

# COVID-19 IMPACT ASSESSMENT

## IMPLICATIONS OF THE COVID-19 PANDEMIC FOR THE EUROPEAN FRESH FRUIT & VEGETABLE SECTOR

### COVID-19 & THE EU FRESH FRUIT & VEGETABLE SECTOR

The EU fresh fruit & vegetable supply chain has adapted & re-adapted to changing operating conditions to supply consumers with healthy & fresh products during the COVID-19 pandemic.



Freshfel Europe's Impact Assessment examines the short & long-term implications of the COVID-19 pandemic for the sector. All layers of the supply chain, from production to retail, have been affected by key challenges that will have significant repercussions for the sector. Key recommendations to policy-makers are provided.

### WORKFORCE CHALLENGES

- Travel bans have led to significant shortages of seasonal workers required for production.
- Social distancing measures have slowed down operations & thus product availability for consumers.
- A shortage of protective equipment & testing is putting essential workers at risk.



### LOGISTICS SLOWDOWN

- Delays in operations due to social distancing & border closures have impacted product quality.
- Disruption in transport channels is causing 'empty truck' returns, low sea container accessibility & minimal airfreight.
- Operators have invested in protective equipment & additional staff so operations continue.



### UNCERTAIN MARKET

- Through high flexibility consumers' high demand for the main product categories has been met.
- Food services closure has halted demand for categories with ample margins (e.g. salad & fresh cut).
- Higher probability of price volatility due to disruptions across the chain.



- Limited diversity of supply & increased focus on local markets.

### SOARING COSTS & RISKS

- Costs for EU growers have increased by €1 billion in two months due to logistics disruptions & increased workforce costs to meet COVID-19 measures.
- Uncertainty & lack of coordination across Member States has meant the sector cannot plan for future seasons.
- Wholesale & food services (most impacted) unable to plan re-opening due to lack of EU de-confinement coordination.





### RECOMMENDATIONS TO POLICY-MAKERS

*Freshfel Europe urges policy-makers to take decisive action to ensure the sustainability of the sector so that safe, healthy fresh fruit & vegetables are continually available to consumers now & beyond the pandemic.*



#### A EUROPEAN SOLUTION

There is an urgent need for EU-wide measures & coordinated de-confinement; Member States' individual actions cannot ensure certainty & a level playing field for operators. Equally, in any future COVID-19 outbreak coordination in confinement measures must be immediately established.



#### BETTER RECOGNITION OF ESSENTIAL ROLE OF F&V WORKERS

All fresh produce workers should be considered essential & have priority in receiving protective material. Special conditions should also apply so seasonal workers are exempted from quarantine or travel bans to secure continued production.



#### ADAPTATION OF EU POLICY PLANNING

Short-term postponement of select new EU requirements (e.g. organic legislation) is needed. Future EU priorities should take account of the post-COVID-19 environment when defining action & support for the sector (e.g. promotion annual work programmes).



#### FINANCIAL ASSISTANCE FOR ECONOMIC SUSTAINABILITY

The CAP & other tools should secure the sector's economic sustainability especially for growers, wholesale actors & foodservice suppliers. EU assistance for developing partners as key EU suppliers should also be prioritized to secure the EU's long-term food security.



#### INTERNATIONAL COOPERATION TO SECURE F&V TRADE

An increased standardisation of protocols of action is necessary for the protection of transport workers & harbour management. The EU should lead a global effort to implement reciprocal trade facilitation measures by all trade partners, including international 'green lanes', global acceptance of electronic transmission for all export certifications & facilitations for EU exporters to comply with SPS requirements.

#### ABOUT THE EU FRESH FRUIT & VEGETABLE SECTOR

The EU fresh fruit & vegetable sector has an estimated turnover of more than €200 billion, creating ~5 million direct & indirect jobs. Each year 125 million T of fresh fruit & vegetables is produced in the EU (80 million T for the fresh market), while 50 million T is consumed in Member States where it is grown.

Annually the fresh fruit & vegetable intra-EU market trade (30 million T) is worth >€30 billion, while exports to 3rd countries (5 million T) are worth €4.8 billion & imports to the EU (16 million T) are worth €17 billion annually.

