

FINAL MINUTES

Meeting of the Civil Dialogue Group HOS – Fruit and Vegetables

23/04/2021

Chair: Mr Garcia Fernandez (SACAR)

Organisations present: All Organisations were present, except: BEUC, EFNCP, CELCAA, EPHA, Birdlife Europe.

Approval of the agenda: Agenda is approved without any changes. The chairman hopes that the next meeting will be a physical meeting.

Nature of the meeting: The meeting was non-public. It is part of the Civil Dialogue Group HOS, section Fruit and Vegetables. Meeting was for the appointed CDG organizations and was not webstream.

Policy points discussed during the CDG Horticulture, section fruit and vegetables

1. General overview of the market situation, including trends, COVID impact, Brexit, Contingency plan initiative:

- a. **Short term outlook:** presentation by the Commission (Mr Adam Kowalski AGRI C2) on the latest market trends and outlook, in particular for our products oranges and apples. The Commission is now presenting three time per year a [short-term outlook](#). The content is built with the support of external experts.

The Commission presented the latest analysis for apples and oranges.

- For apples, the top 4 countries represent in acreage 73% of the EU27 acreage set at 490.000 HA. It is slightly lower than the 5-year average. The ratio of usage fresh/ processed is about 71%/29%. During the last season the strong domestic demand (COVID implication) and the lower crop led to reduce export to third countries. Consumption stands at 15kg on average for the EU.
- For oranges, acreage is 270.000 HA, with Spain representing 52% and Italy 29%. Fresh market represents 81% of the production or 5,4 Mio T. Trend for processing is declining, but this year could increase again due to smaller size. Trade is expecting a decrease of import by 5% to

previous year while exports are increasing. Consumption stands at 13kg on average for the EU.

- b. **Overall market situation in fruit & vegetable** (Mr Juri Mara AGRI G2). Presentation of F&V market trends including general business environment specific products aspects and international developments impacting trade.

Several aspects are underlined in particular in the presentation:

- i. Climatic conditions: Volatile weather conditions, from warmer spring to colder, leading during the second week of April to a cold wave with significant frosts affecting crops multiple crops: wine, peaches and nectarines, apricots and to a lesser extent apples and pears. It affected primarily Southern and central European countries: FR, IT, HR, SLO, AT, SK, CZ, South DE, EL, ES. Damages still unknown. Temperature during several days were the lowest recorded in the JRC archive.
- ii. Sanitary crisis: border issues threatening the fragmentation of the single market were overcome. The Commission remains vigilant about any issues that could endanger mobility (seasonal workers, truck drivers...)
- iii. International trade: Two positive news
 1. US/EU truce: the EU and U.S. agreed to suspend all retaliatory tariffs (from midnight 11 March) on EU and U.S. exports imposed in the Airbus and Boeing disputes for a four-month period
 - Brexit-UK: UK Government has decided to postpone the introduction of phytosanitary certification obligations for most fresh produce, considered low risk plant products, until January 2022 (instead of April 2021), when documentary checks will start to apply. Moreover, physical checks at Border Control Posts on fresh produce will only be applied from March 2022 (instead of July 2021). First trade figures from the UK for January and February 2021, indicate a decrease of import from the EU by circa 16% for fruit and by 12% for vegetables while trade was more stable for their imports originating from non-EU countries. It's too early to draw any conclusion.
- iv. Economic data:
 1. Over 2020 (compared to 2019) higher increases for extra-EU imports (in particular fruits and especially citrus recording double-digit increases) than for extra-EU exports which remained overall stable. This is explained by an increased consumption especially of citrus fruits in the EU as a consequence of the COVID sanitary situation.
 2. With regards to intra-EU trade, 2020 saw an increase of 2% in value (year on year) with with NL and ES accounting for half of intra-EU exports and DE and FR accounting for half of intra-EU imports. Fruits sector very dynamic pushed by increases in the main products (oranges, apples, lemons).
 3. With regards to prices the current marketing campaign for apples and oranges is a continuation of the previous campaign with higher than average prices pushed mainly by an increase in internal demand. With regards to tomatoes the situation is more

volatile with cold snap in January in Spain pushing volume to February and leading to oversupply and low prices. March saw a pick-up in prices.

- c. **Contingency plan:** (Presentation by AGRI G1 Marc Fleureck). The Commission is within the F2F strategy developing a contingency plan for ensuring food supply and food security. The objective is to secure affordable supply and get well prepared common response in case of crisis. The Commission will plan a legislative framework for sustainable food systems to be delivered in 2023. It will look in a balanced way at all aspects of the supply chain both short and long supply chain.

In the last month F&V demonstrated the resilience. The Commission is considering to set up a forum with Member States to tackle crisis. A consultation took place with stakeholders on expectation regarding contingency plan. It ended in January. A stakeholder questionnaire is still on, up to 3rd May. The Commission (AGRI-MARE) is conducting monthly meetings up to July with Member States and stakeholders. It included a session on fruit and vegetables.

The Commission is developing a new dashboard on food and health issues related to the CAP. It will be added to the thematic dashboards present in the CAP indicators section of the agri food data portal.

- d. **Round table:** Comments from the floor:
- i. Balance between fresh and processed could vary depending of climatic conditions and quality
 - ii. Exports are subject to impact of climatic condition on production, local demand but also evolution of market access (Russia, Algeria,..)
 - iii. Brexit and Phytosanitary certificate: good news to have a postponement but more work need to be done in regard to digitalization and e-phyto, including on preparedness.
 - iv. Regarding the UK, the evolution of trade flow with EU (lower) and non-EU (stable) origin could be influenced by more direct trade flow from third countries due to difficulties of transit through the EU.
 - v. Contingency plan: the sector is resilient and used to market fluctuation. The policy could help stabilizing supply and demand with good policy on CMO (protection of orchards against climatic havoc, promotion or accessibility to plant protection product)
 - vi. Contingency plan: it will be important monitoring the loss of food production and loss of food sovereignty due to the lack and drastic reduction of drastic phytosanitary tools.

2. Supply chain matters

- a. **Code of conduct for Responsible Business and Marketing Practices:** presentation by stakeholders on the initiative of DG SANTE and on the opportunities for the fruit and vegetables. COPA COGECA and Freshfel Europe are active in this initiative, in particular in the WG on sustainable diet.
- b. **Latest development on Interbranch:** Report by Freshfel Europe about their initiative of the setting a platform for Interbranch. It incorporates Interbranch Organizations from NL, FR, ES, IT and HU. The main objectives and achievements of this platform are outlined covering issues such as CAP reform, UTP, Promotion and Communication initiatives, Market information...
- c. **Implementation of the unfair trading practices directive:** (Presentation by DG AGRI G1 -Annette Kliemann & Alexander Klein) . Regarding UTP, Member States need to transpose by 1st May in national legislation. Several Member States already adopted their legislation. The Commission will review the transposition to check the compliance with the directive after the transposition date passed. The Commission is working with JRC to review the status of unfair trading practices. It established a baseline survey which will be repeated every year The Commission will also evaluate the Directive by 2025.

Comments from Freshfel: need to keep as much as possible harmonized approach in regard to different provision (derogation on 30 days, definition of delivery and perishability)

- d. **Reform marketing standards** (AGRI G2 Antoine Michotte and Alexander Stein): The F2F strategy includes a discussion on the role of marketing standards to secure sustainable food supply. The Commission is preparing a new consultation in this respect. The last consultation of 2020 demonstrated the positive role of standards (harmonization, proliferation of private requirements, guarantee stable quality, stability of the market, ...) but also identified the need to adjust the standards to evolving market with the need of more convenience such as pre-cut /ready to eat for fruit and vegetables. Discussion is also open on green/yellow bananas (in case of ripening in transit) or other aspects relating to fruit juice or jam on sugar contain and labelling requirements. The new consultation will be open in June. In the upcoming evaluation, the Commission will look if some elements of sustainability should be included in the marketing standards.

Comments from delegates: COPA COGECA welcomes the recognition of the role of the marketing standards for fruit and vegetables. Some specific requests are made regarding the standards of (sweet) peppers and other request regarding dry fruit. From PROFEL, the reform is important for jam. PROFEL will provide a detailed position during the consultation.

3. Farm to Fork strategy

- a. **State of play and implications of Farm to Fork strategy (F2F) for fruit and vegetables** (AGRI C1 Cinzia Tegoni) Presentation on the F2F and implication for the fruit and vegetables sector. F2F is one of the elements of the European Green Deal and should address the different challenges of the food system, including the social, environmental and economic sustainability. It should secure that production and consumption are sustainable and leave nobody behind.

The F2F is articulate with targets for sustainable food production (pesticides reduction, reduction of fertilisers, organic ambition target. These targets are not binding but inspirational.

For fruit and vegetables, different concrete actions are considered including in the CAP tools, in the EU action plan for organic production and consumption (Q1 -2021), the revision of plant protection products legislation containing biological active substances (Q4 -2021) and the contingency plan (Q4 -2021), the mandatory criteria for food procurement (Q3 – 2021) to promote healthy diet, the strengthening GI (Q4 -2021) and marketing standards (Q2-2022) and promotion policy (Q1-2022). The Commission is also promoting a global transition supporting cooperation with developing countries towards sustainable food system.

Commission is reviewing with Member States the progress towards the Green Deal objectives based on recommendations on water quality, biodiversity, organic farming, use and risk of pesticides,.... F2F have an impact on the CAP that should influence the way we produce, trade and consume. The Green Deal is “calling” all stakeholders, public and private to support in this transition.

Comments from the delegates:

- COPA COGECA stresses that European production should remain sustainable and competitive and therefore needs to have the toolkit to grow and to secure supply from European origins. Research and innovation need to be boosted. Besides, the growth of organic production needs to be developed but with due care of balancing supply and demand.
- COPA-COGECA also urges the Commission to secure that similar conditions apply to third countries to avoid delocalisation or unlevelled playing field among EU and non-EU growers leading to leak production towards third countries. The carbon adjustments mechanisms must be extended to agriculture imports. F2F and biodiversity strategy should also apply to import products.
- From IFOAM, organic production needs to be sustained to cope with growing demand. For production, there is a need for growth of the number of natural substances to replace synthetic substances. The registration process needs to be speed up to secure their availability. More R&I are needed to allow more alternative to synthetic substances.

b. **Organic reform and EU action plan:** (Presentation by Elena Panichi AGRI B4).

i. **Overview of the reform and progress report on the secondary legislation for organic with a view of the coming into force in 2022.**

Mrs Panichi provided a review of the several secondary legislation acts that are needed for the coming into force and relate to production rules and trading conditions, BCP/COI (for entry point and certification) and control (group of operators, certificate of compliance, traceability ..). Almost all have been already finalized and published. Comments from delegates: Freshfel Europe indicates that while the supply is increasing including due to the conversion rate, the demand is declining due to economic crisis and less attractiveness for premium products following the COVID crisis. Market needs to be balanced to secure rewarding and sustainability of organic growers. Adaptation of crop from one year to the other is easier for vegetables than for fruit. Freshfel also raises concerns regarding the authorization of active substances and their conditions of use (example of ethylene use only allowed for indoor application in the EU (bananas, citrus onions, ..) while some outdoor usage are needed in third country production (e.g. pineapples). IFOAM is confident that demand will quickly adapt in the coming years to growing supply.

ii. **EU Organic Action plan:** The Action Plan for the Development of Organic Production (COM/2021/141) was adopted by the Commission on 25 March 2021 to support the achievement of the objective of the F2F strategy of 25% of agricultural land to be organic by 2030, promoting through several initiatives increases in supply of and demand for organic products to reach the ambitious objective. The Action Plan takes a comprehensive approach covering consumption, production, sustainability. However, it takes first of all a demand-driven approach, covering the whole value chain, involving in the process both public and private stakeholders. It will also aim at mobilizing different EU tools and budget including the CAP and other programmes (R&I, promotion). The Action plan will aim at stimulating demand and maintaining consumer trust with activities at different levels, namely awareness-raising, promotion, green public procurement, the school scheme, traceability, actions with the private sector including retail and catering; at the stimulation of the conversion; and also at improving the contribution of organic farming to sustainability (R&I, use of resources such as plastics, water, energy).

iii. Comments from COPA COGECA and Freshfel: It is important to keep balance between offer and demand in organic. Unbalance prices could become quickly unprofitable and not sustainable for organic growers, in particular if policy generates a structural unbalance.

COPA COGECA also underlined that some active substances authorized for organic production could be detrimental for the environment (copper, sulphur, spinosad,..). There is often a

misunderstanding from consumers that organic products are grown without the support of plant protection product. This could be possible but is often not economically viable.

IFOAM: there is a need to speed up the process of registration on bio substances and get the right natural tools available for organic production.

4. Active substances questions

- a. **Review of the sustainable use of pesticides directive (SUD): Presentation by Rex Horgan SANTE F3).** The timeline for the initiative is as follows:
- i. The initiative is part of the better regulation evaluation of the SUD. This evaluation should be concluded by end of Q2 of 2021
 - ii. The impact assessment of planned revision is to be concluded by Q4 of 2021
 - iii. The legislative proposal should be adopted by the Commission in Q1 of 2022.

Commission received 360 feedback comments via the [Better regulation portal](#) on the combined evaluation roadmap and inception impact assessment. All the comments are available on the Commission portal. The main focus of the stakeholders' positions was made on:

- how the SUD should be adapted to cope with the F2F strategy
- the health versus risks balance
- competitiveness of EU agriculture in a global context
- importance of water protection and buffer zones
- climate change impacts and mitigation of pests

Different activities and consultations were and will still be undertaken with stakeholders including during the preparation of a 6 months [foresight study](#) to develop future vision scenarios for the sustainable use of pesticides within the context of the F2F and biodiversity strategies and how the pesticide use and risk reduction targets announced therein can be achieved by 2030.

A workshop of the external study supporting the evaluation and impact assessment will take place on 4th May for a first discussion of evaluation findings with stakeholders

- b. **Role of IPM (AGRI C3-D4 Mr Marcin Zarzycki):** The Commission is conducting two pilot projects (in form of feasibility studies) on how to reduce the usage of the more hazardous pesticides in line with the F2F strategy. The first study started end of last year to review and analyse existing farm practices and provide their inventory as benchmark to other growers. The second study, to be launched by end of 2021, will focus on practical and efficient ways to collect relevant pesticides data at the farm level. The studies will evaluate the benefits and efficiencies of alternative methods based on IPM to protect

harvests from pests and diseases through e.g. crop rotation and mechanical weeding to reduce the use of and dependency on chemical pesticides and the use of more hazardous pesticides in particular.

Comments from COPA COGECA: the reduction of availability of active substances could lead to more resistance and less competitiveness. The Commission confirms that they are aware of these concerns and take them into account.

c. **Non-renewal of active ingredients such as mancozeb, captan, abamectine:** (Presentation by Karin Nienstedt DG SANTE E4). The Commission reminded that the registration of active substances is driven by science and extensive risk assessment based on the data provided by manufacture. In regard to the different substances, the status is as follows:

- Mancozeb: not approved since the beginning of the year and by 4th July Ms need to stop sales but growers can still use substance up to 4th and July.
- Abamectine: the substance is still authorized but there is a proposal at the standing committee to restrict the use for indoor application and proposal should be vote in May.
- Captan: the substance is still authorized but the debate is open at the standing committee. A decision could be taken in the course of the year. There is currently a consultation with Member States, but the Commission cannot yet comment on the expected outcome of this discussion.

To follow the development of the active substances, the Commission advises stakeholders to follow the comitology register.

Comments from Freshfel: need for an holistic overview of the process as at similar moment all solutions could be removed in a short time leaving crop unprotected for some particular pests or fungal disease. Several substances to mitigate scab are currently at risk to be removed within a short period of time leaving the apples and pears production unprotected. On the Captan consultation with Member States, but at this point the Commission cannot provide the main orientation of this consultation.

d. **Presentation by COOP SOLE on alternatives to pesticides on fruit and vegetables:** COOP SOLE, a SME Cooperative producer of strawberries in Italy made a presentation on its production alternative method to synthetic pesticides by using alternative techniques including beneficial insects, preparation of the soil, all allowing to reduce the use of pesticide and fungicide. The objective of the Coop is to abandon overtime conventional production and more towards 50% of assortment with zero residues and 50% organic, while building business on the three pillar of sustainability: environmental , social ad economic.

5. **Overview by Commission on fruit and vegetable spending per MS used for environmental matters:** (Presentation by Luc Berlottier AGRI G2) . Presentation of the consolidated data from 2014-2018 compared to 2019 on the usage of environmental budget within the operational programmes of producer organizations. On average 15% is dedicated to environmental measures. The total value of operational programmes by PO's is reaching today 1,725 billion € with the following breakdown: Planning production (27% - ca 450 Mio €), Improve quality (25%- ca 400 Mio €), boosting commercial value (21%-350 Mio €), environmental measures (15% - ca 240 Mio €) crisis prevention and management (6% -ca 80 Mio €), other measures (4% -ca 65 Mio €) and promotion (2%- ca 40 Mio €).

The specific environmental measures are in the following areas: organic production, Integrated production, improved use or management of water, soil conservation, biodiversity and maintain habitat, energy saving, reduction of waste, transport and marketing. In 2018, the total OP budget for these environmental measures amounted to 163 Mio € - excluding investments, out of which 44% is on integrated production, 23% on habitat and biodiversity, 12% on organic, 10% on soil conservation, 3% for waste management, 3% for transport, 3% for energy and 2% for water management.

The details are provided by the Commission in an Excel file that can be downloaded [here](#).

The link to the Report on Monitoring of the Producers Organizations activities is available [here](#). (up to 2018)

6. **CAP-Reform:** (Luc Berlottier -AGRI G2) The Commission presented to the delegates the current state of play of the trilogue negotiations on the CAP reform and more particularly for fruit and vegetables the rules for operational funds and the Commission 's recommendations on National CAP Strategic Plans and eco-schemes: The Commission presenting an overview of state of play of the reform which continue the trilogue. Several discussions are relevant for fruit and vegetables in particular on the CMO, the exceptional measures. There are still different position on the CMO between the Council and the European Parliament. On the Strategic National Plan, there are some progresses on the trilogue.
7. **School Scheme implementation:** (Presentation by Giulia Medico G3)
The Member States' monitoring reports show that COVID significantly impacted implementation in the school year 2019/2020, not so much with regard to the number of participating children, which is in line with previous years, but with regard to expenditure made and the volume distributed as starting from March 2020 most schools were closed or subject to many classroom restrictions.
- Volume: Total of fresh fruit and vegetables distributed is 53.000 T compared to 71.200 t in the previous school year.
 - Budget/ EU expenditure made for school fruit and vegetables in 2019/2020 school year is around EUR 94, 2 Mio € compared to 119 Mio € in the previous school year. This represents a budget execution rate of 64,4 % on average in the EU, reflecting different situations in the Member States.

For 2021/2022, the indicative budget for school fruit and vegetables in the EU is EUR 130, 6 Mio €. It is reduced due to Brexit, as the share of the UK is removed. The final budget for fruit and vegetables will EUR 125, 6 Mio € taking into account Member States requests, including transfers to the milk part of the scheme.

Considering the situation, some COVID derogations will be granted also for school year 2020/2021 – including a prolongation of the school year that would allow to use the budget up to September 2021.

The School scheme will be reviewed in 2023, as part of the actions under the Farm to Fork Strategy. An evaluation road map and an inception impact assessment is planned to be published in Europa for stakeholders' feedback (Have your say) in June. The link will be shared with the CDG as the sector is warmly invited to contribute to the consultation.

8. **EU beating cancer plan** (Presentation by DG SANTE C1.000 Mathias Schuppe)/ [The Europe beating cancer plan](#) was released earlier this year as a main priority after extensive consultation with stakeholders and the urgent need to fight Non Communicable Disease (NCD).

The plan has 4 pillars: prevention, early detection, diagnosis and quality of life of patients and survivors. The budget for the plan is 4 billion €. It has 10 flagship activities and 32 concrete actions. The PWP provides concrete actions for all these 4 pillars. Stakeholders should join the health policy platform to enhance the actions of the EU cancer plan, where fruit and vegetables has an important role to play in prevention, based on an healthy diet.

9. AOB: No other business requested

- **Next steps :** The Chair to provide draft minutes within 10 days
- **Next meeting :** Next meeting is the 1st of October 2021
- **List of participants - Annex**

Disclaimer" The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes

Civil Dialogue Group HOS -FRUITS AND VEGETABLES
23 April 2021

MEMBER ORGANISATION	NUMBER OF PERSONS
European agri-cooperatives (COGECA)	8
European Coordination Via Campesina (ECVC)	2
European Council of Young Farmers (CEJA)	2
European farmers (COPA)	8
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	2
FoodDrinkEurope (FoodDrinkEurope)	1
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	2
Pesticide Action Network Europe (PAN Europe)	1
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)	7
TomatoEurope	1
Invited speaker (COOP SOLE – Italy)	1