

Challenges and priorities faced by the fresh F&V Sector for export DG AGRI - CDG IAA

11th May 2023

The fruit and veg sector in a nutshell for export

A Committed & Responsible Sector



Sound and diversified production for supply reliability



Adapting to climate change and its impact on pests and diseases



R&I to cope with reduced toolkit for societal concerns **and export**



Raising awareness about plant health and plant safety



Export is key for market stability. 95 % of consumers are outside the EU



Safe trade as a prerequisite for sound production

EU production of ~ 70 MiO T,
on ~ 7 MiO HA, to a value of
€30-35 billion (ex. packing)

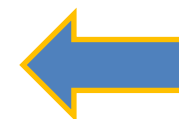


~60% is sold within the
Member State of
production

Intra EU trade is the safe bank
for EU production, with trade
volumes of ~29 MiO T

EU exports were reinforced by
Brexit and amount to ~ 7 MiO T.

EU is a lead global importer,
with an import value of ~€15
billion and volume of ~ 14,5
MiO T.



EU export primarily to EU neighbourhood but impacted severely by geopolitical events (Russian embargo, Brexit uncertainties, Algerian economic embargo, Libya instability , Belarus closure, Egypt IMF ,...)

MULTILATERAL ENVIRONMENT

Push for a better compliance with the wording
and spirit of WTO SPS agreement

Adherence to sanitary & phytosanitary principles

WTO SPS and Trade Facilitation (TFA) Agreements require SPS rules to be:



Science-based



Proportionate



Non-discriminatory



Justifiable



Risk-based



Non-trade
distortive



Feasible



Timely

Reality is different – challenges to gain market access



Market Access & Negotiation

- Most countries operate with a “closed” system
- Limited transparency of process
- Common EU SPS rules are often ignored or misused for protectionist purposes.
- Negotiation costs and delays.
- Adapting mitigation measures to cope with:
 - Availability or acceptance of plant protection tools.
 - Coherence of plant health policies with other policies and strategies : food safety, biodiversity, sustainability, F2F

Implementation & Outreach



- Process fragmentation.
- Repetition of assessments, often variety-by variety.
- Time-consuming procedure for HR.
- Costly procedure for countries and private sector
- Prioritisation procedures, penalising some products.
- Protocols burden discourage/prevent exports or set a cap on volume to commercially protect domestic production.



Compounded by the sector's nature: **product perishability, SME, small profit margins**

Mastering market access requires patience and expertise

For most of its 145 export destinations, EU countries/exporters have to negotiate protocols, case-by-case, Member State-by-Member State, product-by-product or even often varieties by varieties => burdensome, excessive conditions and problematic situation. Protocols end to be for NOT exporting!!

Hurdles to be addressed on the road to market access



Huge Resources

(Human resources, dossier preparation and evaluation, costs)



Excessive Delays

(Over a decade in some cases)



Politicisation

(concluded technical talks never followed by publication)



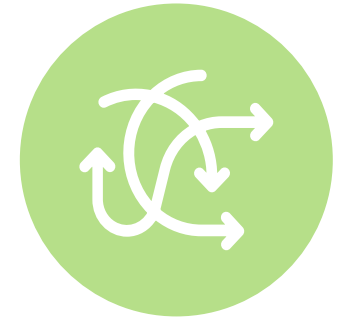
Non-Recognition of EU single entity

(EU operate with common rules, but inability to bundle protocol negotiations or PRAs)



IPPC Standards

(lack of applicable global standards, mitigation measures)



FTA ,no real added value

(even if countries have FTAs with SPS chapters)

BILATERAL ENVIRONMENT

Push for better seizing opportunities of FTA trade liberalization

Review of missed opportunities

Turkey: almost no export despite potential, unfair asymmetric concessions
Israel : unpredictable conditions

Japan and Korea: lack of reciprocity and excessive procedure for protocols. 15 yrs of frustration

Mexico, Chile and Peru: complex procedure and limited or no progress

Vietnam: discriminatory conditions among MS

Pending FTA:

- Tools to re-balance and reduce neighbourhood over-reliance
- Eliminate tariffs is crucial in some cases for competitiveness but often insufficient
- SPS and TBT issues should be the priorities of the negotiations with clear rules and time frame for market opening and secure stability once open

Limited expectation with New Zealand and Australia

Expectations but protectionist approach of Indonesia and Thailand

India: high duties and some TBT hurdles (GMO certificates, in transit treatments)

FTA opportunities to simplify thorny protocols negotiation



Execution

(excessive planning, storage, preclearance requirements; lack of confidence on NPPO controls, obligation of result)



Inappropriate/Outdated Treatments

(some protocols require the use of banned PPPs and mitigation measures)



Discrimination

(identical exports face different SPS requirements)



Resources

(understaffed/budgeting leads to slow, individual authorisation procedures)



Lists

(difficult to adjust for regions, varieties or orchards)



Opaqueness

(Unclear non-compliance reporting structures)



Requirements

(excessive number of requirements, steps causing high failure likelihood)



Plant Health

(difficult interplay between plant health and biodiversity protection)



Rigidity

(reduced producer ability to adapt to evolution of orchards, market shifts, blocked by lack of rapid response)



Costs

(given traded volumes and compliance costs, cost-benefit analysis are unfavourable)

- FTA need to go beyond tariff dismantling and secure an robust and well implemented SPS chapter to remove or at least minimize consequences of lengthy and costly protocols
- Clear SPS chapter with timeframe, policy transparency , similar conditions for MS under same SPS conditions, fee waiver and control confidence
- Keep competitiveness advantages

UNILATERAL ENVIRONMENT

Securing access with uncovered but relevant
markets

Other opportunities

USA

- Apples and pears protocols
- Vegetables export conditions

China

- Restrictives protocols flexibility
- Visio inspection and border controls
- Silk road restrictions

Eastern neighbourhood

- Belarus /Russia transit
- New competition due to FAO investment

Thank you!



Available for questions and continuing the discussion



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