

EU produce supply chain long-term stability in doubt amid increasing burden – Freshfel

The European Fresh Produce Association (Freshfel) says it's concerned over the increasing financial burden on the EU produce supply chain and its long-term stability amid the Covid-19 pandemic.

The group said that despite providing an uninterrupted supply of fresh, safe and high quality fresh produce to consumers throughout the pandemic so far, the European fresh fruit and vegetable sector is facing "significant challenges".

Although the sector is well organized and committed to its responsibility to provide fresh produce, the effects of the pandemic are being felt by all actors in the supply chain, it said.

The availability of seasonal workers in the EU produce sector is still insufficient in many places. This workforce is key for planting, preparing orchards, preventing non-harvesting and picking quality products now and later in the year.

Efficiency in orchards and packhouses has decreased due to social distancing rules and with the provision of safety equipment and new packing requirements other challenges are being encountered.

Growers in particular are being confronted with a significant increase of new necessary costs, often by more than 10%, which are not being entirely returned or compensated, Freshfel said.

Logistics costs have also increased by around 20-30% due to empty returns of trucks and longer journey times, further impacting the EU produce sector.

"Besides this, significant market loss is being experienced with the closure of the European food service industry and street markets, with



wholesalers consequently also losing a significant amount of business," the association said in a release.

"In total this market segment covers 25% of fresh produce consumption and retail chains are not absorbing all of this volume. Retailers have also had to adapt stores with personal safety measures such as flexi-glass at cashiers and limiting shopper numbers in store."

In addition, risks for products to be successfully exported globally are increasing and importers are experiencing high uncertainty in terms of delivery and time required for documentation checks.

"This increasing burden on the supply chain is set to have considerable ramifications for the long-term stability of the sector," Freshfel said.

In light of mounting uncertainty about the future of the sector, Freshfel Europe calls for continued and new support measures for the EU produce sector to secure the supply of fresh fruit and vegetables to consumers over the coming summer months and into the latter half of 2020.

At the start of April the European Commission secured an operation framework for intra-EU trade and measures for seasonal workers, however no further support has been granted under the Common Agricultural Policy (CAP) to producers and producer groups to reflect current increasing costs to guarantee the continued supply of fresh, safe and high quality products to consumers.

More incentives through CAP instruments on top of those released by the European Commission on 6 April 2020 are needed for the sector, especially for growers, to cope with the current financial pressure. As an essential good, maintaining the long-term supply of healthy fresh fruit and vegetables to the European market is essential.

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