practices. A European or even an international approach is a must to avoid the proliferation of solutions and schemes which will ultimately add confusion to and cost to the chain.

Mid-2013, the EU Commission launched a public consultation on Sustainable Food. The input gathered should feed the Communication on Sustainable Food initially expected at the end 2013, but this was eventually postponed till late 2014. Given the lack of political support to promote sustainable food consumption (e.g. less meat), the communication will heavily focus on reducing food waste.

The EU Commission is assessing how best to limit food waste throughout the food chain, and investigating incentives to halve the disposal of edible food waste in the EU by 2020. Freshfel participates in dedicated EU working groups on the issue. On 25 June 2013, Freshfel along with several other stakeholders active in the food supply chain launched the joint stakeholder declaration on food waste “Every Crumb Counts”. The declaration constitutes a voluntary commitment to deal with the food waste issue within the supply chain and sets a number of policy recommendations which could be considered by the EU Commission. A progress report as well as a policy event is foreseen later this year. A key issue in discussions is the definition of food waste and the development of a food waste hierarchy, whereby Freshfel is of the opinion that the use as animal feed should not be considered as waste.

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 between the EU and Central America.





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Research and innovation

A greater focus is now placed in the EU policy on Research and Innovation (R&I). The new Horizon 2020 programme is one of the most ambitious ever efforts to invest in R&I with a 80 billion budget available for funding during the next seven years covering the period 2014-2020.

At the same time, the European Union also launched a new initiative on European Innovation Partnerships (EIP). Freshfel, through the chairman of its Production division, participated in the Board of EIP of the Directorate General on Agricultural productivity and sustainability, an initiative chaired by Commissioner Ciolos.

For a successful participation of the fruit and vegetables sector in this new policy, Freshfel Europe joined forces with AREFLH and EUFRIN to set up a Task Force which reviews the priorities for the fruit and vegetables supply chain. To launch such a platform, a symposium was organised in January 2014 in Brussels by the three organisations, setting the following recommendations for the Task Force:



Freshfel priorities on research presented by board member Francis Kint at the kick-off meeting for the TF.

in Brussels by the three organisations, setting the following recommendations for the Task Force:

- To develop a strategic agenda for the research and the innovation, representing the needs for the fruit and vegetables sector. This could be used as a roadmap, in the Horizon 2020 projects, for the priorities of research and innovation of the sector.
- To help and coordinate the regional and national administrations with the fruit and vegetables sector and with the research and innovation institutions in order to develop common projects within the framework of the EIP and the Horizon 2020 projects.
- Be a communication platform that represents the fruit and vegetables sector, with the research and innovation services of the DG AGRI and DG Research of the Commission and the European Parliament.

Throughout 2014, several meetings of the Task Force took place to approximate positions and finetune new fruit and vegetables priorities for the upcoming five years (2016-2020) of the Horizon 2020 programme. Priorities will be set reflecting three global challenges (competitiveness, sustainability and climate change) and a specific chain challenges to ensure the following objective/vision set in a strategic agenda for the Task Force: *secure a safer and healthier fruit and vegetable supply for modern lifestyles.*



Promotion, nutrition and health

Promotion of Agricultural Products

A new policy for information measures and promotional programmes for agricultural products in the internal market and third countries has been proposed by the European Commission at the end of 2013. The Parliament, Council and Commission rapidly reached a compromise text. The Commission is therefore already working on the executive and implementing acts, with the aim of having the new promotion policy in place by the end of 2015. Main changes of the framework include:

- The extension of the list of eligible products
- No more national co-financing and new EU threshold: 70% for simple programmes and 80% for multi-country & 3rd country aimed programmes. 85% in the event of crisis
- No active role of Member States in selection of programmes and delegation to an Executive Agency: Consumers, Health and Food Executive Agency (CHAFAEA).
- One selection per year based on priorities established in annual work programme.
- Origin of products and brands: indication will now possible under certain conditions.
- Extended number of proposing organisations: In addition to trade or inter-trade organisations and producer organisations in the EU, the proposing organisations now include, under certain conditions, some other bodies of the agrifood sector such as NGOs.

Freshfel is supporting the new move and related improvements as well as the increased budget (moving towards 200 million EUR/year for all the agriculture sector).

School Fruit Scheme



The school fruit scheme remains an important tool to educate the children, tomorrow's consumers. After the increase of the budget to 150 million EUR (from 90 million EUR) – including an increase on the EU co-financing rate (as part of the CAP 2020 Reform package), the European Commission and Council are currently in discussion of a new proposal aiming at bringing together under a joint framework two currently separate school schemes: The School Fruit Scheme and the School Milk Scheme. With the slogan "Eat well - feel good", this enhanced scheme from farm to school aims at putting greater focus on educational measures to improve children's awareness of healthy eating habits, the range of farm produce available, as well as sustainability, environmental and food waste issues. The new scheme, if agreed, will have a budget of 230 million EUR per school year (150 million EUR for fruit and vegetables and 80 million EUR for milk). The European Parliament will also need to be consulted. Freshfel will advocate for the continuity and the specificity of the fruit school scheme.

Promotion, nutrition and health

Freshfel Promotion, Communication & Image Committee

This Freshfel Committee met on 19 May 2014, to discuss the latest developments on the areas of promotion, communication and image of the sector. Following the SWOT analysis performed last year, and the committee's recommendation of conducting a pan-European study on consumer insight for the benefit of the whole sector, further steps were concretised to go ahead with this project.

Nutrition and Health Claims

In the framework of the current legislation on nutrition and health claims made on food (Regulation (EC) No 1924/2006), Freshfel has approached the European Commission about the use of nutrition and health claims on fresh produce. Freshfel has raised the Commission's attention to the fact that, despite well known international recommendations (i.e. WHO minimum intake recommendation of 400 g/capita/day), nowadays there is not a EU consensuated general advice on the (non-specific) benefits of consuming fresh fruit and vegetables at the European level. Unfortunately, it appears that European consumers are not getting all relevant information on the importance of consuming fresh produce for their wellbeing. It is Freshfel's belief that if we want consumers to be informed properly of the importance of fresh produce consumption, it is of the utmost importance to set up without further delay a message (or number of messages) for the attention of the consumers that would underline the health benefits of a diet rich in fresh fruit and vegetables. These messages should be put to the use of our sector for communication and information to the consumers at large without any restrictions.



On 26 November 2013, Freshfel held a meeting with MEP Anthea McIntyre to discuss EU health and nutrition policy.

European Platform for Action on Diet, Physical Activity and Health

Freshfel remains (since 2005) an active member in this forum, to profile fresh produce as one of the solutions to address the alarming growing rate of obesity and related illnesses. 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. 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.





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Improving trade opportunities

In 2013, the EU exported a total of 5.86 million T of fruit and vegetables to the world. Most of these exports (39%) go to Russia, even though the sector has begun efforts to diversify export markets. The EU imported 13.0 million T of mostly exotic fruit from different countries including Costa Rica, Ecuador, South Africa, Colombia, Morocco, Turkey and Chile.

Freshfel has reviewed the developments of imports and exports with its members at Freshfel’s traditional trade meeting during Fruit Logistica and during specific meetings of its Export Division and Import Division. Freshfel also has ad-hoc committees that follow in particular the citrus and bananas markets. On the export side, efforts seek to improve access to traditional export markets and to find more opportunities in new export markets to increase market diversification and market access. On the import side, efforts aim to facilitate the import of safe fresh produce into the EU to secure availability of good and diversified fruit and vegetables in the EU in compliance with EU regulation.



More than 50 participants attended Freshfel’s traditional trade meeting on the eve of Fruit Logistica in Berlin.

Bilateral trade negotiations

During the last year, import and export conditions were facilitated following the conclusions of several bilateral free trade agreements with third countries.

Trade partner	Status of negotiations
Canada	Concluded, awaiting approval
Ecuador	Concluded, awaiting approval
Ukraine	Concluded, approved, entry into force 31 Dec 2015
Singapore	Concluded, awaiting approval
United States	Ongoing
Mercosur	Ongoing
Japan	Ongoing
Vietnam	Ongoing
Malaysia	Ongoing
Thailand	Put on hold

In the second half of 2013, bilateral free trade agreements with many Latin American trade partners entered into force. As a result, new opportunities will be granted to these countries provided exports are not hampered by non-tariff barriers. On the other hand, imports now also benefit from easier access to the European Union, in particular bananas and other fruits. Freshfel was active to ensure a smooth transition from the old multilateral regime to the new bilateral agreements. In September 2014, new trade agreements also entered into force with Moldova and Georgia.

Agreements with some other important trade partners (Canada, Ecuador, Ukraine, Singapore) were recently concluded and are now waiting for legislative approval. For Ukraine, the EU has agreed to grant the import preferences already since April 2014, but Ukraine is only obliged to apply preferential tariffs to imports from the EU after December 2015. Meanwhile, the EU continues negotiations for further bilateral trade agreements with many trade partners. Freshfel has been very active in several bilateral negotiations, intervening in different fora of the European Commission to raise the voice of the EU fruit and vegetable sector.

Improving trade opportunities

Some countries that lost tariff preferences

Brazil
Argentina
Uruguay
Venezuela
Malaysia

General Scheme of Preferences

Many other EU trade partners lost preferential access to the EU market on 1 January 2014 as a result of a change in the EU's General Scheme of Preferences. The EU decided that preferences should be for those trade partners which really need them, and stopped preferential market access for those countries that have recently increased their general wealth level. Therefore, most South American countries and many countries in the Middle East or Gulf region lost their trade preferences. The EU is still negotiating a free trade agreement with Mercosur (Brazil, Argentina, Uruguay, Paraguay).

Economic Partnership Agreements

In 2014, the EU has concluded two important Economic Partnership Agreements (EPA) with regional groupings in Africa. Agreements with Southern African countries (SADC) and Western African countries (ECOWAS) were concluded in the summer of 2014. The agreements ensure continuous duty-free access to the EU market for ECOWAS and SADC countries. In return, the countries will have to gradually open their own markets to the EU over the next 25 years. In the short-term, the agreements ensure that some countries (Namibia, Ghana, Ivory Coast, Swaziland, Botswana, Cameroon) keep their current tariff preferences and are not put into a higher tariff category. Meanwhile, EPA negotiations with the Eastern African Community (EAC) have not been concluded yet. For Kenya, this means that tariff levels will increase on 1 October 2014 and remain at this higher level until the EPA has been concluded and ratified.



Freshfel's Export Division group reviewed the latest developments on bilateral agreements, SPS market access and related issues.



Improving trade opportunities

Russian ban

On 6th August 2014, The Russian Federation announced an embargo worth 7.5 billion EUR on import of agricultural products from several G7 countries which implemented sanctions against Russia following the crisis in Ukraine. The EU is the most affected with a trade of 5 billion EUR. For the EU, the fruit and vegetables sector is the primary sector with an export of 2.2 million T worth 2 billion EUR. This ban is particularly significant as Russia is suspending import from its main suppliers. This is expected to have huge implication for EU and Russian operators, but also internationally in regard to trade flow and market prices in the EU and internationally.

The Russian embargo came on top of an already complex situation for several fruit and vegetables. During the summer 2014, the summer fruit season was complex due to overlap of supply from the different production regions while difficult market conditions were also registered for several vegetables.

After the announcement of the Russian ban, the Commission rapidly adopted a series of measures to address the peaches and nectarines crisis (30 million EUR) to monitor supply of the products mostly affected by the ban (125 million EUR in the first package and adoption of a second package). At the same time, the Commission is allowing new budget for promotion, namely for 2014 an increase of the EU budget for the promotion of agricultural products to cope with additional calls for promotional activities for sector like the fruit and vegetables sector. Freshfel is also carefully evaluating with the Commission services short/medium term actions that could be taken open up new market to diversify the export destination for EU fruit and vegetables.

Wholesale and food services perspective to enhance trade

The Wholesale and Foodservices Committee of Freshfel also contributed to the work of strengthening trade in fruit and vegetables through the experience and added value of the wholesale business. The committee conducted in November 2013 a SWOT analysis of the European wholesale business and identified trends and expectation for the upcoming ten years. The reviews covered skills of people, technological development, diversification of services, and knowledge of the products. These added values could contribute to exploring new segments of availability of fresh produce and hence encourage consumption. Besides, the Committee also reviewed the trends on Wholesale Markets in the main Western EU countries. The committee will make an annual update of the trends both on foodservice development and on wholesale markets.





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Customs issues

Reviewing customs clearing practices under the Entry Price

Taking the momentum of the last CAP reform, the EU initiated a review of its Entry Price System and the classification of produce under the Standard Import Value (SIV). While the legislative process should be dictated by matters relating to the general interest, the Commission initiative and the discussion at the Council was aiming to respond to a specific case (Moroccan tomatoes). After several months of discussion, Art 181 of Council Regulation on Single CMO and Art 137 of Regulation 543/2011 were amended and Commission Delegated Regulation 499/2014 was published in March 2014. According to the new provisions, the customs values of the goods (with a focus on tomatoes) imported on consignment will be exclusively determined by the daily Standard Import Values (SIV). The Commission however reminded the Member States that the daily notification of tomato market prices should refer to all categories of tomatoes marketed on the reference market. Concretely, this implies that the price notifications should include not only round tomatoes but also all the other segmentations of tomatoes.

With a view of avoiding unnecessary administrative burden for operators and customs authorities, imports without a final invoice for the lot at the time importation (case of minimum guarantee, account sales,..) should continue to be eligible for the use of the SIV. The new regime will come into force on 1st October 2014. Freshfel will closely follow its implementation and avoid any trade flow distortion or unnecessary or unjustified administrative burdens for the trade or customs.

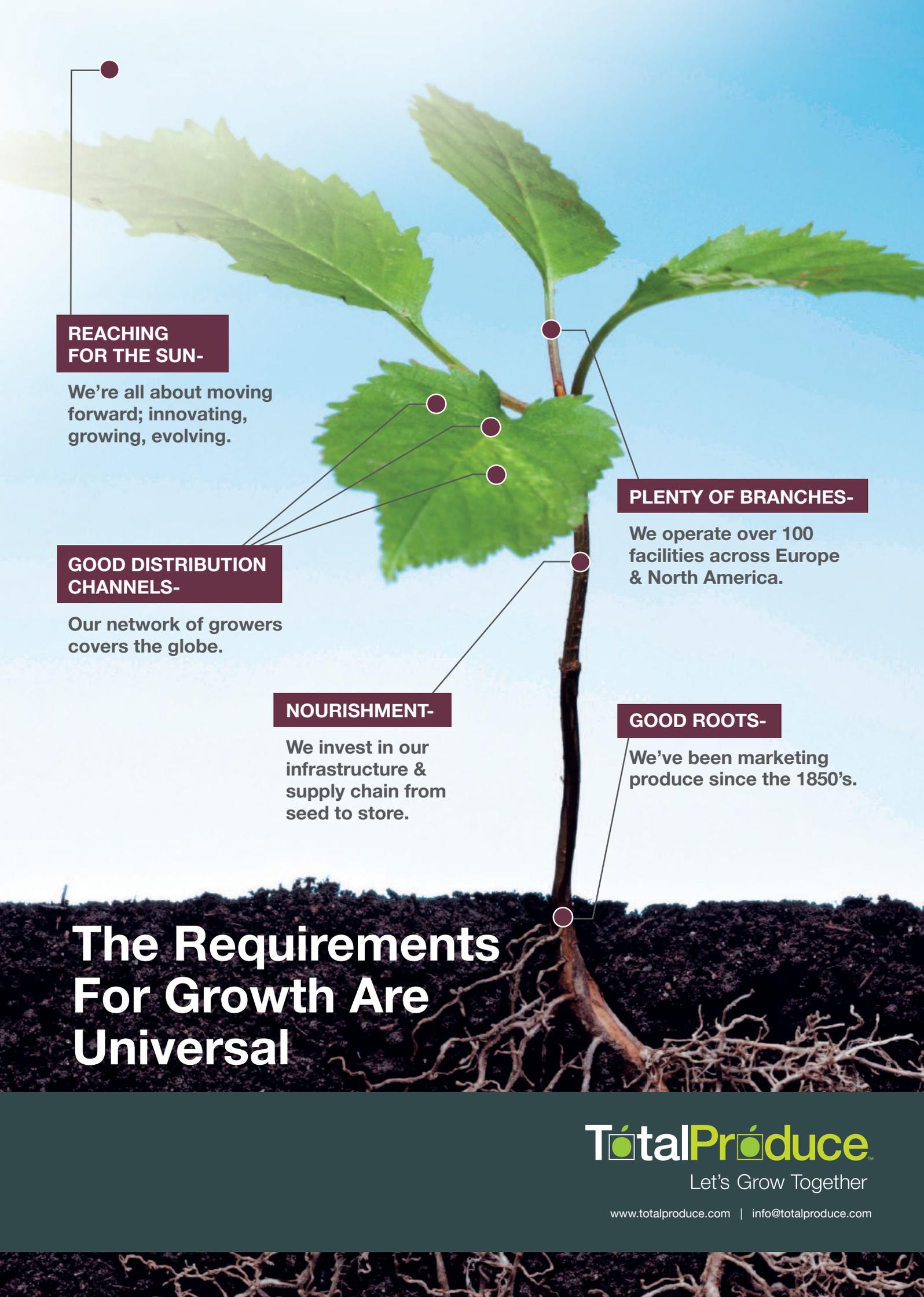
Customs and paperless

The switch from paper-based to electronic customs and trade formalities holds enormous opportunities for the fresh produce sector. The European Commission publishes a Multiannual Strategic Plan (MASP) about the development of electronic customs procedures every year. This document shows all ongoing projects and timelines. The Commission is also busy preparing a general revision of the EU Customs Code that will introduce several new opportunities for traders.

Some ongoing electronic customs projects	
Name	Purpose
Electronic organic certificates	Phase out paper organic certificates and introduce electronic certificates
Single National Window	Make it possible to lodge trade information only once for operations in all EU member states
Registered Exporter System (REX)	No more forms of preferential origin from GSP beneficiary countries are needed. The trader will provide the origin information
eManifest	Goods that have undergone EU import formalities in a first EU port would not have to repeat these when they are unloaded at a second EU port, even if the ship has called at a non-EU port in between

Full list of projects available at http://ec.europa.eu/taxation_customs/resources/documents/customs/policy_issues/e-customs_initiative/masp_annex2_en.pdf

Freshfel has been actively involved in the Trade Contact Group, a dialogue forum between traders and the European Commission directorate for taxation and customs. The association is also involved in a working group of the Trade Contact Group which accompanies the implementation of one of the projects, the Single National Window.



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Freshfel activities in pictures



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Moving ahead – Freshfel Manifesto

1. **Encourage competitiveness of European fruit and vegetables production:** A great variety and diversity of fruit and vegetables should be 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 f&v 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 sanitisers 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.
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 in FTA as well as excessive protocols imposed by third countries which often have a less burdensome condition to access the EU market. More reciprocity is demanded, while Europe should also remain an attractive market in a more global environment. More efforts should also be undertaken to enhance intra-EU trade, using among others the benefits of the wholesale network and enhancing the presence of fresh produce in the food services sector.
5. **Securing efficient health and nutrition policy:** This would imply 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 reform of the EU promotion policy for agricultural products should be encouraged and come into force at the earliest possible. 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. Avoid the merger of the European School Fruit Scheme (SFS) with any other scheme in the absence of scientific evidence proving the interest of such a merger would preserve the specificity of our sector.

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

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