

24 January 2007

FOR IMMEDIATE RELEASE

FRUIT AND VEGETABLES REFORM: FRESHFEL REACTS TO COMMISSION PROPOSAL

The European Commission adopted today a proposal for the reform of the Common Market Organisation (CMO) of Fruit and Vegetables. The proposal confirms Producers Organisations as the cornerstone of the CMO for fresh produce and reinforces some of the promotion tools available today, in particular those targeting younger people. The reform introduces an elimination of the processing aid, replacing it by a single payment scheme. It also eliminates existing market mechanisms such as export refunds and market withdrawal instruments.

Freshfel Europe, the European Fresh Produce Association, considers that the reform is a good opportunity to tackle some of the most urgent challenges that the fruit and vegetables sector is confronted with today. Pino Calcagni, President of Freshfel Europe said: *"The reform should provide a framework to foster cooperation among stakeholders and encourage consumption of fruit and vegetables which is today at best stagnating."* Freshfel therefore supports the inclusion of provisions and additional funding to promote fruit and vegetables consumption in particular among the youngest. *"Freshfel has always advocated for an ambitious European promotion policy which should comprise youngsters and adults alike, considering new eating habits as well. The Commission measures should therefore only be considered as a first step towards reinforcing the European promotion policy for fruit and vegetables. More than ever, it is important to look after the positive image of fresh produce and to highlight its quality and healthy properties towards European consumers"* Mr Calcagni added.

Freshfel welcomes the continuity of a fresh produce policy structured around Producer Organisations (PO) and Operational Programmes (OP). The Commission proposal provides for a steady annual growth of funds for OP, with the budget rising from 695 million € in 2008 to slightly above 1 billion € in 2013. *"This is a positive signal for the fresh fruit and vegetables sector. However, for a full utilisation of the proposed budget and to avoid any distortion, the Common Market Organisation should facilitate cooperation within the chain and foster partnership between producers and traders, thus taking full benefits from the expertise available within the supply chain"* said Philippe Binard, Freshfel's General Delegate.

Freshfel Europe is concerned that the combined phase-out of export refunds, market withdrawals and the processing aids could have far reaching negative implications on the market for fresh produce. These mechanisms are dismantled without compensation or any introduction of appropriate alternative instruments. The proposed measures regarding crisis management are inadequate as they will only affect production channelled through PO's which nowadays merely represents 34% of the European production. Moreover, Freshfel regrets that the proposal does not contemplate current challenges of European exporters by failing to address outstanding issues such as lack of reciprocity in phytosanitary and regulatory barriers to trade. The absence of a coherent export policy further undermines the position of European exporters on international markets.

Freshfel will continue in the following months to contribute to the debate as the Commission proposal will be discussed at the European Council and the European Parliament. *"It is important to move towards greater integration of policy through a homogenous implementation of rules governing fruit and vegetables across Europe"* concluded Mr Calcagni.

Note to the Editors: Freshfel Europe is the European Fresh Produce Association, representing the interests of importers, exporters, wholesalers and distributors, and retailers of fresh fruits and vegetables in Europe and beyond. Freshfel Europe currently has over 170 members, including both companies and associations. Freshfel's work is organised on the basis of its four divisions: Import, Export, Wholesale and Distribution, and Supply Chain and Retail. In addition, Freshfel Europe has set up various Working Groups. For more information, contact the association at info@freshfel.org.

EUROPEAN FRESH PRODUCE ASSOCIATION A.I.S.B.L