

Freshfel Europe response to the European public consultation on the EU promotion policy review on agriculture promotion inside and outside the EU

Freshfel Europe recommendations to increase efficiency, coherence and EU added value of the promotion policy and better inform and promote the benefits of European sustainable production and consumption of fresh produce

23 June 2021

Freshfel Europe, the European Fresh Produce Association, welcomes the opportunity to comment on stakeholder's public consultation relating to EU promotion policy for agricultural products on the EU internal market and third country markets.

Freshfel Europe represents the interest of the whole supply chain of fresh fruit and vegetables in Europe. Based in Brussels, Freshfel Europe voices the perspective of the sector in a wide range of European policy issues including the common agriculture policy, trade, food safety and quality as well as nutrition and health. The EU promotion policy but also other topical issues such as the EU Green Deal ambition and the Farm to Fork Strategy are also among the key priorities on Freshfel Europe's agenda.

Based on the expertise of the sector on promotion and quality matters, a representative of Freshfel Europe is currently holding - through SACAR - the Chair of the Civil Dialogue Group for promotion and quality.

Freshfel Europe is registered in the EU transparency register of interest representatives under reference n° 1637225479-02.

This position paper on the reform of the promotion policy is covering the following aspects in addition to Freshfel Europe response to the questionnaire set for the stakeholder's consultation.

- A business context calling for a stronger promotion policy for fresh fruit and vegetables
- A political context calling for a stronger promotion policy for fruit and vegetables
- Challenges and opportunities for promoting fresh fruit and vegetables
- Adapting the promotion policy to changing societal and business environment
- Building a new promotion policy in coherence with EU policies and initiatives such as Farm to Fork Strategy, Europe's Beating Cancer Plan and nudging consumers to healthier diets
- Setting a budget at the level of the ambition needed to successfully support the promotion and information of agricultural sector and fruit & vegetables sector in particular
- Streamlining the implementing model – simplify the administrative burden for running programmes

A business context calling for a stronger promotion policy for fresh fruit and vegetables

The fruit and vegetable production for the fresh market is around 85 Mio T, out of a total production of 125 Mio T. Production is very diversified, being present in all EU member states under different climatic and growing conditions. The consumption is primarily local and regional, then national, European and international. Fresh produce is primarily consumed according to European seasonality. Producers' organizations and trade secure for consumers across the EU a very much-demanded complementary assortment with EU and international produce to enable a highly diversified and healthy diet year-round.

A robust intra-EU trade is covering around 30 Mio T (27 Mio T post Brexit) of fresh produce moved every year across the EU. Spain, The Netherlands, Italy, France and Belgium are the main shippers, while Germany and France (and formerly the UK) the main recipients. This intra EU exchange secures the diversity of consumer's choices of quality fresh produce from across the European Union.

EU production is also widely valued in third country markets with exports of 5 Mio T (8 Mio T post Brexit) to more than 150 destinations. The Netherlands, Spain, Italy, France, Poland and Greece are the main but not exclusive EU exporters.

Besides, third countries' imports (15 Mio T – 12,5 Mio T post Brexit) provide (sub)tropical and counter-seasonal production allowing year-round supply.

Altogether, the fresh produce sector is generating a labour-intensive business (> 5 million jobs) and an economic activity worth more than €200 billion on a yearly basis.

According to the latest [Freshfel Consumption Monitor](#) published in early 2021, the EU average per capita consumption stands at 363g per person per day, well below the minimum recommendation of WHO of 400g per day. Consumption is the highest among the elderly people which drive the EU average to a level that do not reflect properly the lack of consumption among most of the youngest consumers (200gr or less). While consumers belonging to the category of "Baby boomers" and "Generation X" are relatively good with their consumption levels, more efforts and attention need to be addressed towards tomorrow's consumers part of generation Y (millennials), generation Z (zoomers) and upcoming generation Alpha.

In these efforts to stimulate consumption, one should bear in mind some of the disadvantages of the fruit and vegetable sector, in particular:

- The fresh produce sector is dynamic and competitive but highly fragmented.
- The sector operates with limited brand. The small margins of operation lead to a scarcity of own financial resources to engage in promotion and marketing activities compared to other more heavily branded sectors. Sometimes these sectors with huge financial promotion resources are heavily competing with fresh fruit and vegetables, -possibly even using the fresh produce image - despite also potentially being less healthy and less sustainable foods option.
- The fruit and vegetables assortment is not homogeneous, being composed of a great diversity of products, with many different varieties, origins, packaging, size, quality and certification
- Products are usually "generic" , more and more sold loose and usually unbranded
- Sales are in many places done unpacked and in bulk, which does not facilitate marketing.
- Great diversity of consumers attitudes towards fresh produce, reflected in differences of consumption between elderly people, the millennials and the youngest and also differences among Member States

- No homogeneous communication from the sector with multiple generic communication campaign across the EU from 5 a day, 6 a day, 2x3 a day, half of the plate. This is not facilitating a pan-european communication and economy of scale for generic promotion.
- Buying by consumers is often based on impulse in the shop. The development of online sales will require adaptation in selling and marketing techniques, including tastings.

The EU promotion policy is therefore an essential tool for fresh produce to address some of these challenges.

The sector highly values the great benefits of an EU well-funded promotion policy targeting both the internal and international markets. It is estimated that the EU funded programmes are today contributing to up to 10% of the total annual promotion budget (private and public) dedicated every year by the fresh produce sector to promote fresh fruit and vegetable inside the EU and internationally towards trade/retail partners and consumers. The total promotion budget of the sector is estimated up to half a billion €.

The current Regulation 1144/2014 demonstrated its capacity for the fruit and vegetables sector to successfully promote and inform about the quality of EU agricultural products both on the internal market and on third-country markets. The upcoming reform provides opportunities to further improve the benefits and EU added value of the policy. The evaluation of the policy under regulation 1144/2014 could be briefly summed up as follows for fruit and vegetables:

- the fruit and vegetables sector has been one of the most active in presenting successful programmes leading the sector represented by Freshfel Europe to be one of the largest beneficiaries of the policy. Many associations and producers' organisations successfully conducted promotion and information campaigns across the EU and around the world.
- around €35 Mio per year were allocated to the promotion of fruit and vegetables either as simple or as multi programmes. During the period 2016-2020, the sector successfully conducted more than 70 influential promotion and information campaigns across the EU and around the world. The total value of programmes over the period 2016-2020 was more than €180 Mio. The Belgian, French, Greek, Italian, and Spanish sectors were the most dynamic is engaging in close to 60 of the 70 programmes.
- some concrete examples of successful programmes (simple and multi as well as internal market and third countries) were presented in the recent [conference on 9th June](#) organized by Freshfel Europe with COPA COGECA. Commissioner Janusz Wojciechowski delivered a keynote speech at that conference.

A political context calling for a stronger promotion policy for fresh fruit and vegetables

More than ever before there is a policy and a societal momentum to stimulate the consumption of fruit and vegetables. The following aspects give an even stronger evidence for Freshfel Europe's advocacy in favour of a robust, well-focused and well-funded promotion policy for fruit and vegetables:

- The fresh fruit and vegetables sector is a buoyant business inside the agriculture sectors, contributing around 20% of the agriculture market value in the European Union, while only accounting for 3 or 4% of the EU agriculture budget. The support to the sector is therefore very limited compared to other more funded agricultural sector. While a (small) part of the operational programme of the producers organizations are dedicated to promotion and some communication activities also take place within the school scheme, this remains a very limited budget. The dedicated budget for fruit and vegetables within the promotion policy is therefore fully justified, should not be discontinued and increased to the level needed to reach an healthier diet for European citizens.

- The [2018 Tartu call](#), and subsequently the Farm to Fork strategy are aiming at encouraging a plant-based diet. The [International Year of fruit and vegetables](#) and the new interest of consumers during the COVID crisis for fruit and vegetables, are some of the reasons why more resource should be made available for fresh fruit and vegetables promotion in line with the [Tartu Call for Healthy Lifestyles](#)
- European [School scheme](#): The youngest population is the one consumer category with the lowest level of consumption. Educating children to the taste, texture, and diversity of fresh fruit and vegetables is an important steps. Freshfel Europe in 2009 strongly advocated for the setting of such a scheme. Actions towards the youngests should not be discontinued. Freshfel Europe welcomes the upcoming opportunity to review the scheme and further reinforce the school scheme and properly educate the consumers of tomorrow.
- [EU beating cancer plan](#) : Prevention is always better than cure. There is a wealth of scientific research that demonstrate the important role of fruit and vegetables in an healthy diet and in the prevention of many non-communicable diseases and many other health distortion. Investing in prevention could lead to huge saving for social security in seeking remedies to health issues of the European citizens. The budget for fruit and vegetables promotion is in no way comparable to the huge burden for national security of the member states of unhealthy eating habits. The health benefits of fresh fruit and vegetables are multiple and undisputed. WHO recommends a minimum consumption of 400g per day as part of a healthy diet. More information on the health benefits of fruit and vegetables can be viewed on:
 - WHO ([minimum recommendations of 400 gr of fruit and vegetables](#))
 - Aprifel ([health information](#))
 - Aprifel ([nutrition information](#))
 - EGEA conference ([scientific perspective](#))
- The [WHO Global Strategy on Diet, Physical Activity and Health](#) emphasizes insufficient intake of fruit and vegetables to be a direct cause of non-communicable diseases (NCDs), and that eating a diversity of fruit and vegetables as part of a daily diet not only can prevent the onset of NCDs but can also ensure an adequate intake of many micronutrients, dietary fibres and essential non-nutrient substances. Stimulating consumption of fruit and vegetables from its current low levels across Europe is vital to prevent the continued rise of NCDs. This will not only improve the overall wellbeing of EU citizens but will also decrease the substantial economic burden on Europe's health and social systems and promote the productivity and growth of the European economy.
- DG SANTE European Commission Thematic Network on '[Stimulating fresh fruit and vegetable consumption for healthier European consumers](#)' was led and concluded in 2018 by Freshfel Europe. The report highlights the health challenges of under-consumption of fruit and vegetables and the urgency to stimulate consumption for healthy diets. In total, 44 recommendations were released. All of them are today very concrete and topical. Freshfel Europe's/European Commission Thematic Network recommendations are reference in the [EU Health Policy Platform](#) and also accessible here: [Freshfel Europe's 44 recommendations of 2018](#). More information and the report are available [here](#).
- Environmental sustainability is a key parameter that is and will be more and more reflected in information and promotion activities. Fruit and vegetables have a clear advantage that should be value in regard to CO2 emission, energy, biodiversity, water, In a time of the climate challenges, Freshfel Europe advocates for a robust promotion policy as a [tool to further enhance production, trade and consumption of products](#) that are best contributing to:

- The European Green Deal's ambition which aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient, and competitive economy which takes into account societal concerns on sustainability issues and is also supportive of the European Commission's ambitions to enable Europe to be the first climate-neutral continent by 2050.
- The Farm to Fork Strategy, which moves the EU towards the European Green Deal's objective in securing the strong contribution of the agriculture sector and its supply chain to the strategy, among others towards a plant-based diet, without excluding all other agricultural products that altogether contribute to a healthy and balanced diet.
- The Sustainable Development Goals (SDGs) of the United Nations throughout the supply chain the fresh fruit and vegetables sector is contributing to many of these 17 goals that contribute to transform the world and especially our food systems.

Challenges and opportunities for promoting fresh fruit and vegetables

Most of our challenges are representing opportunities for our sector is handled properly by the sector. Three specific challenges are underlined below, indicating how it could then turn into very concrete opportunities:

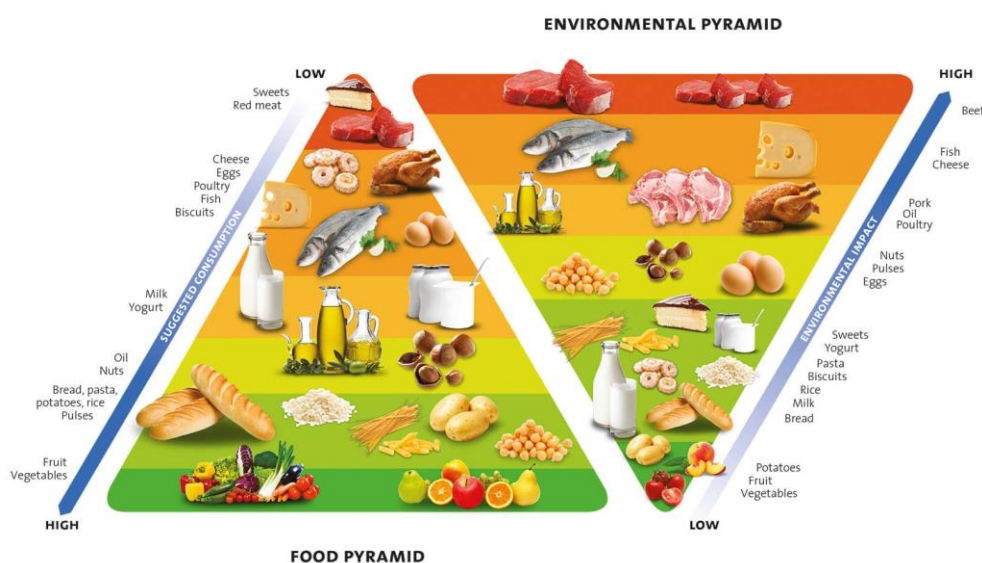
- The fresh produce play an important role as "public goods", with multiple assets from an environmental and health perspective. The pro-active promotion of these assets could help sustaining competitiveness of the sector and to value fresh produce assets, the quality investments and the adjustment to new regulatory and societal requirements undertaken by the sector. Among the emerging parameters, environment and health are of particular relevance. Moving towards a more sustainable diet is much demanded by consumers. As per the recent special [Eurobarometer 505](#) "*Making our food fit for the future – Citizens' expectations*", consumers think primarily and by a large majority that an healthy diet is above all a diet eating more fruit and vegetables (58%) and a sustainable diet is what is healthy for the consumer. (74%).
- The average consumption of fresh produce on the EU market is around 363 gr/capita/day, still well below the minimum recommendations of WHO of 400 gr/capita/day. Promoting fresh produce on the EU market remains of paramount importance to secure a healthy diet with multiple benefits for the environment and for the health of European citizens, in particular because a very large part of the EU population has very low consumption intake might be well below 200 gr/capita/day. Action should be taken, in particular in the promotion policy to secure an holistic approach and an all encompassing policy to cover product in the most generic way and target the largest possible scope of consumers. The promotion policy should not be targeting niche production (e.g. organic) for niche consumers (the most affluent that could afford themselves to pay premium prices)
- The severe competition on the international market requires a valuable and efficient promotion policy to best position EU fresh produce on the competitive world markets. It is to be reminded that 95% of potential consumers are outside the EU's borders. Securing a dynamic, efficient, and well-targeted promotion policy on the external market is a strategic approach to sustain competitiveness of EU fruit and vegetables globally. Promotional and information activities should cover a wide range of options from B2B, B2C as well as pre-competitive political marketing activities to open new markets and raise awareness of the strengths of EU production methods and the plant and food quality assets resulting thereof. Political marketing activities, in line with the Commission own initiatives are very important and will be an excellent hook for collective pre-competitive actions and therefore very attractive to stimulate multi programmes on third countries markets.

- The fruit and vegetables sector is still confronted with multiple challenges to access third countries market, in particular due to market access issues (see Freshfel Europe latest report on [SPS barriers](#)) and also an intense competition on growing emerging markets around the world, namely in Asia, Africa or Latin America. Freshfel Europe has been involved in and has actively supported in the past years the European Commission Own Initiative on third country markets. The High-Level Missions of EU Agriculture Commissioner allowing political marketing for agricultural products and assistance in the market access process were proven to be particularly relevant and successful. These activities should not be discontinued and even reinforced. The mere fact that 95% of “consumers are outside the European Union justify the relevance of not only looking at the “local” consumption but also supporting the European fruit and vegetables to be competitive and visible in third country markets.

Adapting the promotion policy to changing societal and business environment

Fruit and vegetables are the fundamental pillars of the food pyramid both from an environmental and health perspective. The Barilla Foundation confirms this important role of fruit and vegetable as follows: *“The double food and environmental pyramid model developed by the BCFN Foundation emerged from research and an evolution of the food pyramid, which forms the basis of the Mediterranean diet.”*

This double pyramid clearly demonstrates the undisputed position of fruit and vegetables for its health benefits and for its low environmental impact aspects.



- Fruit and vegetables as a response to environmental challenges: Fruit and vegetable have low environmental impact production in regard to many aspects. Compared to other food categories fruit and vegetables have highly minimized environmental impact with environmental footprints illustrating low CO2 emissions, energy use, land and water usage and low use of “intrants” such as PPP and fertilizers. The sector has in place limited and responsible use of actives substances and fertilizers, responding to societal and consumer expectations. Organic production as well as other sustainable methods of production based on GAP/IPM practices have been widely applied for more than 20 years in the sector, leaving the share of “conventional” (but totally safe) production very marginal. Moreover, the sector is also engaged in reviewing its packaging practices to cope with the

EU plastic and waste minimizations strategies. Fresh produce therefore provides multiple “public goods” benefits ranging from high environmental standards and health assets allowing European consumers to adopt a healthy and nutritious diet at affordable prices. While being already engaged for more than 20 years in this sustainable process through the development of Good Agriculture Practice, Integrated Pests Management and the growth of organic agriculture, the pace of evolution towards sustainability needs to follow the capacity of production and consumer demand to continue to adapt while educating consumers to change their eating habits and diets and understand its benefits.

- Fruit and vegetables as a response to health challenges: The multiple health assets of fresh produce and the high level of research and findings were already raised above. While there is a wealth of evidence on the health benefit, the sector remains with a limited scope of actions to communicate about the health and nutritious benefit of its products. The health and nutrition claim legislation remains a major barrier for the communication of the assets by the sector itself. The scope of the current dedicated budget for fruit and vegetables in the promotion policy focusing primarily on health should be broadened to cover other aspects linked to convenience, pleasure, taste, texture, fashion,....

Building a new promotion policy in coherence with EU policies and initiative such as Farm to Fork Strategy, Europe’s Beating Cancer Plan and nudging consumers to healthier diets

While building the new promotion policy, several elements are underlined by Freshfel Europe to secure the best coherence and efficiency of policies and actions:

- While Freshfel Europe makes its advocacy for its own sector, it is important that the EU promotion remains encompassing of all key agricultural (primary) products to be enjoyed as part of a healthy and balanced diet and be part of a sustainable production and consumption approach.
- Given the evolving societal concerns and the role that fruit and vegetables play in the different societal strategies that will be driving policies during this decade, Freshfel Europe supported in the Inception Impact Assessment the Option (2) which focuses on important strategies such as Farm to Fork Strategy, Europe’s Beating Cancer Plan and nudging consumers to healthier diets. Freshfel Europe therefore supported the focus of this option for such a policy change:
 - On the EU internal market, this option would focus on promotion and information measures in support of sustainable agricultural production and consumption, in line with the Farm to Fork Strategy and Europe’s beating cancer plan, nudging consumers to healthier diets.
 - On the non-EU markets, the focus of promotion and information measures would be more centred on the international dimension of Farm to Fork and the EU agri-food sector’s competitiveness.
- Common Agriculture Policy objectives (competitiveness of agricultural products) and sustainability aspects should remain important drivers and priorities of the revised promotion policy. However, other strategies and policies should also be taken into account to keep good coherence with national, European or international policies and initiatives. In this respect and on a non-exhaustive basis, one could underline the following initiatives and actions, which should be taken into account for policy coherence.
 - European policy and initiatives: coherence with environmental and health strategies e.g. with the Plant based diet of the farm to fork, the EU beating cancer plan, with the fruit and vegetables school scheme, the Tartu call for healthy lifestyle.

- National policy and initiatives: this would include a good complementary situation between the EU funded promotion programmes with more specific national origins support on domestic or international market. A particular point is also that national initiatives to “buy” local proliferating (among other as a result of the COVID-19 pandemic) should not undermine the principle of the Single Market.
- International policy and initiatives: the EU promotion policy should also be coherent and supportive of actions such as those of FAO , in particular building in the future on the benefits of [2021 International Year of Fruit and Vegetables](#) or on the recommendations of the [WHO Global Strategy for Diet, Physical activities and Health](#).

Setting a budget at the level of the ambition needed to successfully support the promotion and information of agricultural sector and in particular the fruit & vegetables sector

To be successful, the budget dedicated to the promotion policy needs to be at the level of its ambitions.

- Financial resources need to have the capacity and incentive to effectively stimulate consumption patterns that lead business and supply chain practices towards sustainable production and consumption. The budget decreased for promotion in 2021 (ca 10%) in the midst of the COVID-19 crisis was a step in the wrong direction. The economic crisis resulting from the pandemic will have far reaching implications well beyond the entry into force of the new policy and sales support will be much needed to adjust to a new local and global environment to cope with changes.
- Moving towards a new or reshaped promotion policy, trade and consumption need to be sustained. The budget decrease must be reversed, moving back to €200 Mio as the starting point towards even more significant budget to have an efficient and effective policy with EU added value. Due to the health risks caused by the outbreak of Covid-19 and the importance of a healthy diet in this context, the promotion of fruits and vegetables has become more important than ever before. Keeping a well-funded and seeking an increased budget for the promotion of agricultural products is a must. Keeping a dedicate line for fruit and vegetables is of paramount importance and should also be considered to be increased, not only fully justified by the health and environmental assets of fresh fruit and vegetables, but also considering that the fruit and vegetables sector is one of the less funded in the CAP.
- Given the supportive role of the fruit and vegetables to achieve environmental and health challenges, Freshfel Europe advocates for a “positive” discrimination towards products that most contribute to Europe’s ambitions to address these challenges. Fruit and vegetables should therefore continue to be granted with a dedicated and significant budget. At the same time, other facilitations (e.g. co-financing rate) to enhance promotion and information activities in the fruit and vegetable sector should also be evaluated and introduced as appropriate.

Streamlining the implementing model – simplify the administrative burden for running programmes

Based on the current experience relating to the management of the promotion policy under Regulation 1144/2014 Freshfel Europe is keen to make some proposal for management adjustments to seek a greater efficiency and a more homogeneous application of the policy across the EU. The role of CHAFEA (now REA) is a very useful support, granting skilled advices to stakeholders, conducting studies and implementing action . The role of this Agency should be continued and reinforced in support of a policy implemented in the most homogenous way across the EU.

Building on its current experience, Freshfel Europe will support actions that can further improve and simplify the smooth running of the programmes for its beneficiaries. Aspects that should be considered for improvement:

- Programme management - more unification of management between simple and multi programmes: The discrepancies between the management of simple programmes and multi programmes should be evaluated. For a more homogenous approach and to prevent discrimination in management and reporting support for programmes presented in Member States with limited management capacity, it should be reflected that if all programmes should perhaps be moved under the direct management of the EU.
- Logos and image - more usage flexibility: Logos to be displayed for the identification of the campaign should be simplified and adapted according to the type of material used. The multiplicity of logos displayed is often confusing. More flexibility should be allowed, for instance as far as the compulsory inclusion of both the EU flag and the 'Enjoy it's from Europe' logo in all the material. Besides, operators are constantly advocating for having also the possibility to highlight their country of origin's flag, in particular in third-country markets for the efficiency of the campaign.
- Annual work programme and priorities - more simplification: The Annual work programme should be built in close cooperation with stakeholders, who are best placed to identify market expectations. One should avoid too many subcategories in third-country markets to keep flexibility and capacity of adjusting to changes in market conditions.
 - a) On third countries, the focus should be on the "destination", there should be no reserved budget for a specific quality option (e.g. organic as per the AWP 2021). Targeting the country leaves the campaign to be focused with the necessary flexibility to adapt to the realities and competitiveness of the different international markets. It should also support opportunities emerging in third-country markets accompanying FTAs, but also supporting activities in other large markets where those free trade agreements are not (yet) in place (examples include India, China, several South East Asia countries, USA, Mercosur).
 - b) On the internal market, the promotion and information in a campaign could be influenced by priorities and actions resulting from the Farm to Fork Strategy and societal and health concerns. The approach towards these priorities should be done in a holistic approach and not segmenting or discriminating among the different response on the "sustainability" efforts or concepts. While stimulating competitiveness and underlining the quality assets of EU agricultural products, the promotion policy should widely remain generic and avoid a policy targeting niche segments that are mainly directed towards the most affluent consumers. The promotion policy should remain supportive of the agricultural sector's competitiveness, keeping up with market expectations and demand to contribute to market balance.
 - c) The balance between multi/simple and EU/third-country markets should be part of the evaluation process.
- Quality scheme - more proportionality in budget according to the market size of these schemes: While understanding the specific value for some sectors of EU quality schemes, such as PGI and PDO, and to some extent organic, these segments remain "niche production" for "niche consumers". While a dedicated budget could be set up to promote these categories, it should consider the market outreach. The 30% budget in the AWP for promoting organic products is disproportionate to the market reality, in particular for international markets. It is also not reflecting the financial capacity of the structure of the organic sector to sustain the costs of the campaign. The policy should have the largest outreach in its B2B and B2C to maximize the return on investment.

- Rapidly evolving business environment - more capacity needed to quickly address crises and reposition markets towards new opportunities: The food sector and fruit and vegetables in particular are more and more exposed and sensitive to rapidly changing business environments due to their high perishability. In recent years many events have taken place with far reaching implications, which required prompt response from the sector. This includes, the Russian embargo, EHEC crisis, different climatic havocs impacting supply, sanctions resulting from trade wars such as Boeing – Airbus, Brexit, the COVID-19 pandemic and also the evolution of purchase patterns (e.g. movement towards e-commerce) and adaptation of communications (e.g. role of social media in communication). All these business evolutions require flexibility in the promotion and information tools for repositioning activities as appropriate and promptly engineer alternative market solutions to minimize the impact of crises in a timely manner.
- Beneficiaries - more uptake across EU and selection transparency: An exceptionally large proportion of selected programmes are allocated in a small number of Members States. An evaluation of the attractiveness of the policy should be made in understanding the reasons behind these differences and why the policy is not attractive enough across the EU, including structure, financial capacity, complexity of relations with national administrations, workload etc.. Besides, improvement might be required on all the selection criteria and their valuations to secure a level playing field among the applicants across the EU. A more centralized system of selection for simple and multi programme is recommended.

Freshfel Europe thanks European Commission for taking into consideration its arguments and remain available for further clarification and information.
