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THE FORUM FOR THE FRESH PRODUCE INDUSTRY

Freshfel Europe

Activity Report
May 2008 - April 2009

This Activity Report provides an overview of Freshfel's work over the past 12 months, covering the period from May 2008 until April 2009.

This work would not have been possible without the active support and input from our members - Thank you!



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THE FORUM FOR THE FRESH PRODUCE INDUSTRY

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List of Members and Associated Members



FOREWORD BY THE PRESIDENT



I am delighted to welcome you to this annual Activity Report of Freshfel Europe. When I took over the Presidency of the Association in May 2008, the business outlook was promising. Fresh ideas and a renewed optimism were gained during FRESH 2008 which took place in Antwerp. Market trends were more positive, the sector had innovative ideas for communication and image, new ideas for research were in progress and the sector was moving into a new Common Market Organisation with open doors for a school fruit scheme. But as the summer came a number of challenges were darkening this nice picture: the first signals of a deep financial and economic crisis, new challenges for market access in Russia - one of the fastest moving markets for EU fresh produce; the increased complexity and costs of new requirements in terms of food safety, environmental and social concerns, and the on-going stagnation of fruit and vegetable consumption as reported in the Freshfel Consumption Monitor. Finally, our products, despite all of their positive health aspects, remained in the spotlight of the media alleging that fresh produce are too expensive, and are exposing consumers to risks given residues limits. Most of these topics represent challenges for our companies individually, but in many respects these issues could be better tackled collectively by Freshfel.

Throughout this year as Chairman, I noted the important role played by Freshfel in assisting its members in coping with these new challenges and as well as representing the industry's views. The agenda is broad and ranges from agricultural policy to health and safety policy, environment or trade policy. This 2008-2009 Freshfel Activity Report will review the many issues that have been on Freshfel's agenda over the course of the past working year. It covers the period May 2008 - April 2009. Reading this report you will agree that the association has taken a leadership role in timely and professionally representing the interests of the fruit and vegetables sector.

The success of Freshfel's actions in such a diversified range of topics can only be the result of the work of many members willing to cooperate for the benefit and wealth of the fruit and vegetables sector. Many of Freshfel's achievements do not only reflect the hard work of the Freshfel Board and of Freshfel's dedicated Secretariat, but also – and primarily – the positive spirit of cooperation among all of Freshfel's

members and associated members.

Freshfel today constitutes a platform of more than 200 companies and associations with an interest in the European fruit and vegetables supply chain, from producer groups to exporters and importers as well as wholesalers, distributors and retailers. The on-going growth of membership is testimony to the valuable work undertaken by our association for the benefit of the fruit and vegetables sector at large. I would particularly like to underline the important cooperation among members coming from different interest groups, whether producers, importers, exporters or retailers. The cooperation between companies and national associations is also working smoothly for the benefit of the fresh fruit and vegetables sector.

As the diversity and complexity of the many issues facing our sector increases, this spirit of cooperation will be a key asset for the future. Pooling skills together and uniting forces is the best recipe to find collective answers to the challenges faced by the fresh produce business. Many thanks to all the members and associated members for their support and commitment to the activities of Freshfel Europe!

Ramon Rey
ARC Eurobanan / Total Produce
President Freshfel Europe



Freshfel Europe

ABOUT FRESHFEL EUROPE

Freshfel Europe, the European Fresh Produce Association, is the forum for the fresh fruit and vegetables supply chain in Europe and beyond. Its members and associated members are associations and companies that have an interest in the European fresh fruit and vegetable sector, including production, trade, logistics and retailing. Freshfel is a non-profit association established under the Belgian legislation of 1918. The seat of the association is located in Brussels – the headquarters of the European Union. Freshfel Europe is registered in the EU register of interest representatives, a European Commission initiative to increase transparency within the European environment. The Freshfel register n° is 1637225479-02. Freshfel is a membership driven association, with financial resources being mostly generated by the membership fees of its members and associated members.

Freshfel's mission aims to:

- improve the efficiency and competitiveness of the sector
- facilitate international fresh produce trade
- assist members to comply with the highest safety rules
- securing a favourable environment to promote the benefits of fresh produce
- positioning the sector in the new research and innovation policy
- stimulating the consumption of fresh fruit and vegetables

FRESHFEL'S MISSION

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

FRESHFEL'S STRUCTURE

Freshfel Europe is structured around a Board and four Divisions. Freshfel's work is also further developed through a series of committees with dedicated missions. Freshfel organises its work in a flexible manner according to the evolving needs of its Members and to better respond to these emerging expectations. Within the international environment, Freshfel holds physical meetings when appropriate and feasible, and also holds various teleconferences on matters of immediate concern in order to approximate positions and react promptly.





Philippe Henri, Pino Calcagni & Ramon Rey

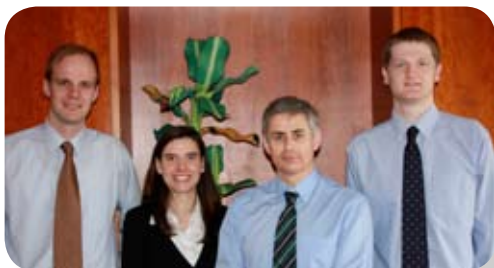
The Board consists of the Association's President, Vice-President and the Treasurer, as well as the Chairmen and the two Vice-Chairmen of each of the four Divisions (Import, Export, Wholesale and Distribution, and Supply Chain). The Board also includes the Chairman of the on Promotion, Communication and Image Committee, the Committee on Food Safety and CSR (Corporate Social Responsibility) as well as the Citrus Committee. All Board members are elected for a mandate period of two years. The Board was renewed by the 2008 AGM which took place in Antwerp (Belgium) on 21 May 2008 for the 2008/2010 term of activities. The Board as elected by the AGM in Antwerp is in principle on duty until 2010. Besides the Board assignments which are ad personam, Freshfel operates in an open manner, inviting all its members and associated members to attend the regular meetings organised by the Association on topical and emerging issues.

FRESHFEL BOARD 2008-2010

President	Ramón Rey	Arc Eurobanan / Total Produce, ES
Vice - President	Philippe Henri	Creno / UNCGFL, FR
Treasurer	Ronan Raes	Bonita Europe, BE
Import Division	Jacques Azoulay	Katopé International / Univeg, FR
	Herbert Scholdei	Kölla Hamburg Overseas Import, DE
	Marc De Naeyer	Trofi bv, NL
Export Division	Willem Baljeu	Frugi Venta, NL
	Daniel Corbel	Cardell / ANEEFEL, FR
	Paco Borrás	Anecoop, ES
Wholesale, Distribution and Foodservices Division	Henri Lambriex	Greencell Ltd, UK
	Nigel Jenney	Fresh Produce Consortium, UK
	Vincent Holveck	Pomona, FR
Supply Chain and Retail Division	Svend Kristensen	Coop Trading, DK
	Francisco Contreras	Edeka AG Fruchtkontor, DE
	Michelangelo Rivoira	Rivoira Giovanni E Figli, IT
Committee on Promotion Image and Communication	Laurence Swan	Fyffes Plc, IE
Committee on Citrus	José Antonio Garcia	Ailimpo, ES
Committee on Food Safety	Andreas Brügger	DFHV, DE

FRESHFEL SECRETARIAT

The daily work of Freshfel Europe is conducted by the secretariat of the Association based in Brussels. Acting as a team, the four staff representatives coordinate the activities of the Association and cover a wide range of skills.



Frederic Rosseneu, Raquel Izquierdo de Santiago,
Philippe Binard, Simon Pettinger

Raquel Izquierdo de Santiago is the Food Policy Advisor following among other issues health and nutrition policy, promotion policy and the European school fruit scheme. Raquel is also coordinating the Freshfel Consumption Monitor and the other Freshfel commitments in the EU Platform on diet, physical activity and health. Raquel is also involved at the secretariat level in the activities of ECBTA.

Frederic Rosseneu is the Food Safety Advisor, following in particular the EU legislation on safety and quality as well as environmental and research policy. Frederic is also an expert on the Common Market Organisation and other CAP developments. Frederic is also involved at the secretariat level following the activities of WAPA.

Simon Pettinger is the Trade Policy Officer. Simon follows in particular the bilateral and regional trade negotiations of the EU, as well as multilateral negotiations of the WTO, customs policy and other market access issues. Simon monitors statistics on trade development, licences and quotas, and also contributes to the coordination of the citrus networking between Freshfel and SHAFFE. On the communication side, Simon coordinates the weekly newsletters and press reviews published by Freshfel Europe. Within the secretariat, Simon is also following the activities of SHAFFE.

Finally, Philippe Binard is the General Delegate of the Association. He coordinates the overall activities of the secretariat and is also responsible for the external representation of the association on the various topical issues on the agenda. He is also the Secretary General of WAPA, SHAFFE and ECBTA., organizations which are all hosted by Freshfel Europe.

To become a member of Freshfel Europe, please contact Philippe Binard, General Delegate of Freshfel at info@freshfel.org. Freshfel resources are exclusively resulting from membership fees. A strong organisation can only be built by gaining the support of all stakeholders in the fresh produce supply chain. Freshfel Europe thanks their members and associated members for their support!



FRESHFEL MEMBERSHIP: A VERTICAL REPRESENTATION OF THE FRESH PRODUCE SUPPLY CHAIN

Freshfel Europe not only incorporates around 200 companies and national associations of producers, importers, shippers and exporters, distributors, wholesalers, retailers and their service providers such as logistics and reefer

transportation, but also seed companies and crop protection companies. Members and associated members are both from within the EU and in countries with an interest in the European fruit and vegetables market. The complete list of members and

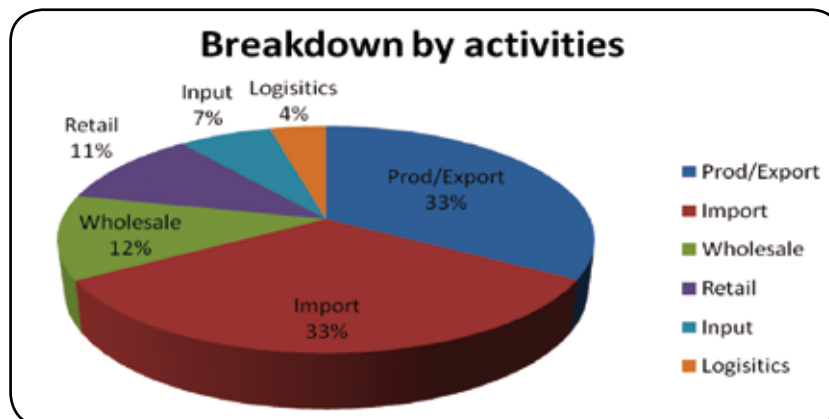
associated members is to be found at the end of this report. Freshfel membership continues to evolve with new members and associated members joining the association. In the last few months, Freshfel was pleased to welcome the Best Fresh Group from The Netherlands, the Union of Wholesale of Central Fruit and Vegetable market of Thessaloniki

from Greece, and Tecnidex, Decco Postharvest Iberica, and 5 al dia from Spain. This wide diversity of new members also confirms the large scope of the Freshfel membership across the supply chain and the growing importance and role of the Association within

the fresh produce supply chain. One of the pending goals of the Association is expanding membership for a wider coverage of the sector in the Member States that joined the EU in 2004 and 2007.

Separately, the Association is looking for ways to foster inter-

national cooperation with its US counterpart, setting up a cross membership agreement with PMA. The membership of Freshfel Europe is today well balanced between its various membership categories and members' focus. This guarantees a good balance of interests and a wide diversity of experience available to the association.



FRESHFEL MEMBERSHIP BENEFITS

Besides granting to the Association the strength of their support and their professional input, Freshfel's members benefit from a wide range of services and advantages. These benefits enable them to get a better grip on the many challenges that face today's fruit and vegetables sector. Amongst other advantages, members benefit from:

- the ability to exchange views and develop common positions with counterparts engaged in similar activities
- the ability to influence the European decision-making process and to attend a number of consultative and advisory meetings mainly with the European Commission and European Parliament
- the networking opportunities offered by an association with an international dimension
- the ability to strengthen the fruit and vegetables sector on the international trade scene and vis-à-vis competing sectors
- the ability to obtain support in accessing and understanding EU legislation
- preferential access to a number of meetings, conferences and congresses
- immediate access to regular information regarding legislative and sector developments
- the access to key statistical data about production, trade and consumption developments and trends
- the services of a multilingual Brussels-based Secretariat for answers to questions relating to the fruit and vegetables supply chain

FRESHFEL AND THE REPRESENTATION OF THE INTERESTS OF THE SECTOR

Freshfel is located in Brussels and represents the interests of the fruit and vegetables sector. In its day-to-day work, Freshfel Europe keeps regular contact with the services of the European Commission, mainly with DG AGRI, DG TRADE, DG SANCO, DG ENVIRONMENT, DG TAXUD, DG RESEARCH, DG ENTREPRISE, as well as the European Parliament.



Members of the College of Commissioners of the EU (2004-2009)

The Freshfel secretariat and members participate on a regular basis in EU Advisory Groups and EU expert Committees whose work touches upon the fruit and vegetables sector. Committees of DG AGRI include the Advisory Committee on Fruits and Vegetables, the Expert Working Groups on Citrus, Apples and Pears, Tomatoes, and Peaches and Nectarines; the Advisory Groups on Promotion, on Organic Farming and on the Quality of Agricultural Production. Freshfel is also represented in the work of DG SANCO in particular in the EU Platform for Action on Diet, Physical Activity and Health, as well the Advisory Group on the Food Chain and Animal and Plant Health. In regard to DG TRADE, Freshfel regularly attends the Civil Society Dialogue meetings on trade issues and the Market Access Advisory Committee. Freshfel is also linked to the EFSA Stakeholders Platform in Parma. In so far as the European Parliament is concerned, Freshfel regularly attends Committee meetings of the European Parliament (Committee on Agriculture, Committee on International Trade, and Committee on Environment, health and consumer protection). Freshfel is also an active member along with AREFLH of the European Parliament's Intergroup on Fruits and Vegetables. Besides this, Freshfel is also accredited with the United Nations organisations such as FAO, WHO, UN/ECE and OECD.

In 2008-2009, Freshfel held almost 30 internal meetings to approximate members' views and issued more than 25 detailed position papers on key legislative developments. Freshfel secretariat and designated member representatives, also attended the various official consultation meetings of the EU.

In 2008-2009, Freshfel was present at the following official advisory bodies of the EU/international community:

- DG SANCO – European Platform for Action on Diet, Physical activity and Health
- DG SANCO – Advisory Committee of the Food Chain
- DG SANCO WG on private standards
- DG SANCO WG on hygiene of foodstuffs
- DG SANCO Stakeholders consultation on Plant Health reform
- DG TRADE – Market Access Advisory Committee
- DG TRADE – Market Access WG on SPS for Asia
- DG AGRI – Advisory Committee on fruit and vegetables
- DG AGRI – Advisory Committee Organic Farming
- DG AGRI – Advisory Committee on Promotion
- DG AGRI – Advisory Committee on the Quality of Agricultural Production
- DG AGRI – Ad Hoc Advisory Committee on the EU School fruit scheme
- DG AGRI Plenary conference on school fruit scheme
- DG AGRI – Experts WG on tomatoes
- DG AGRI – Experts WG on apples and pears
- DG AGRI – Experts WG on peaches and nectarines
- DG AGRI – Experts WG on citrus
- DG ENTREPRISE WG on consumers trends & value
- EFSA – Stakeholders Platform
- European Parliament Intergroup fruit and vegetables
- WTO Public Forum

Besides the official representation of the sector in public forums, Freshfel also represented the voice of the sector or reported the activities/position of the association in several meetings, specifically and on a non-exhaustive basis:

- AGCHEMFORUM (Berlin – DE)
- Agrosimex (Warsaw – PL)
- ANEEFEL AGM (Moissac – FR)
- AREFLH AGM (Bordeaux – FR)
- Blue Whale Food Safety Seminar (Montauban – FR)
- Carbon footprint WG of Productschap Tuinbouw (Rotterdam – NL)
- CELCAA meetings (Brussels – BE)
- Confrontation Europe meeting on food at EU Parliament (Brussels – BE)
- COPA-COGECA Plant Health Seminar (Brussels – BE)
- CSIF AGM (Paris – FR)
- CSO AGM (Ferrara – IT)
- DPA – VBT visit at European Parliament (Brussels – BE)
- ECPA workshop and AGM (Brussels – BE and Paris – FR)
- EGEA conference (Paris – FR)
- Eurocommerce meetings (Brussels – BE)
- Eurocoop seminar (Brussels – BE)
- European Agri food Network (Brussels – BE)
- European Fitness Association (Brussels – BE)
- European Voice Conference – “What role for pesticides in sustainable agriculture?” (Brussels – BE)
- Food Chain Round table on pesticides (Brussels – BE)
- Food chain Round Table on sustainable production and consumption (Brussels – BE)
- Forum Vegetable (Angers – FR)
- Fresh2008 (Antwerp – BE) and Fresh 2009 (Valencia – ES)
- Friends of Europe (Brussels – BE)
- FRUGI VENTA AGM (Rotterdam – NL)
- Fruitlogistica (Berlin – DE)
- Fytolab Annual Symposium (Gent – BE)
- GlobalGAP - Cologne conference (Cologne – DE)
- Green med Forum on logistics (Isola - SLO)
- Interfel Export Committee (Paris – FR)
- Interpoma (Bolzano – IT)
- Isafruit Forum (Brussels – BE)
- Macfrut (Cesena – IT)
- OEITFL AGM (Brussels – BE)
- PMA (Orlando – USA)
- Prognosfruit (Ashford – UK)
- Progreens (Stockholm – SW)
- Swisscofel AGM (Bern – DE)
- Symposium on Integrated Production (Lerida – ES)
- UNCGFL AGM (Padova – IT)
- World Food (Moscow – RU)
- WUWM AGM (Copenhagen – DK)



Pino Calcagni

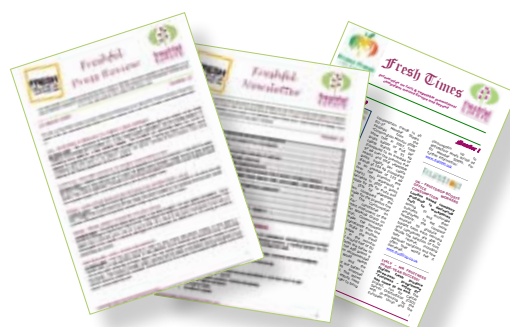
New President
of the EU Advisory Group
on fruit and vegetables

On 10 February 2009, upon proposal of Freshfel, Pino Calcagni was elected chairman of the EU advisory committee for fruit and vegetables. This committee is a liaison committee between the European Commission and the representative organisations of the sector, namely COPA-COGECA (producers), Freshfel Europe (fresh f&v), Frucom (dried f&v), OEITFL (processed f&v), BEUC (consumers) and EEB (NGO for the environment). It is the first time ever that the chairman of this committee is not a candidate put forward by COPA-COGECA. While being elected, Pino Calcagni presented a strategic agenda of work for this committee during the term of his presidency.



FRESHFEL COMMUNICATION

Freshfel Europe communicates on a regular basis with its members. The *Freshfel Newsletter*, distributed to members on a weekly basis each Friday, includes the latest information on crucial legislative and sector developments within the fruit and vegetables sector. It also informs members on actions undertaken by the Association. The weekly *Freshfel Press Review* published each Monday features summaries of international press articles that are of interest to the fresh produce business. Every two months, Freshfel also issues a *Fresh Times*, summing up latest best practices and other initiatives undertaken to stimulate consumption. Freshfel is currently actively reevaluating its communication policy to further improve the quality of the information and make sure that in an information-saturated environment, the relevant messages are reaching the appropriate people.



In addition to the Association's official website, accessible at www.freshfel.org, Freshfel also runs the on-line Fresh Quality Guide accessible at www.freshquality.org. Launched in February 2004, this website constitutes a unique compendium of all EU food quality and safety legislation applicable to fruits and vegetables, and interpretative guides thereof. In May 2008 the website reached the threshold of 135,000 visits since it was launched. In 2008, Freshfel's own website also approached 50,000 visitors.

To increase Freshfel's visibility, Freshfel had a booth at Fruitlogistica for the second consecutive year to present the work of the association and multiply contacts with the sector. The stand was well visited over the three days of the exhibition, and the experience will be repeated in February 2010.



Freshfel's Stand at Fruitlogistica



FRESH: THE NETWORKING EVENT FOR FRESH PRODUCE EXECUTIVES

Together with Eurofruit magazine, Freshfel is since 2003 the organiser of Fresh, the leading conference for the fresh produce sector. In 2008, Fresh was held in Antwerp and focused on a number of topical issues for the sector:

- **Effective responses to Europe's lobby groups:** As Europe's NGOs are developing a brand new agenda on hot issues such as the carbon footprint, food miles, water usage and corporate social responsibility, Fresh reviewed the latest trends and priorities of NGOs, looking at the practical implications for producers, traders and retailers in the fresh produce supply chain. The conference gave the floor to several NGOs such as Greenpeace, WWF and Solidaridad, while Dick Taverne, of the UK Parliament's House of Lords, provided in contrast a business perspective to these challenges.
- **New frontiers for new technologies:** Fresh fruit and vegetable businesses need to take advantage of the potential that new technology has to offer. The conference gave a new focus on the opportunities that the world of science could provide to the fresh produce sector.
- **Facing up to a future of more change:** Finally, Fresh also looked at the evolution of the global trade patterns which are changing very fast. These trends are set to change even faster in years to come as the world population grows and governments look to agriculture to help solve the looming global energy crisis. The conference looked at the impact these changes will have on the produce business.

In 2009, Fresh is moving to Valencia and will concentrate on innovation. The retail approach to innovation will be the central part of the key note presentation together with the views of the European Commission. The conference will also focus more in detail on the innovation in the sector from a product perspective with research being undertaken by seed companies and other researchers looking at new varieties to give greater consumer satisfaction. The conference will further look at the innovation tools in terms of communication with customers and consumers. It will also look at the innovation in terms of information technologies and the opportunities or challenges for the sector to adjust to this technology shift.



Europe's leading conference for the fresh produce industry

The Freshfel Statutory AGM 2009 will take place in Valencia, on the eve of FRESH 2009. The Freshfel AGM is the plenary meeting of the members. The AGM appoints the officials, approves the budget and fees and also importantly reviews the activity and achievements of the association. It also sets policy direction and priorities for future activities.



The Issues :

Review of Freshfel Europe's activities & achievements

TRADE/MARKET ACCESS

The past year has seen many developments in trade policy in the European Union, as the European Commission's Global Europe strategy widens across the globe, combining market access and breaking down non-tariff barriers with a growing network of bilateral and regional trade agreements. This helps to create a growing number of opportunities for European fresh produce around the globe, which Freshfel is ever keen to support.

Freshfel has continued to work closely with its members and the EU institutions to facilitate the trade of fruit and vegetables to and from Europe. Freshfel's principle objective has always been to achieve global free trade and achieving greater reciprocity for EU trade giving European exporters the possibility to access new markets for fresh produce. Increasingly liberalised trade on both a bilateral and regional scale will help to attain this target, and Freshfel has been active in its support for positive movement in both of these spheres.

Member input and policy setting has benefitted from the guidance of the import and export divisions, chaired by Jacques Azoulay (CSIF/FFIFL – Katopé International, Univeg Group) and Willem Baljeu (Frugi Venta, NL) respectively. The meeting of these two divisions at Fruitlogistica presented an excellent opportunity for members to highlight difficulties in the export and import of fresh produce which Freshfel can help to address.



Freshfel Europe closely cooperates with the European Commission to promote a positive agenda for the EU in its international trade negotiations. Freshfel Europe participates in the Civil Society Dialogue meetings on trade as well as in the Market Access Advisory Committee. The Freshfel annual trade meeting in Berlin during Fruitlogistica is also a recognised date on the fresh produce calendar and is a unique gathering of EU importers and exporters.

MARKET ACCESS STRATEGY

Market access is a key part of Freshfel's trade strategy, and Freshfel participates regularly in the European Commission's Market Access Advisory Committee, which helped to solve difficulties in this field for a number of fresh produce exports, and which ran a specific workshop on Sanitary and Phytosanitary difficulties last year. Freshfel also maintains a close working relationship with DG Trade of the European Commission regarding market access and SPS issues.

Freshfel has also provided input on specific SPS difficulties in exporting fresh produce to Asian countries, and has been active in highlighting the difficulties faced by fresh produce exporters in accessing these markets.

REGIONAL AND BILATERAL TRADE AGREEMENTS

With regard to trade negotiations, Freshfel has welcomed the European Commission's initiative to promote free trade by establishing a network of regional and bilateral free trade agreements, and has participated in the many meetings of DG Trade's Civil Society Dialogue, providing the opportunity to put forward the viewpoint

of the fruit and vegetable sector in the framework of the trade negotiations and the impact free trade agreements will have for the fresh produce industry. Current regional and bilateral negotiations are summarised in the following table:

Type of negotiation	Negotiating Partner & Progress	
Regional	Central American countries	An agreement to deepen trade is likely in the coming year, although Nicaragua is unhappy with some concessions.
Regional	Andean Community of nations	Lack of common position between members of Andean Community means that a deal is unlikely. Bilateral agreements with Colombia and Peru look more probable.
Regional	MERCOSUR (South America)	Little progress of late, with a deal unlikely in the near future. Negotiations are on hold.
Regional	ASEAN (Association of S-E Asian nations)	Slow negotiations with little progress since launch two years ago. No concrete positions on the table, and difficulties include the exclusion of Myanmar. Possible bilateral agreements with individual EU member states in the future.
Regional	African, Caribbean and Pacific	Freshfel input was submitted. Interim Economic Partnership Agreements are in place, with full agreements to be concluded with the six regions in the coming year.
Bilateral	India	6th Round of negotiations took place recently with good progress, although a deal in 2009 is not likely.
Bilateral	Ukraine	Quality of agreement is more important than speed, with a deal not likely in 2009 but progress expected.
Bilateral	South Korea	Freshfel input was submitted. Negotiations in their final phase, with a deal in 2009 a likely conclusion.
Bilateral	Israel	Freshfel input was submitted. Agreement was concluded last year to deepen trade relations, as reported in Freshfel Newsletters.
Bilateral	Norway	Freshfel input was submitted. Negotiations are continuing to reach a deal, but no progress recently.
Bilateral	Morocco	EU wants at least as much liberalisation as the recent agreement made with the USA. Conclusion in 2009 possible. Freshfel submitted a paper on EU-Mediterranean trade, with the goal of boosting trade between these two regions.
Bilateral	Egypt	Talks for total liberalisation are ongoing. EU is optimistic that a deal can be reached in 2009. Freshfel submitted a paper on EU-Mediterranean trade, with the goal of boosting trade between these two regions.



MULTILATERAL AND WTO

Freshfel has also closely followed the ongoing negotiations for a multilateral trade deal of the Doha Round of the World Trade Organisation. It was hoped that a deal would be reached in July 2008, however due to disagreements between members on safeguard clauses a final compromise was not reached by this time. Talks are set to continue into 2009, and WTO and EU officials remain confident that an accord will be reached. Freshfel will continue to monitor this situation closely and will inform members of progress in this area.



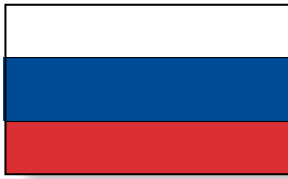
Besides this, last year Freshfel also took part in the WTO's annual Public Forum on the topic of "Trading into the future" in a panel organised by CELCAA, the European umbrella organisation for the agri-produce trade. The session was based upon the topic of future challenges for the agri-produce trade, and Freshfel gave a presentation and answered questions from the audience on "SPS – a new barrier to trade?" This presentation highlighted the disparity in SPS policy between the EU and many of its trading partners. The proliferation of private standards and complex phytosanitary protocols for imports which must be adhered to causes a huge inequality in the trade flows of fresh produce between the EU and other countries, and besides the current SPS agreement within the WTO which is not strongly enforced, very little being done to change this situation. In highlighting the problems causing this trade inequality, Freshfel hopes to put SPS issues back on the agenda of the multilateral trade negotiations of the Doha Round of the WTO to ensure that the global trading environment is fair and open, and that the benefits of free trade can be fully embraced.

	EU-27 Imports				EU-27 Exports			
	2005	2006	2007	2008	2005	2006	2007	2008
Apples & Pears	1.343.158	1.157.815	1.319.194	1.150.157	896.301	1.109.240	1.202.899	1.118.307
Bananas	3.985.061	4.452.750	4.762.630	4.924.619	6.297	9.497	10.304	11.211
Citrus fruit	2.181.119	2.046.488	2.198.654	2.252.358	458.210	551.356	674.937	577.717
Exotics	1.081.075	1.272.027	1.339.703	1.428.021	51.382	63.851	76.637	91.470
Melons, Papayas	479.180	541.028	586.022	581.102	70.223	67.076	66.775	71.398
Other fruit	388.326	383.991	422.037	450.105	152.780	179.108	198.708	199.131
Stone fruit	179.364	170.456	197.851	170.709	209.481	238.422	258.165	282.157
Table grapes	871.891	943.505	958.342	948.134	126.001	142.188	145.535	164.198
TOTAL	10.509.174	10.968.060	11.784.433	11.905.205	1.970.675	2.360.738	2.633.960	2.515.589

	EU-27 Imports				EU-27 Exports			
	2005	2006	2007	2008	2005	2006	2007	2008
Cabbages, cauliflowers	25.647	22.204	46.141	31.658	168.345	105.704	151.441	221.159
Carrots, turnips...	42.228	49.045	58.269	64.366	100.854	94.601	102.633	170.311
Cucumbers, gherkins	22.545	32.494	34.268	36.196	45.415	44.386	42.926	47.909
Leguminous veg	192.412	210.238	221.327	227.167	34.216	15.657	23.489	21.642
Lettuce & chicory	15.546	13.572	15.951	17.550	53.294	61.759	63.528	68.029
Onions, garlic...	317.247	388.993	546.942	475.121	601.213	566.731	440.487	600.163
Other vegetables	386.152	408.185	458.007	479.968	200.186	218.440	232.762	265.050
Tomatoes	355.078	355.128	470.921	472.242	126.474	148.401	176.825	221.599
TOTAL	1.356.855	1.479.859	1.851.826	1.804.268	1.329.997	1.255.679	1.234.091	1.615.862

The above tables show that trade in key fresh produce is on the increase, with steady upwards trends seen for both exports and imports of fruit and vegetables. The EU's trade deficit is increasing every year, particularly for fruit where import growth is outstripping export growth. Bananas and exotics were some of the drivers of the import growth. This trend is less pronounced for vegetables, as EU export growth is keeping pace with import growth.

RUSSIA



In March 2008, the European Commission and Russia signed a memorandum on the safety of plant products for human consumption being exported from the European Community to the Russian Federation. The memorandum concerns pesticide residues, nitrates and nitrites, and came into force in July 2008. This memorandum was not only a prerequisite to avoid immediate trade distortion on one of our fastest growing export markets, but also enabled the EU to move ahead with other dossiers such as a bilateral EU-Russia trade agreement and the accession negotiations of Russia to WTO. A solution on that particular dossier was also important for solving some of the bilateral issues on the veterinary and plant health sector between Russia and the EU. Importantly, this dossier was also a milestone for the EU in affirming its competence on SPS export related matters.

The EU-Russia Memorandum on pesticide and nitrate controls was aimed at providing a new framework of operation for exports of fruit and vegetables to Russia and to ensure that exports to the Russian Federation are in compliance with their national requirements. However, the huge discrepancies between Russian MRL and those applicable in the EU or internationally recognised by CODEX remain a significant point of concern and present difficulties for compliance.

The Russian market has been growing significantly in the past few years with import levels increasing from 500,000T to 2,000,000T. Russia is today a key market for many Member States and for a wide diversity of fresh fruit and vegetables. Moreover, it is to be highlighted that the fruit and vegetables sector is also today the largest agriculture sector when considering exports to Russia. Exports of fruit and vegetables represent up to 40% in value of total exports of agricultural products and up to 60% in volume. It is therefore a dossier that requires the highest political attention of the EU and Member States' authorities.

Freshfel has closely followed the various steps of this complex dossier, and was in close contact with the European Commission during the negotiation of the Memorandum. With the introduction of the new scheme Freshfel assisted its members in coping with the new requirements and in better understanding the Russian legislation which is often lacking transparency. Freshfel further coordinated the setting up of a

common Pesticide Usage Document in line with the memorandum, and has acted as a platform for the various exporting countries to gain and share experiences and approximate positions. In September 2008, Freshfel held a meeting in Moscow with the EU delegation to exchange views with EU officials.

On the technical side of the dossier Freshfel also took an active stand, collecting and organising Member States' concerns regarding MRL discrepancies between Russian requirements and international practices. Freshfel together with ECPA coordinated experiences with a view to seeking solutions on the MRLs, either through a re-registration of substances with a view to modifying the Russian MRL or through the setting up of priorities to modify the Russian MRL according to the extrapolation provision of the Memorandum.

Despite the efforts of the exporters to cope with this framework, Russia decided in November to activate the safety certificate provided for in the memorandum for some Member States and selected products. The measures were further reinforced on 1 April 2009 by adding some new Member States/products (in bold):

- Bulgaria – grapes, peaches, marrows and apricots
- France – apples and pears
- Greece – grapes, peaches, nectarines, oranges & mandarins
- Hungary – apples, cabbage (head & Chinese) & plums
- Italy – grapes
- Latvia – all products
- the Netherlands – apples, beetroot, cabbage, carrots & tomatoes
- Portugal – pears
- Slovakia – grapes
- Spain – peaches, nectarines, mandarins, oranges, grapefruit & pears

Besides this, Russia informed the EU that a number of accredited laboratories were to be delisted and will no longer be authorised to issue safety certificates.

Freshfel remains concerned about the measures taken by Russia, which threaten the reliability of the supply of fresh fruit and vegetables on the Russian market. Freshfel laments that Russia has not fully complied with its own commitments taken in the frame of the Memorandum. Indeed, Russia has failed to modify its MRL which were not in conformity with the provisions of the Memorandum suggesting that when a specific MRL is not available, the extrapolation should not be made from other Russian crops but should be done from the same product category from CODEX. Russia has also failed to punctually communicate the possible exceedance of MRL, informing only a posteriori about non-compliance and leaving little opportunity to ask for counter analysis or to remedy to the situation. Finally, it is also to be pointed out that the number of consignments in exceedance remains low compared to the total volume exported to Russia, contrasting with the alarming situation as depicted by the Russian authorities.

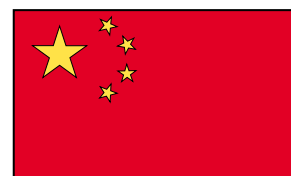
The story is far from being over! There is no doubt that it will continue to keep the association busy in the coming months. As we are finishing to write this annual activity report, the European Commission is evaluating with the Member States and Freshfel the benefit of negotiating common guidelines and implementation rules for the Memorandum. One of the critical points under discussion would be the setting up of a register of exporters as an alternative to the safety certificate. Freshfel will continue to do its utmost to find the most suitable arrangement for securing the export of fresh produce to Russia and maintaining the leadership position on that market.



Freshfel representatives meet the EU delegation in Moscow (September 2008)

CHINA

China has stayed a key priority for Freshfel, DG Trade and DG AGRI, due to its position as the EU's second most important trading partner behind the USA and the largest source of imports. Access to the Chinese market for fruit and vegetables is currently very restricted with the Chinese authorities insisting on the general interdiction principle for imports, meaning that specific protocols for exports are required for each product and member state. This contrasts greatly with the EU's more permissive approach to imports, where the market is generally open and then each specific SPS measure is restrictive. Freshfel has expressed its eagerness to DG Trade to advance the negotiation of these export protocols, in order to redress the balance of trade which flows between the EU and China, which is currently greatly in favour of the Chinese. These meetings have helped to highlight the difficulties experienced in negotiating the export protocols and how to overcome the restrictive measures put in place by the Chinese authorities. Freshfel is keen to keep a close relationship with DG Trade and DG AGRI on this matter, as this process is starting to come to fruition with recent developments on several of the negotiations. Tangible progress has been noted in the past few months moving towards the implementation of protocols for kiwifruits from Italy and France, while the dossier on Belgian pears is also progressing well. In continuation, some progress has also been registered for Dutch pears. For the monitoring of these achievements, Freshfel collaborates with DG TRADE within the scope of the Market Access Working Group for Asian countries, a task force between Commission services, Member States' representatives and business representatives. The success of this platform is leading the Commission services to set up similar platforms for other areas, specifically the Mediterranean Countries, the Middle East and possibly also for the USA.



RECIPROCITY:

In all of these discussions, Freshfel continues to stress the lack of reciprocity in market access requirements. Freshfel continues to urge the Commission services to press their counter-parts to provide to EU fresh produce similar flexible market access conditions to those offered by the EU for its imports.

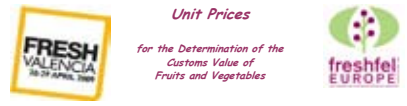


CUSTOMS MATTERS

In the period 2008-2009, Freshfel continued to monitor the developments in the area of customs. Of particular relevance was the on-going follow up of the system of Unit Prices. Freshfel advocates for the continuation of the current system, allowing operators to opt for the simplified procedure whenever necessary given the absence of definitive values for the products upon import. Freshfel organised an educational visit to the Port of Antwerp for civil servants from DG TAXUD in order for them to gain a better understanding of the situation in practice. So far the Commission is keeping the system in place which adheres to the specificity of the fresh fruit and vegetables sector.

Freshfel has also monitored the possible reform of the entry price system. So far, no progress has been made by the Commission on this dossier, pending possible reform from the Doha Round of the WTO. Some Member States are urging for a reform of the scheme, but so far little progress was made. Freshfel will continue to monitor the development of this dossier in order to secure that the EU keeps its customs policy coherent, specifically that the rules applying to unit prices and those governing entry prices are consistent.

On a fortnightly basis, Freshfel also provides the information of unit prices as calculated by the Commission, by publishing for its members a summary of the prices applicable for the next period and the trends on a product-by-product basis. Unit prices are available for around 30 items of fresh produce. Unit prices facilitate the customs clearing operation for fresh produce which do not always have a definitive value upon import into the EU.



Period of application: 3rd April – 30th April 2009

1st April 2009

CN (TARIC) CODE		Unit Price 20 March €/100 kg	New Unit Price 3 April €/100 kg	Trend
0701 90 50	New Potatoes	45.21	54.51	20.57%
0703 20 10	Spinach	88.62	86.18	-2.76%
0703 20 05	Carrots	60.54	70.18	15.16%
0708 20 00	Beans	167.63	189.74	13.19%
0709 20 00 10	Asparagus, Green	496.07	385.14	-21.95%
0709 20 00 90	Asparagus, other	324.62	325.83	0.37%
0709 20 10	Sweet peppers	150.21	150.02	-0.13%
ex 0714 20 10	Sweet potatoes, fresh or chilled, whole	64.36	62.50	-2.89%
0804 20 00 90	Pineapples	53.59	58.78	9.74%
0804 20 00 10	Ananas	126.26	123.43	-2.20%
0805 10 20	Sweet Oranges	EP	EP	
0805 20 10 05	Clementines	116.17	81.15	-30.15%
0805 20 30 05	Mandarins & satsumas	62.93	73.97	11.19%
0805 20 50 07	Mandarins & satsumas	60.33	48.99	-18.80%
0805 20 50 37	Mandarins & satsumas	60.33	48.99	-18.80%
0805 20 70 05	Tangerines & satsumas	76.94	69.00	-10.32%
0805 20 90 05	Tangerines & satsumas	76.94	69.00	-10.32%
0805 20 90 99	Tangerines & satsumas	76.94	69.00	-10.32%
0809 40 00 11	Limefruit, whole	56.38	67.52	19.80%
0809 40 00 19	Limefruit, parts	60.09	63.03	4.89%
0809 40 90 11	Limes (asthola & aurantifolia)	78.20	78.74	0.69%
0809 40 10	Limes (asthola & aurantifolia)	78.20	78.74	0.69%
0809 40 90 19	Limes (asthola & aurantifolia)	78.20	78.74	0.69%
0809 10 10	Water melons	52.34	56.97	9.03%
0807 19 00 50	Amarillo - Melons	81.48	83.38	2.38%
0807 19 00 90	Other Melons	109.77	119.09	11.81%
0808 20 50 10	Peas - Noshi & Ya	EP	EP	
0808 20 50 90	Peas, other	EP	EP	
0809 10 00	Asparagus	145.62	143.69	-1.36%
0809 20 10	Peas, other	119.60	119.69	0.08%
0809 30 90	Peas, other	254.90	211.62	-16.98%
0809 40 00	Asparagus	145.62	143.69	-1.36%
0810 10 05	Raspberries	166.14	148.74	-10.50%
0810 20 10	Raspberries	309.91	1.047.00	15.07%
0810 20 90	Raspberries	309.91	1.047.00	15.07%

(1) Amarillo, Cucur, Honey Dew (Dru, Cantaloupe, Mel de Sapo)

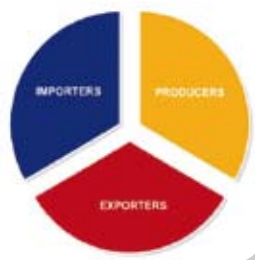
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MARKET TRANSPARENCY – CITRUS

The Freshfel-SHAFFE Citrus Committee is a joint initiative to provide specific analysis on the citrus sector for the benefit of our members. Since its inception, the group has grown to incorporate many interested parties keen to input and participate in the analysis and discussion within this forum. This Working Group has had a very successful year, with excellent cooperation between members helping to consolidate the structure and reinforce its place as a key platform for discussion in the global citrus community.

The Citrus Committee was created to provide a reliable and accurate information network for the increasingly globalised citrus industry, and now forms a key part of the Freshfel agenda. By facilitating cooperation and mutual understanding between the members of the international citrus community, the citrus WG ensures that information is exchanged in a mutually beneficial environment, helping to promote accuracy and transparency, as well as helping in the resolution of specific sector difficulties. The Committee group also gives a forum



The Citrus Committee includes northern hemisphere producers from southern Europe, the Mediterranean region and the USA, as well as southern hemisphere exporters, namely South Africa, Australia and South American countries. Furthermore, the inclusion of market analysis from the principle markets within the European Union such as the UK, Germany, Spain, France and the Benelux, as well as the USA and Russia, enables thorough supply and demand analysis to give a comprehensive overview of the sector.

The Committee organises five teleconferences throughout the year at key seasonal times for both the northern hemisphere and southern hemisphere seasons, facilitating the transition between the two seasons and allowing more accurate analysis to be done in the short term. As well as the teleconferences, a physical meeting of participants takes place in February at Fruitlogistica, which this year attracted over 40 delegates and led to an extremely constructive discussion of the ending Northern Hemisphere season and the predictions for the Southern Hemisphere season. The discussion also included the situation for key markets, important legislation, market access difficulties, plant health issues relating

for the discussion of technical matters, as well as matters of common concern throughout the industry.

The main objectives of the citrus working group are to improve transparency throughout the global citrus industry, enabling close monitoring of the market to take place through timely and accurate data exchange. Analysis of the sector through interaction with key representatives is a key to the usefulness of the group. This information exchange is done openly, and has been organised in cooperation with DG Agri of the European Commission in order to provide full market transparency and to be in compliance with EU competition policy.

The Citrus Committee is chaired by José Antonio Garcia of Ailimpo, Spain, and counts on the support of citrus producers, exporters and importers from key regions. This important balance ensures that all aspects of the industry are treated with equal importance and that a balanced structural overview of the citrus sector is in place.

to citrus, the evaluation of new production standards and the impact of the financial crisis on the citrus industry.



Date	Specific Topic	Type
September	Preliminary NH forecast / SH Ending Season	Teleconference
October	NH Forecast / SH Balance	Teleconference
December	NH ongoing season	Teleconference
February	Preliminary SH Forecast –Development NH	Meeting
April	SH Forecast / NH Ending Situation	Teleconference
June/July	SH ongoing season	Teleconference

The Committee also works closely with the European Commission, helping to provide information and experts for the Forecast Working Group on Citrus, part of the Advisory Group on Fruit and Vegetables. This included the Chairman of the Group, José Antonio Garcia giving a presentation to the Commission group to inform them of the structure and work undertaken by the Freshfel -SHAFFE Citrus Committee, as well as full forecasts for the 2008/09 season for northern hemisphere citrus production, the southern hemisphere export balance for 2008 and trends for the key products, oranges, lemons, soft citrus and grapefruits.

During the most recent teleconference held at the start of April, the discussions focused on the forthcoming southern hemisphere season, the finishing northern hemisphere season and the current market situation for citrus fruit. The global participation at this meeting enabled the compilation of full southern hemisphere production and export forecasts, and allowed Freshfel to make a press release with key figures and information with regard to citrus production and exports. This will further help to raise the profile of the Freshfel-SHAFFE Citrus Committee, and has demonstrated its usefulness and importance in the international sphere.

MARKET TRANSPARENCY - OTHER INITIATIVES

Besides the initiative for citrus, Freshfel, together with the services of the European Commission, collaborates to increase information on the production and trade in the fruit and vegetables sector. The Freshfel Consumption Monitor is one of the tools providing measurements about the performance of the sector. Freshfel also provides its members with regular information about apples, pears and bananas. Furthermore, Freshfel closely cooperates with the EC Commission working group of experts on tomatoes, peaches and nectarines, apples and pears, as well as citrus.



Freshfel Citrus Committee meeting in Berlin, 5 February 2009

Through these initiatives, Freshfel aims at facilitating access to production and market information in a centralised, consolidated and harmonised manner. These efforts, made in close cooperation with DG AGRI, are undertaken in a transparent and open manner for all stakeholders.



EUROPEAN SCHOOL FRUIT SCHEME



The Freshfel delegation at the Commission school fruit scheme conference in December 2008

The proposal for a School Fruit Scheme followed an undertaking made during the negotiations on the reform of the Common Market Organisation for fruit and vegetables in June 2007. Consumption of fruit and vegetables is at best stagnating across Europe. In

most of the cases consumption is at a level well below the WHO/FAO minimum recommendation. This level is today fixed by WHO/FAO at minimum 400 gr/day but many experts underline the need to consume at least 700 gr/day. Among the youngest citizens the level of consumption is even more worrying. Research has also shown that families with a lower level of income tend to consume less fruit and vegetables.

The effect of the under consumption of fresh produce, combined with other factors such as an inadequate diet rich in sugar, salt and fats, as well as a lack of physical activity is leading today's society to face a major health challenge in the future with a growing part of the population being overweight or obese. The rise in childhood obesity is already reaching epidemic levels all across Europe. Nearly a quarter of overweight children are obese and medically at risk of several diseases. In the EU and according to data of the International Obesity Task Force, approximately 22 mil-

lion children are overweight and ca 5.1 million school children are obese. Every year, this figure increases by 400,000. The cost of obesity to the economies of the EU27 as calculated by the same body can now reach more than €150 billion per year.

The setting up of an ambitious European fruit and vegetables scheme in schools can therefore make a real difference, particularly in underprivileged areas. European funds worth €90 million every year will pay for the purchase and distribution of fresh fruit and vegetables to schools, based on the distribution of one piece of fruit per child per week during the school term. This money will be matched by national and private funds in those Member States which choose to make use of the programme, either on a 50/50 basis, or 75/25 in the so-called 'convergence regions', where GDP/capita is lower. The scheme will begin at the start of the 2009/2010 school year. Besides providing fruit and vegetables to a target group of schoolchildren, the scheme will require participating Member States to set up strategies including educational and awareness-raising initiatives and the sharing of best practice.

Freshfel has from the beginning of the legislative process been very supportive of this pan-European scheme. A few points of concern remain however present, so efforts will still need to be done at EU and national level, notably on:

1. Eligible products and moment of consumption

Freshfel believes that a focus on fresh products is a core element of the programme and will help children become acquainted with the diversity, quality, taste and texture of fresh fruit and vegetables. Freshfel also considers as an important achievement that the consumption of the fresh fruit and vegetables will in priority be done at

a dedicated moment and at a different time to the children's main meal. This should maximise the benefit and experience for the children and secure that the programme leads to additional intake of fresh produce in children's diets.



The provision of the regulation excluding fruit and vegetable products with added sugar, salt or fat from the programme is crucial in the fight against obesity. It gives a clear priority to fresh fruit and vegetables under the supervision of national health authorities.

2. Accompanying measures at national level

The Commission services indicated a number of tools for funding accompanying measures that can be used, namely Producer organisation's promotional measures, Modulation funds, Rural development (Leader) and Regional development (INTERREG) programmes, and Promotion of agriculture products.

Based on practical experience, the only likely option would be the promotion of agriculture products. Member States should be able to use the tools made available under Regulation 3/2008 in order to co-finance the accompanying measures at the national level. The provisions of Regulation 3/2008 have been

recently reinforced within the scope of the CMO reform to stimulate promotion activities towards children in schools (co-financing of 60% by the EU instead of 50%). In order to keep the coherence of the system and create synergies between actions, Member States should be able to present programmes

under this regime to cover the compulsory accompanying measures of the national schemes. To avoid difficulties or restriction of access to these tools, the Commission should overlook the provision of Regulation 3/2008 suggesting that preference should be given to multinational programmes.

Programmes presented as accompanying measures of a national fruit school scheme should also be prioritised provided they fulfil the other requirements of the system (notably involvement of the private sector).

3. Accompanying measures at EU level

A budget of €1.3 million per year has been allocated for this purpose. Freshfel considers that the Commission should make full use of this financial resource as from 2009 with a view to:

- creating a pan-European multilingual website to raise public awareness of the scheme. Such a website could provide information on the scheme, links to national schemes (transparency), but also provide information on the health benefits of consuming fruit and vegetables at large, sum up scientific findings on the health assets of fresh produce, consumption tips, etc.
- facilitate networking among interested stakeholders in order to share experiences and create best practices. This could be done through the organisation of a yearly conference, and the creation of a specific group of experts for regular information exchange.



Raquel Izquierdo and Dr L Swan
at the European School Fruit Scheme conference in December 2008

Furthermore, Freshfel deems critical that the EU accompanying measures remain specific to the fruit and vegetables sector, and not be done in conjunction with the School Milk Programme. Indeed, the rationale, background and overall health objective of both programmes is different, and joint action could be problematic given the objective of the School Fruit Scheme to fight against obesity.



PRO GREENS EU PROJECT – PROMOTION OF F&V CONSUMPTION AMONG SCHOOLCHILDREN IN THE EU



Research has demonstrated the health benefits of eating a diet rich in vegetables and fruit. In Europe, children's consumption of fruit and vegetables is far below the current recommendations. There is a concern that both the amount and variation of fruit and vegetables may be on the decline.

Thus, the main objective of this project is to assess the current intake and to develop effective strategies to promote consumption of fruit and vegetables in school children across Europe.

Twelve partners, among which Freshfel, from eleven countries (Sweden, Iceland, Norway, Germany, Greece, Slovenia, Portugal, Bulgaria, Finland, the Netherlands and Belgium) collaborate in this project, which runs from August 2008 through to July 2011. Building on the results of the Pro Children project, which was funded by DG RESEARCH and finalised in 2006, the PRO



GREENS project is a health promotion project funded up to €700,000 by the Health and Consumer Protection Directorate General (DG SANCO) of the European Commission. A kick-off meeting took place in 2008 in Izola (Slovenia) to organise the work and set up the project outline. Since, several conference calls and webinars have taken place to continue coordinating the work.

The expected results are:

- Estimates of the fruit and vegetable consumption in different European countries;
- Information concerning important psychosocial and socio-demographic determinants of fruit and vegetable consumption among school children in different European countries;
- A set of intervention strategies tailored to be appropriate and effective in promoting fruit and vegetable consumption among school children;
- An increased consumption of fruit and vegetables among the participating target group; and
- A set of recommendations for national and international authorities, commercial and professional groups on best-practices for assessment and promotion of fruit and vegetable consumption.

Freshfel will contribute to this project notably during the phase of intervention design and in the dissemination phase. The objective is that the results of the project become as widely known and understood as possible, and by this to spread evidence-based best practice in fruit and vegetable promotion.

EUROPEAN PLATFORM ON DIET, PHYSICAL ACTIVITY AND HEALTH

With a view of promoting voluntary actions in the fight against obesity, the European Platform for Action on Diet, Physical Activity and Health was launched on March 2005 by the EU Health Commissioner at the time, Markos Kyprianou. Sectors such as the food industry, retailers, advertisers, health associations and consumers were invited to be part of this initiative. Following an application, Freshfel was also accepted as a full member in the summer of 2005. To date the Platform involves 34 member EU organisations, the WHO, EU Presidencies, some Member States, EFSA as well as the European Parliament are represented at the Platform as observers. Together with AREFLH, Freshfel represents the fruit and vegetable sector in the Platform.

FRESHFEL'S 2008/2009



“Fresh Times” – At the time when this commitment was undertaken, there was no real pan-European centralised exchange of information on promotional campaigns among different actors due to the diversity of actions, the fragmentation of the sector and the lack of organisation and reporting. Freshfel engaged to publish this bi-monthly newsletter which aims at raising awareness and exchanging information from members and non-members on promotional activities to increase fresh fruit and vegetable consumption in Europe and beyond. Best practices can in this way be broadly known and reproduced, which in turn benefits the consumer.



“Consumption Monitor” – Although a significant number of national reports and studies on the consumption of fruits and vegetables are available in the various EU Member States (often in different formats), consolidated information on fresh produce consumption at the European level remains scarce. Freshfel Europe is committed to fill this gap with its annual ‘Consumption Monitor’, which sets out in one document the available information on fruit and vegetable consumption across Europe per year. The document includes a general section on the EU’s total gross supply of fresh fruit and vegetables as well as specific sections by country.



During the four years of the Platform, more than 200 commitments have been submitted by members, covering a wide range of activities, including actions in key fields such as consumer information, including labelling; education; physical activity promotion; marketing, advertising targeting children, and product reformulation. Platform members have agreed to monitor and evaluate the performance of commitments in a transparent, participative and accountable way.

The Platform meets at regular intervals for plenary meetings so as to monitor overall progress and discuss relevant issues. The latest plenary meetings took place in July, September and December 2008, and most recently in April 2009 focusing on commitments in the field of lifestyles and education. Members of the Platform were also invited to attend a high level EU conference on the health of young people.

9 COMMITMENTS ARE:



“Fresh Charter” – Work places are important settings to promote healthy lifestyles. With the “Fresh Produce Charter” Freshfel invites companies and associations to endorse the Charter, and help employees and visitors to make better, healthier snack choices by providing fruit and vegetables for them to enjoy and meetings and reception areas. As a result of this initiative, DG SANCO is now making available fruit baskets during meetings of the Platform.



“Fit Dudes” – The ‘Fit Food Dudes’ Healthy Eating and Physical Activity Programme will extend the work of the original ‘Food Dudes’ programme by using the principals of role-modelling, rewards and repeated exposure to encourage primary school children to be more active (as well as encouraging them to eat more fruit and vegetables). Fit Food Dudes will be piloted in 2 local primary schools.

“Pro Greens” – Recent research has demonstrated the health benefits of eating a diet rich in vegetables and fruit. In Europe, children’s consumption of fruit and vegetables is far below the current recommendations. The main objective of this project is to assess the current intake and to develop effective strategies to promote consumption of fruit and vegetables in school children across Europe.



FRESHFEL CONSUMPTION MONITOR



Dr. Laurence Swan

Freshfel Europe has released this year a PDF and a printed version of its 'Freshfel Consumption Monitor 2008', analysing the latest trends in the production, trade and supply of fresh fruit and vegetables across the EU-27. The 'Consumption Monitor' was developed by the Freshfel Committee on Promotion and under

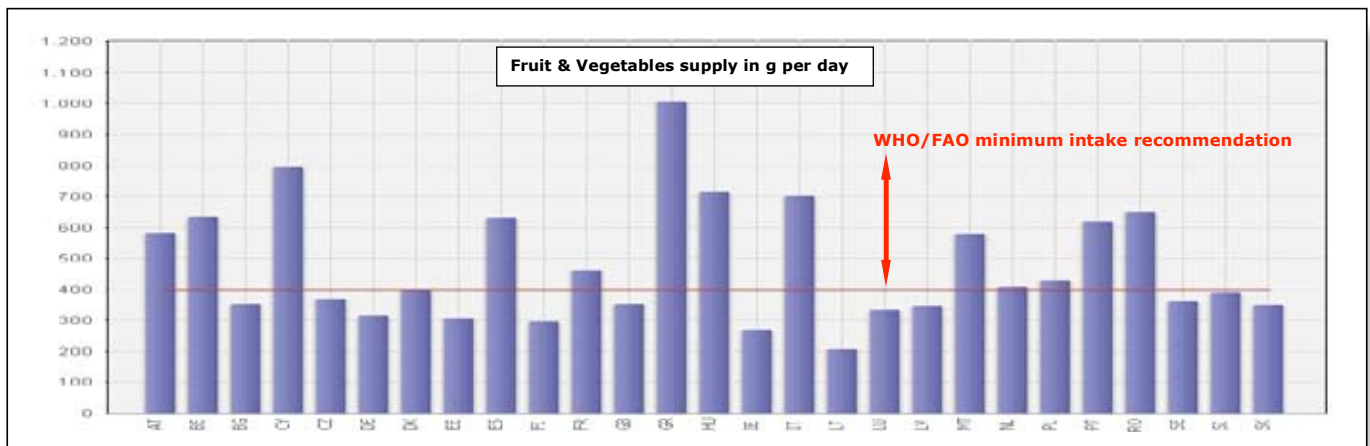
the auspices of the Freshfel Supply Chain and Retail Division. This annual study is part of the actions undertaken by Freshfel in the framework of the EU Platform for Action on Diet, Physical Activity and Health. Freshfel is the member of the platform representing the fruit and vegetables sector at European level. The "Production, Trade and Consumption Monitor 2008 in the EU-27" is already the sixth edition of the report, covering the period 2002 to 2007.

The publication of the printed version of the Monitor would not have been possible without the support of a number of partners that Freshfel is please to recognise and thank: Chilean Fresh Fruit Association, Fresh Produce Consortium, Greencell, Zespri, Trofi, Anecoop, Frugi Venta and GF Group.

The 2008 Monitor identifies EU-wide trends on fresh fruit and vegetable supply and consumption in all EU-27 Member States. Findings from the "Consumption Monitor 2008" show that in 2007, total gross supply of fruit per capita stand at 91 kg (compared to an average of 97 kg over the previous five years), and total vegetable gross supply per capita stand at 104 kg (compared to an average of 125 kg over the previous five years). This represents a decrease in 2007 in gross supply by 5% for fruits and by 15% for vegetables, when compared to the average for the previous five years.

The situation varies significantly from one Member State to another. On average, the trend indicators in the monitor signal that around half of EU Member States are below or just above the 400 grams a day minimum recommended by the World Health Organisation, and the situation is not any better in the countries analysed outside the EU. This shows that important efforts remain to be made in order to bring consumption up to satisfactory levels across all EU Member States.

The Freshfel Consumption Monitor is one of the services granted by Freshfel to its members and is therefore made available free of charge for the membership. Non members of Freshfel can order the document from the Freshfel secretariat at a cost of €400.



Member State	2007 Av. Fruit Consumption (G/Capita/Day)	2007 Av. Veg Consumption (G/Capita/Day)	2007 Av. F&V Consumption (G/Capita/Day)
Austria	394,57	212,76	607,33
Belgium	184,23	467,85	652,09
Bulgaria	149,11	203,90	353,02
Cyprus	524,33	303,98	828,30
Czech Republic	218,46	164,73	383,19
Denmark	216,57	193,03	409,61
Estonia	159,17	163,16	322,33
Finland	145,62	159,80	305,43
France	226,81	246,66	473,47
Germany	178,48	149,90	328,39
Greece	556,16	460,42	1.016,57
Hungary	301,15	416,81	717,95
Ireland	114,06	164,95	279,01
Italy	398,85	317,94	716,80
Latvia	166,87	192,13	358,99
Lithuania	73,59	141,62	215,21
Luxembourg	217,50	126,84	344,35
Malta	235,19	350,35	585,54
Netherlands	239,87	177,94	417,81
Poland	133,25	316,22	449,47
Portugal	333,03	302,96	635,99
Romania	239,80	412,61	652,41
Slovakia	126,22	226,04	352,26
Slovenia	239,00	151,33	390,32
Spain	308,17	333,92	642,09
Sweden	190,64	179,09	369,73
United Kingdom	172,83	190,52	363,34
EU-27	249,71	285,16	534,87

The 'Consumption Monitor' constitutes an important instrument of the Freshfel Working Group on Promotion, Communication and Image. The annual Freshfel consumption monitor has fast become the vital document against which the performance of Europe in incorporating fresh fruits and vegetables into the diets of its populations can be judged. It is a unique report and a valuable tool for companies in the fresh produce sector and public sector alike.

Promoting consumption at the work place

Facing the lack of consumption of fresh fruit and vegetables, Freshfel Europe has been advocating at EU level for the reinforcement of the tools available to promote the consumption of fresh fruit and vegetables. In this respect, Freshfel has been calling for more resources within the CMO reform and the EU promotion policy. Freshfel also took the leadership in requesting a pan-European school fruit scheme. Furthermore, Freshfel undertook actions to improve the consumption of fresh fruit and vegetables at the work place. Freshfel elaborated (see supra) a charter for its members to offer fresh fruit and vegetables to enjoy during meetings and have them available at reception desks for visitors. Freshfel also sponsored, with the support of some members, fresh fruit and vegetables for healthy breaks and meals during the school fruit scheme conference in December 2008 attended by 400 delegates. Freshfel is also considering an additional test case with DG SANCO, which already has fruit baskets available during the meetings of the EU platform on diet, physical activity and health.



PROMOTION, COMMUNICATION & IMAGE

During the past year, Freshfel has been reflecting on how to better tackle the communication and image issues surrounding the activities of the association as well as communication about the produce and the value added role of the fresh fruit and vegetables supply chain.

Under the leadership of the Freshfel President Ramon Rey, the last AGM already renamed the Promotion Working Group into a Promotion, Communication and Image Committee. The role of this committee has been enlarged and will steer the association into a better communication strategy to improve the image of fresh produce and the sector. Chaired by Dr. Laurence Swan, the Committee has already started to work and has identified priorities, while looking at the tools available to be successful with this ambitious task.

Areas where Freshfel is considering actions to improve the communication and the image of fresh fruit and vegetables are:

- The fresh produce image with the policy makers: Freshfel is often confronted with statements which need to be addressed referring to price, safety, nutritional value, convenience, organic versus conventional, or buy local. Fact sheets on these issues could be prepared and made available to members.



- NGO agenda: The sector is more and more exposed to emotional issues raised by NGOs embracing an ever larger agenda including issues such as pesticides and active substances, corporate social responsibility, environmental issues (water usage, carbon footprint and food miles, recycling and sustainability). Responses provided to these questions often include corporate company policy, but beyond and for its emotional elements, a collective industry response might be considered.
- Communication with retailers: To involve more retailers within Freshfel remains an important objective.
- Addressing communication with consumers: Fresh produce has many positive assets, in particular healthy properties widely recognised by the scientific community. There is a wealth of scientific findings which are published every year but regrettably sometimes these findings are difficult to translate into concrete and practical messages. To move ahead a number of actions could be considered, for example to develop a strategic alliance with EGEA to improve the communication to the public of the scientific findings, evaluate the benefit of a consumer website where useful information could be centralised about consumption, continue to work closely with those who are involved in promotion campaigns, conduct ad hoc research or study such as the misuse of fresh produce image by other industries, and foster partnerships with health organisations.
- Relationship with its Members: Freshfel is already evaluating the communication system with Members in order to improve the format of its communications.
- Sector rapid alert and risk communication: The sector could be one day exposed to a pan-European crisis requiring rapid and centralised communication. Freshfel should set up a network of spokesmen which could be reachable with short notice to evaluate a response to an outbreak or an emotional campaign but also to coordinate proactive campaigns on positive aspects.



EU POLICY ON PROMOTION

In 2008 Laurence Swan has been re-elected this year as Vice-President of the Group. This Advisory Group guides the European Commission on its promotion policy and in particular regarding the European Regulation on the Promotion of Agricultural Products, which has a total budget of €48 million in 2008.

Freshfel closely follows the EU promotion policy which has been consolidated in EU Regulation 3/2008. Freshfel's input is mainly voiced through the European Commission Advisory Group on Promotion of Agricultural Products.

In 2008, the advisory group discussed the following items:

- o Consolidation and simplification of the EU regulation on the promotion of agricultural products
- o Procedure and methodology for the evaluation of EU promotion programmes
- o Guidelines and interpretation notes for the implementation of EU promotion programmes
- o Commission direct activities organised in third countries: Sial China, South Africa
- o Promotional campaign for organic food and farming (www.organic-farming.europa.eu)
- o Review of accepted and rejected promotion programmes & on-going co-financed programmes



ENJOY FRESH



This logo was designed by Freshfel Europe in 2006 to reflect the various assets of fresh fruit and vegetables: freshness, fun, pleasure, health, safety, diversity, for the youngest and the eldest, are just some of the features which were included in this logo. It is available for use and display at a minimal cost to all interested stakeholders across Europe for their promotional campaigns of fresh fruits and vegetables, or other communication activities. The logo also seeks to coordinate the many efforts undertaken across Europe and beyond to promote the consumption of fresh fruits and vegetables. The logo

was initially launched as one of Freshfel's commitments as a member of the European Commission's "Platform for Action on Diet, Physical Activity and Health". For more information and application, please visit the Freshfel website (www.freshfel.org) and click on the logo.

NUTRITION & HEALTH CLAIMS

Regulation 1924/2006 on nutrition and health claims made on foods was published in Official Journal L 12 of 18 January 2007 and has been in force since 1 July 2007. The Regulation sets up the conditions for the use of nutrition claims (such as “low fat”) and health claims (such as “helps lower cholesterol”) based on nutrient profiles.

1. Claim definition – The Regulation (Article 2§2.1) defines claims as “any message or representation (...) including pictorial, graphic or symbolic representation, in any form, which states, suggests or implies that a food has particular characteristics.”

This definition could help defend fresh fruit and vegetables from the use (or rather abuse) of the positive image of these products by other processed foods.

General requirements are that the use of nutrition and health claims shall only be permitted if the average consumer can be expected to understand the beneficial effects as expressed in the claim, and that nutrition and health claims shall be based on and substantiated by generally accepted scientific evidence.

2. Nutrient profiling – Claims may only be used if a food product meets a certain profile, i.e. appropriate ratios of salt, fat and sugar. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. Health claims cannot fail any criteria. National recommendations on food intake (i.e. “5 a day”) will be taken into account.

Exemptions from the requirement to respect established nutrient profiles is envisaged for certain food or categories of foods depending on their role and importance in the diet of the population. Exemptions will almost certainly include: “Fruit, vegetables and their products, presented fresh, frozen, dried, or under any other form in so far as they contain no added sugars, salt or fat”.

Food categories, specific conditions & thresholds: The European Commission is proposing a category “Fruits, vegetables, nuts, and their products”, with the specific condition that the finishing products contain a minimum of 50g per 100g of fruit, vegetable or nut. The following thresholds would also apply: maximum of 400mg sodium, 5g saturates and 15g sugars per 100g.

According to article 4§1 of the Regulation, nutrient profiles should have been developed by 19 January 2009, based on an opinion of the European Food Safety Authority (EFSA). The European Commission has not been able to respect this deadline and for the time being it is unclear when this will happen.

3. Nutrition Claims – ‘Nutrition claim’ means any claim which states, suggests or implies that a food has particular beneficial nutritional properties due to energy, nutrients or other substances. A list of authorised nutrition claims and the conditions for use is published in the Annex of the Regulation. Comparative claims may only be made between foods of the same category, taking into consideration a range of foods of that category.
4. Health Claims – ‘Health claim’ means any claim that states, suggests or implies that a relationship exists between a food category, a food or one of its constituents and health. These are divided into Article 13 and Article 14 claims. Functional claims (Article 13 of the Regulation) (such as “calcium is good for your bones”) will be included in “positive list” that the European



Commission is required to draw up by 31 January 2010, based on EFSA's scientific advice. These claims do not include those related to children's development or health or disease risk reduction claims (Article 14 of the Regulation). Disease reduction claims (defined as any health claim that states, suggests or implies that the consumption of a food category, a food or one of its constituents significantly reduces a risk factor in the development of a human disease), and claims referring to the health of children will require full authorisation on a case-by-case basis, following the submission of a scientific dossier to EFSA.

INFORMATION TO CONSUMERS – NUTRITION LABELLING

The European Commission adopted a proposal on the provision of food information to consumers (nutrition labelling) at the beginning of 2008. This proposal combines Directive 2000/13/EC of the European Parliament and of the Council on the labelling, presentation and advertising of foodstuffs and Council Directive 90/496/EEC on nutrition labelling for foodstuffs into one instrument.

The proposal introduces principles to draw a clearer borderline between mandatory and voluntary information. It makes nutrition labelling mandatory in the principal field of vision of a food label. It allows for the development of best practice in the presentation of nutrition information, including alternative forms of expression of the nutrition information in relation to overall daily nutrient requirements or graphical forms of presentation.



Unprocessed products that comprise a single ingredient or category of ingredients are exempted from the requirement for the mandatory nutrition declaration.

The main aspects of the proposal with respect to general labelling issues are:

- the clarification of the responsibilities regarding food labelling for the different food business operators along the supply chain;
- a minimum print size for the mandatory information is introduced;
- the introduction of a requirement that information on allergenic ingredients should be available for non-prepackaged foods sold through retail and catering outlets;
- the mandatory declaration is for energy, fat, saturates, carbohydrates with specific reference to sugars and salt expressed as amounts per 100g or per 100ml or per portion in the principal field of vision (front of pack) whilst nutrients from a defined list may be declared voluntarily;
- the mandatory elements must also be declared in relation to reference intakes whilst other presentation formats may be developed through voluntary national schemes;
- the labelling of the country of origin or place of provenance of a food remains voluntary, but if the failure to give such information might mislead the consumer, the labelling becomes mandatory;
- criteria are introduced for the declaration of country of origin or place of provenance of multi-ingredient products and the country of origin or place of provenance of meat, other than beef and veal. These criteria would equally apply to the voluntary declaration of "EC" origin labelling;
- the proposal clarifies the conditions under which Member States may adopt national rules on origin labelling.

The proposal is still under scrutiny of the European Parliament who has already a draft introducing more than 1,000 amendments to the text of the Commission. However, vote in the Parliament will only take place after the elections in June 2009.

FOOD QUALITY

Marketing Standards

Marketing standards define clear rules for all contracting parties in an increasingly global trading environment. Whilst the increased market share of retailers has led to a majority of fresh produce having to comply with extra-legal requirements, the EU marketing standards (and their compulsory character) continued to serve as a basis and remain the sole guarantee for consumers to buy quality products in countries with less retailer dominance. While Freshfel acknowledged the need for simplification and possibly for fewer marketing standards, the arbitrary approach of selecting a top 10 of products which would maintain their standards lacked any rationale.

Freshfel regrets the Commission decision to drastically cut the number of marketing standards for fruit and vegetables, an initiative taken without the support of the sector at large. The move of the Commission was also taken despite broad opposition from Member States most notably from leading fruit and vegetable producing countries. The European Commission has used the marketing standards dossier solely to fulfil its own simplification agenda (including an unprecedented and costly media campaign to support the rationale of its proposal), without at anytime seriously having taken into account the points of view of the fruit and vegetable sector. The predicted advantages of the deregulation might soon be overtaken by other disadvantages in the supply chain and lead consumers to confusion or uncertainties about the quality of produce. Moreover the measure is likely to increase the pressure on the prices of quality products and might in long term have detrimental effects on the quality of fruit and vegetables in general.

As of 1 July 2009, marketing standards will only be applicable for apples; bananas; citrus fruit; kiwifruit; lettuces, curled leaved and broad-leaved endives; peaches and nectarines; pears; strawberries; sweet peppers; table grapes; and tomatoes. All other fresh products have to comply with a general marketing standard defining minimum quality requirements.

Three months from the entry into force of Reg. (EC) No. 1221/2008 on 1 July 2009, a lot of confusion remains within the sector as well as for control authorities. Freshfel laments the room for (mis)interpretation on some key issues and seeks to obtain clear guidance from the EU Commission in order to secure the functioning of the internal market.



EU Agricultural Quality Policy

The European Commission is currently revising its agricultural quality policy, initiated last year with the launch of a green paper and stakeholder consultation. Given the very recent overhaul of the quality policies in the fruit and vegetables sector, Freshfel limited its response to integrated production and private assurance schemes.

While the vast majority of fresh fruit and vegetables are grown under some scheme of integrated farming, the market for products originating from integrated farming in the EU continues to be fragmented along national and regional lines. While this is partially caused by the multitude of schemes which are developed at regional level, the lack of a common baseline represents a major hurdle for a functioning internal market. Likewise the absence of an agreed EU definition prevents a clear differentiation with conventional products and the associated price premium. In order to reinforce the reputation and credibility of integrated production schemes throughout the EU, action needs to be taken to identify a common baseline!

The fruit and vegetables sector is used to comply with strict standards, and is ready to adjust its practices in order to cope with specific customer requirements demanded by the market as long as these requirements are workable, reasonable and consistent with international trade policy. The lack of real harmonisation of private assurance schemes has not been adequately addressed to date. The industry needs wider participation in forums to set standards to address the whole range of retailer demands - policy areas over and above food safety dictated by legislation - which must be complied with, such as environmental protection and workers and animal welfare. While it is questionable whether EU guidelines would alleviate the above concerns, the EU could however play a facilitating role in achieving the above objectives.

Fresh Quality Guide

Freshfel plays an important role in disseminating timely and professional information to members in the domain of food safety and quality. To simplify and streamline the availability of information, Freshfel introduced in 2004 an online interpretative guide to operators' responsibilities to adhere to EU food safety and quality legislation.

The Fresh Quality Guide is a well recognised and credible source of information for the fresh produce sector. Since it was launched in 2004, more than 160,000 stakeholders visited the site. The Fresh Quality Guide's reputation continues to grow as a result of the dedication by Freshfel's staff to maintain the content relevant, through regular updates with the latest legislative developments and the inclusion of succinct summaries and original documents. The Fresh Quality Guide is accessible at www.freshquality.org.



FOOD SAFETY

EU Pesticide MRL-Harmonisation



The 1st of September 2008 marks a milestone in the European fresh produce trade, as more than 15 years after the introduction of the single market, the myriad of Maximum Residue Levels (MRL) applicable across the entire EU and their constant modification finally belong to the past. Specific provisions provided a smooth transition to the new framework.

The harmonisation exercise and the scientific assessments behind the work by the European Food Safety Authority (EFSA) and Member States provide an excellent opportunity for food policy authorities to restore their credibility following numerous derogatory NGO campaigns. Too often consumers wrongly assume that their health is at risk because they misconstrue MRLs as safety standards that are set to protect their health, while in fact MRLs are trading standards.

Whereas the EU MRL-harmonisation started on the 1st September 2008, the full implementation of Regulation (EC) No 396/2005 is gaining pace. Since the start, more than 70 MRL-changes have already been submitted, the majority for fruit and vegetables. By the end of 2009 EFSA will have to review all MRLs of active substances authorised in the EU. Meanwhile efforts are continuing to develop methods for cumulative assessment (multiple residues), with the results of a pilot project on triazoles expected in June.

Freshfel will continue to highlight the efforts undertaken by the sector, specifically to minimise residues on foods in line with consumer expectations. The association will also ensure that strong dialogue exists between all partners to highlight emerging trends within the commercial and legislative environments to provide sound facts for industry decision-making.

Authorisation and Use Of Plant Protection Products

As downstream users of plant protection products, the fresh produce industry needs a successful and innovative agro-science industry to ensure that a wide range of plant protection solutions are available to address pest control.

In March 2009 the EU finished an extensive re-evaluation programme of existing active substances in plant production products. The programme started in the mid-nineties following the entry into force of Council Directive 91/414/EEC, harmonizing the authorisation of plant protection products within the EU.



In January 2009, following a heavily debated legislative process of more than 2 years, the European Parliament adopted a compromise on the EU pesticide package. The conclusion of these key pieces of legislation marks a provisional end to EU legislative initiatives regarding pesticides in recent years, thereby providing a reinforced high level of consumer protection. In line with the EU MRL-harmonisation, the sector is hopeful that the adoption of the EU pesticide package will enable the increase of consumer confidence in the safety rules adopted by the legislation.

The implementation of the new rules will lead to even stricter requirements in regard to the future authorisation of plant protection products. The loss of some essential active substances will therefore have a concrete impact for the horticultural sector. Regretfully, these consequences were not measured in detail by the EU prior to the decision through a solid impact assessment. In some cases Member States will have to make benefit of a derogation clause to continue using certain active substances if certain pests cannot be contained. Such a clause will be crucial to maintain economically viable horticulture in certain regions.



The new rules also bring closer a single EU market for the approval of plant protection products at national level through the establishment of 3 geographic approval zones. The current system has led to distortion of competition among different Member States and in some cases has confused the public on supposedly illegal pesticides. Separately integrated pest management methods will become mandatory as of 2014.

Freshfel heavily defended fruit and vegetables as they constitute minor uses. In this respect Freshfel particularly welcomed the provisions to ease bureaucracy on approvals for minor uses and in particular the possibility of a new fund to promote greater availability of active substances for minor uses. As some key plant protection solutions for horticulture will be phased out over the coming years as a consequence of this regulation, it will be crucial to find timely alternatives. The IR-4 project in the USA provides first-hand experience how such a fund could introduce safer and more efficient pesticides for EU fruit and vegetable production, which will be a win-win situation for all stakeholders.



Increased Import Controls For Emerging Risks

In the framework of Regulation (EC) No 882/2004 on official controls in the EU, provisions had to be laid down with regard to an increased level of official controls at the point of entry for plant products for which a known or emerging risk is recognised. Following 2 years of discussions, the draft legislation was eventually adopted in March 2009.

The initial proposals entailed serious concerns within the fresh produce sector, namely with regard to control delays and the lack of clear criteria for listing countries and products which would be subject to the new regime. A series of modifications eventually alleviated most concerns.

Products will be allowed to continue their way to their destination, but will only be allowed for release into free circulation after the lab results are favourable. In cases where designated points of entry do not have all the capacity in place, the Commission is prepared to support Member States through capacity building and expert visits. If serious problems would arise following the entry into force, exceptional derogations for highly perishable products could be considered with physical checks carried out at destination.

As of 1 July 2010, imports in the EU of selected fresh produce from the Dominican Republic, Thailand and Turkey will be subject to an increased level of controls (i.e. 100% documentary checks and a certain % of physical checks). The consignments will have to be pre-notified and will only be able to enter through designated points of entry in each Member States. At present physical checks only involve pesticide residue monitoring.

Microbiological Contaminants

Whilst pesticide residue concerns still dominate the fresh produce food safety agenda, the increasing popularity of convenience products and the recent food scares in the USA requires Freshfel to closely follow-up on micro-biological contamination, namely through exchange of views in the Food Quality & Safety working group.

While the situation in the US is not comparable to the EU and contaminations are in general largely attributable to consumers, it was decided that a dedicated subgroup should start to work on the subject and collect information on the latest scientific knowledge, best practices, etc. This subject will regularly be tabled on the agenda of the Food Quality & Safety working group.

Industry Cooperation

The horizontal nature of food safety legislation and its increasingly complex nature have given rise to numerous initiatives in which industry can exchange views and raise awareness on emerging issues. Since its creation in 2003, Freshfel continues to be active in the Food Chain Roundtable on Pesticides. This forum proved to be useful for the discussion on common issues regarding plant protection products and their residues. Initially the brainchild of Freshfel and the European Crop Protection Association (ECPA), the group includes today representatives from the main food chain partners including farmers (COPA-COGECA), agri-food traders (CELCAA), food manufacturers (CIAA) and associated industries. Freshfel is co-chairing this group with ECPA. During the past year, the group regularly exchanged views with regard to the future legislation on pesticides.

Given its proactive stance on plant protection products Freshfel was invited by GLOBALG.A.P. to be part of its Crop Protection Working Group (CPWG). The Freshfel secretariat and two experts of the association (Ronan Raes – Bonita Europe and Jean-François Proust – Forum Phyto France) are available for regularly participating in the meetings of the CPWG. The group is dealing with a number of important matters, such as non-compliance, confidence and

other legislative/non-legislative developments. In its second year of activity, the CPWG is exploring enhanced laboratory standards and how to deal with unprotected crops.

Given similar interests in a wide range of issues concerning plant protection products and their residues, Freshfel is cooperating intensively with AREFLH (association of European F&V producing regions) and OEITFL (association of the processing F&V industry) through participating at food safety working groups of one another.



In the framework of the future authorisation rules for pesticides, Freshfel joined forces with AREFLH and OEITFL to defend the interests of the fruit and vegetables sector. The associations issued joint press releases, position papers and joint delegations visited key MEPs. Where the legislation has been adopted, the associations remain committed to improve the situation of minor uses and will seek to obtain an EU Promotion fund for Minor uses.

More general and since 2004, European federations representing all stages of the food chain established a forum to discuss issues relating to food safety. The Food Safety Platform allows all stakeholder federations to share information and provide an early-warning system to ensure that all sectoral representative organisations are aware of each others' actions and foreseen changes in the legislative environment. Freshfel regularly participates to the meetings of this Platform.



SUSTAINABILITY

Since the nineties, the fruit and vegetable sector has been proactive in developing sustainable agricultural practices to cope with increased requirements from consumers, either through legislation or private specifications.

Despite increased efforts with regard to integrated pest management and given the disastrous effects of the 90's food scares on consumer confidence in food legislation, derogatory NGO campaigns challenged legislation and certain industry practices, and pushed retailers to adopt further requirements with regard to pesticide use and residues.

Meanwhile, issues such as climate change and social standards have climbed on the list of consumer concerns and retailers have been keen to expand their activities in these fields. UK retailers have been most active demonstrating their green and social credentials, but continental Europe is following swiftly behind. Whether carbon labelling (already applied or in trial with some major EU retailers) will become widespread or not, our industry will be called upon to actively contribute to reduce greenhouse gas emissions throughout the whole fruit and vegetable supply chain. Water usage is also increasingly being scrutinised by NGOs and while fruit and vegetables on the whole perform well, problem areas need to be identified and addressed. Retailer requirements on environmental issues will undoubtedly increase, as the governments expect retailers (within their role of gatekeeper to the consumer) to take responsibility and stimulate sustainable consumption.

Retailers have developed different strategies to cope with the above challenges. The fruit and vegetable sector continues to proactively address these challenges and seeks to work towards solutions which are easy to apply, transparent, cost effective and as much as possible harmonised.



Environmental Sustainability

Sustainable development is rapidly shifting upwards on the political agenda, and public authorities promote the consumption of 'green products' even through positive discrimination. The EU action plan on sustainable consumption and production, launched mid-2008, already provides a clear example through its guidelines for green public procurement of foodstuffs, focusing particularly on fresh fruit and vegetables, and fish.

In addition the EU Ecolabel scheme, a voluntary scheme to promote products with a reduced environmental impact, will be extended to food and drinks. The EU Commission will first conduct a study to see whether it is possible to set reliable environmental criteria for such products. It will also be considered whether only products certified organic would be eligible for receiving the Ecolabel award, to avoid confusion for consumers.



Besides providing information regarding environmental sustainability, Freshfel actively engages in the debate and tries to ensure co-ordination in research efforts from its members. Whilst the debate has evolved to a life-cycle approach, the sole focus on Greenhouse gas emissions could lead to wrong conclusions with regard to sustainability. Freshfel will continue to stress the need for an integrated approach including other environmental impacts, as well as social and health issues. Freshfel will further play an active role, in close collaboration with other food chain partners.



On 3 March 2009 the European Food Sustainable Consumption and Production (SCP) Roundtable was launched, it will constitute a major food sector-wide contribution to the EU's ambitions in the field of Sustainable Consumption and Production, bringing together farmers and their suppliers, agricultural traders, food and drink producers, retailers and civil society representatives.

The Roundtable will add significant value to initiatives outlined in the European Commission's 2008 Action Plan. The first priority is to facilitate agreement on uniform and scientifically reliable environmental assessment methodologies for food products. Parallel to environmental assessment methods, the Roundtable will examine key sustainability challenges along the food value chain (e.g. climate change, water conservation, resource efficiency and waste reduction) and develop adequate strategies to address them.

Social Responsibility

Whilst social standards have become common within the exotics segment of our industry, recent NGO campaigns on other commodities and European produce have caused retailers to evaluate their sourcing strategies and generalise the concept of social standards to other product categories and origins. In this light Freshfel closely follows developments, collecting information and best practices. The subject is regularly tabled on the agenda of the Food Quality & Safety working group, including presentations by the standard makers, to allow debate and the exchange of views.



RESEARCH & INNOVATION

Research and innovation are key to any industry in maintaining competitive advantage, addressing new consumer needs and improving the supply chain.

Whereas research and innovation primarily falls within the remit of individual companies or groups of companies, Freshfel acknowledged the need for collective action in certain areas. In this light, Freshfel has taken a more active role with regard to the EU research funding.

Knowledge lies at the heart of the European Union's Lisbon Strategy to become the "most dynamic competitive knowledge-based economy in the world". Numerous programmes, initiatives and support measures are carried out at EU level in support of knowledge this objective.

The Seventh Framework Programme (FP7) bundles all research-related EU initiatives together under a common roof, playing a crucial role in reaching the goals of growth, competitiveness and employment; along with a new Competitiveness and Innovation Framework Programme, Education and Training programmes, and Structural and Cohesion Funds for regional

convergence and competitiveness. It is also a key pillar for the European Research Area.

The programme runs for seven years, it became fully operational as of 1 January 2007 and will expire in 2013. The EU Member States have earmarked more than € 1.9 billion for funding in the area of Food, Agriculture and Fisheries, and Biotechnology over the duration of FP7.

The 'Food, Agriculture and Fisheries, and Biotechnology' theme is built around three major activities:

- sustainable production and management of biological resources from land, forest and aquatic environments;
- farm to fork: Food (including seafood), health and well-being;
- life sciences, biotechnology and biochemistry for sustainable non-food products and processes.



The necessity for research coordinators to demonstrate the relevance and benefits of each project has increased the importance of sector involvement and improved dissemination. As a result the most recent call for proposals has led Freshfel to be approached on a number of relevant projects for the fresh produce sector. The Freshfel Board considered that certain projects are relevant for the members of Freshfel and therefore the association should support these projects.

While the evaluation process for these projects is still pending, Freshfel has confirmed its support for the following projects:

- **Medfly Watch:** a project aiming at monitoring the fly population with new on-site automated warning systems, allowing the grower to be alerted quickly in case of infestation. The project is coordinated by the Agricultural Research Institute in Cyprus. Freshfel would act as a liaison body with stakeholders and also disseminate information in the EU as well as outside the EU.
- **Fluotherm:** a project aiming at developing a smart camera based on chlorophyll fluorescence and thermal imaging to identify the abiotic and biotic stresses caused by diseases, pests and viruses developing in the greenhouse environment. The project is coordinated by a research institute in Malta. Freshfel would act as a liaison body for facilitating the testing among members and also disseminate information on the project outcomes.
- **Acropoliss:** a project aiming at developing models and strategies for assessing risks arising from cumulative and aggregate exposure to pesticides with a similar mode of action, suspected additive or synergistic effects, or complex mixtures. This research will contribute to improving the European policy and regulatory basis for the benefit of the international community. The project is coordinated by a consortium led by Wageningen University in the Netherlands. Freshfel involvement is sought as a work package leader with regard to stakeholder involvement, in collaboration with the University of Ghent.



LIST OF MEMBERS AND ASSOCIATED MEMBERS

“5 al día”, Asociación para la promoción del consumo de frutas y hortalizas, Spain

AEL, Great-Britain*

AGROFRESH, a division of ROHM and HAAS FRANCE SAS, France*

AILIMPO, Spain

ALARA, Turkey

ANDRETTA FRUCHTIMPORT GMBH, Germany

ANECOOP, Spain

ANECOOP FRANCE, France

ANECOOP POLSKA, Poland

ANECOOP PRAHA, Czech Republic

ANEEFEL, France

ANTON DÜRBECK, Germany

ANTONIO MUÑOZ & CIA, Spain

AOP POMME POIRE, France

APEFEL, Morocco *

ARC EUROBANAN, Spain

ASERCA, Mexico*

ASOEX, Chile*

ASSOCIAÇÃO BRASILEIRA DE PRODUTORES DE MACA, Brazil *

ASSOMELA, Italy

AZ FRANCE, France

BAMA GRUPPEN, Norway

BANANA KOMPANIET, Sweden

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