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

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The fruit and veg sector in an nutshell for export

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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**

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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 adressed 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

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Review of missed opportunities

Turkey: almost no export despite potential, unfair asymetric concessions

Israel : unpredicatable conditions

Japan and Korea: lack of reciprocity and excesive procedure for protocols.15 yrats of frustration

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

Vietnam: discrimantory conditions among MS

Pending FTA:

- Limited expectation with New Zealand and Australia
- Expections but protectionist approach of Indonesia and Thailand
- India: high duties and some TBT hurdles (GMO certificates, in transit treatments)

- 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

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 flexibilty
- Visio inspection and border controls
- Silk road restrictions

Eastern neighbourhood

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

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Thank you!

Available for questions and continuing the discussion

Contact email ph.binard@freshfel.org