



IMPACT ASSESSMENT

ON THE COVID-19 PANDEMIC'S IMPACT ON THE EU FRESH FRUIT & VEGETABLE SECTOR

- May 2020 -

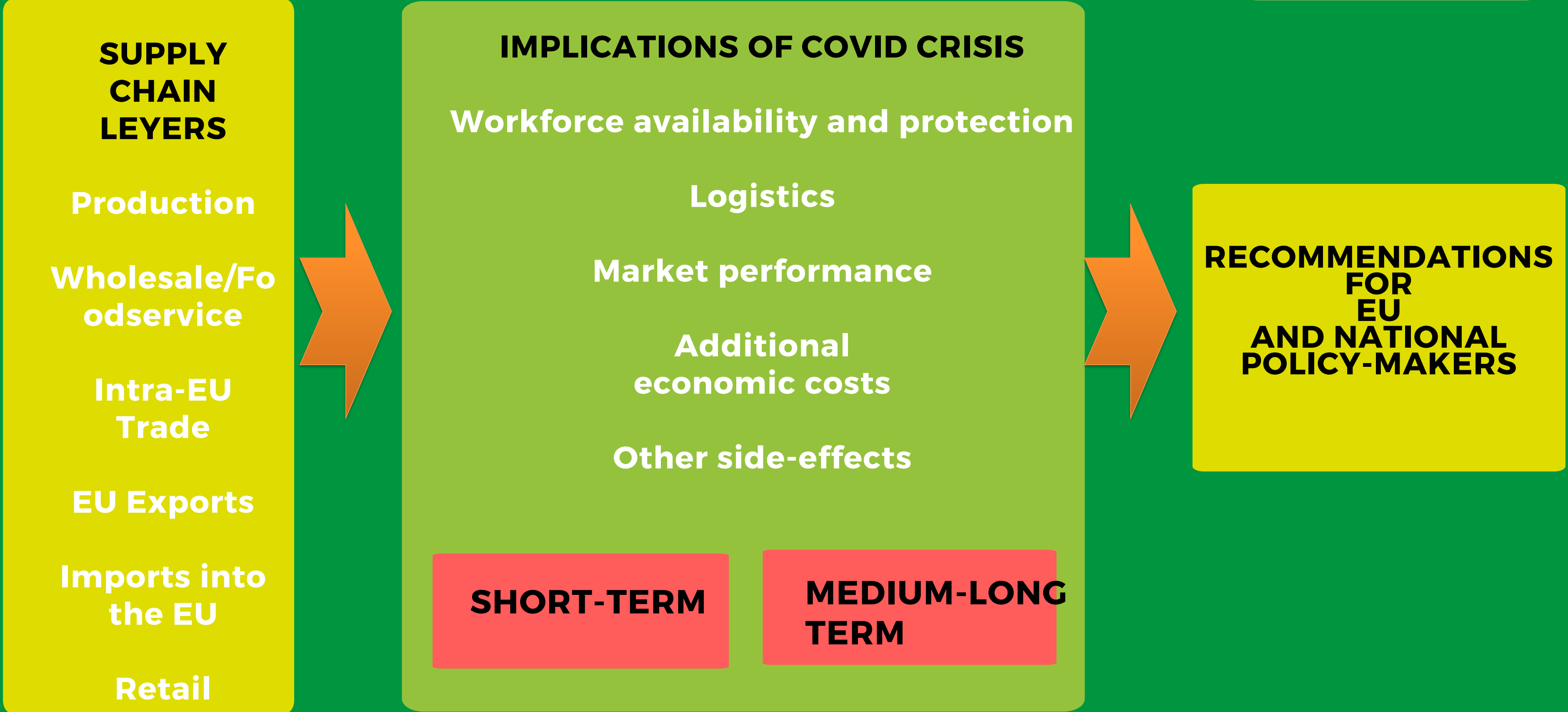
WHY AN IMPACT ASSESSMENT FOR THE F&V SECTOR?



- Consensus on categorization of fresh F&V as essential for citizens' wellbeing can create a deceiving picture of 'normality' for the sector
- COVID's-related challenges and uncertainty over the future threaten economic sustainability of sector operators and food security
- Understanding COVID's multiple complex, interlinked effects in F&V supply chains over a short and medium term allows the anticipation of required action to secure sustainability of the sector



METHODOLOGY OF THE STUDY



KEY FINDINGS I: CROSS-CUTTING CHALLENGES ACROSS THE SUPPLY CHAIN



WORKFORCE

Travel bans and restrictions - Shortage of seasonal and other workers putting supply at risk and creating food waste

Social distancing - sharp slow down in producing, packing and trading operations

Shortage of protective equipment - limitation in sectors' capacity to protect workers and continue operations

LOGISTICS

Social distancing, travel quarantines and national lockdowns - sharp distortions of logistics in production and across the chain, 'empty returns' and blank sailings, shortage of containers, paper certifications missing

Slow-down of operations and transport - loss of quality and food waste

MARKET PERFORMANCE

Lifestyle change to 'home confinement' - increase demand for main F&V, and sharp decrease in demand of 'convenience' produce

'Stockpiling' vs. empty shelves - focus on quantity vs. varieties (drop in availability of less mechanized production) and other efforts to continue supply, including less EU exports (risks of losing market share abroad)

Uncertainties over timely mid-term supply capacity (EU production and imports) - price volatility risks

KEY FINDINGS II: CROSS-CUTTING CHALLENGES ACROSS THE SUPPLY CHAIN



ADDITIONAL COSTS

Adaptation of production, and logistics to COVID environment - +€1 billion in costs for EU growers in two months

Credit markets limiting risks – credit insurance coverages limiting coverage to fragile SMEs

Closure of foodservices – big losses for wholesale and food services-oriented sector, difficult planning for the future despite proactivity to look for alternatives (B2C, online initiatives, etc.)

OTHER SIDE-EFFECTS

Uncertainty over future consumers' concerns – sustainability in pre-COVID times (e.g. less packaging, organic produce) vs. COVID's 'war consumption' (focus on food safety and availability).

Sectors' visibility – 'essential' sector but differences in recognition by authorities and consumers across Member States

Reinforced trend towards 'local production' – potential mid-term risks for Single Market integrity (no-discrimination against products legally marketed) and for consumers' diversity of choice

PRINCIPLES TO GUIDE POLICY-MAKING INTO SECURING BUSINESS SUSTAINABILITY AND FOOD SECURITY IN COVID TIMES



1. A EUROPEAN SOLUTION

**2. A BETTER RECOGNITION OF THE ESSENTIAL
ROLE OF F&V WORKERS**

**3. ADAPTING EU POLICY PLANNING AND PROMOTION PROGRAMMES
TO COVID ENVIRONMENT**

4. FINANCIAL ASSISTANCE FOR ECONOMIC SUSTAINABILITY

**5. INTERNATIONAL COOPERATION
TO SECURE F&V TRADE**

FRESHFEL'S BROADER CRISIS MANAGEMENT RESPONSE TO COVID-19



- Freshfel's Impact Assessment & Summary factsheet, available [HERE](#), are only one of the actions taken by Freshfel's Crisis Response
- Freshfel continues its intelligence gathering and engagement with the sector and regulators to find solutions for ongoing and upcoming threats
- Awareness-raising about health benefits of F&V consumption also remain key in COVID times

Grapefruit is high in Vitamin C.
Vitamin C contributes to the reduction of tiredness & fatigue



Prioritise a diet rich in **fruit & vegetables** to maintain good health & wellbeing

