



Krajowy Związek Grup  
Producentów Owoców i  
Warzyw

## The Farm to Fork Strategy

**COMMON POSITION OF THE FRUIT AND VEGETABLE COOPERATIVE SECTOR OF  
Belgium, France, Germany, Italy, Poland, Spain**

**INTERPOMA Connects - Bolzano, 19th November 2020**

***The European Fruit and Vegetable cooperative sector, historically committed to environmental sustainability, aspires to ensure its economic sustainability too.***

***We say "yes" to the objectives of F2F Strategy but with affordable, realistic and fair measures.***

**The fruit and vegetable cooperative sector shares the F2F Strategy's objectives, which the sector is already pursuing since decades. In fact, it is the first to be interested in and committed to the sustainability of its own activity.**

This is especially true for producers/cooperatives who join forces around Producers' Organisations (PO) cornerstone aiming to strengthen farmers' position in the supply chain and to make commitments in the most effective way: collectively.

The majority of the F&V production since long time pursues environmental commitments e.g. application of the integrated pest management production (IPM) using plant protection products with continuous improvement of toxicological profiles, using environmentally friendly practices (e.g. beneficial insects, sexual confusion, pheromones, etc.), agro-environmental measures (AEM) and investments via Operational Programs (OPs) co-financed by POs (Producers Organizations): less chemical fertilization, pollution mitigation, plastic and agro-industrial waste management, usage of wood and fruit waste for energy production, water and energy saving techniques along all the F&V production and market chain etc.

Besides, the last months have shown the importance of the European production to ensure a stable food supply for the consumer and, in this contest, the significant contribution made by the cooperatives should be acknowledged.

Cooperative F&V sector already contributes largely to some of the proposed objectives and to the new consumers' demands of food safety and environmental preservation and brings benefits to the

environment by cultivating the land and keeping the rural environment alive. During the COVID crisis EU consumers have trusted on European F&V production as a safe and healthy food source, able to provide their products in the most complex scenarios, in a sustainable way and guaranteeing a regular, sufficient in quantity and optimal in quality supply.

UE should then think about recognizing and preserving those positive effects.

Moreover, the sector respects the social ethical requirements referring to employment of thousands of people.

**The issue of social - environmental sustainability must be combined with the economic sustainability and competitiveness of European producers and their cooperatives considering the economic reality in which producers and their cooperative operate and citizens consume, i.e. the global market.**

As shown in the fighting against COVID19 in which all the actors are committed to respect restrictions and security measures to eradicate the pandemic, environmental measures could be ineffective in achieving climate and environmental goals, if they were pursued one-sided only by the EU not involving other countries.

This does not mean remaining "inactive" in front of the urgent need to adopt more sustainable production models, both on environmental and health point of view.

However, this must be done through a step-by-step approach taking also into account what happens outside the UE, to not risk the actions of producers and cooperatives being ineffective in terms of global objectives and, at the same time, putting our EU production out of the market.

As EU has adopted a system to avoid the delocalization of industries linked to carbon taxation, in the same way EU should take in account which are the effects of a too rapid implementation of not well balanced environmental measures for the F&V sector, although in the frame of sustainable policies.

Otherwise it should increase the risk of an "ecological leakage" with the delocalization of our production in developing country with less ecological and sustainability burden.

**The Strategy is too much focused on "Farm" and not enough on Fork (Industry, Retailers, Consumers: quantified objectives, requirements and commitments basically apply to EU farmers only...**

Attention needs to be paid to the fact that producers' income and POs' competitiveness are influenced by various factors and increasing problems, such as climate change (ex. extreme weather events) and the spread of new pathologies and pests, coming from Third Countries.

A more sustainable and less specialized production system will entail extra costs. Without the willingness of the consumers' community to pay an extra cost for the extra ecological services included in the final products or without transitional extra financial supports from the EU policies, which can assure a fair price to the farmers, no success can be guaranteed.

**Who will pay the "bill" for the sustainability and for the transition to a more ecological system?**

The achievements of F2F objectives should involve to a greater and fair extent all the other actors along the chain: processing industries, transport, wholesalers, retailers, consumers, health authorities, public research and innovation centers.

**The sector acknowledges and supports the need to keep reducing the use and limit the risks of plant production products, as the producer is the first beneficiary of a more sustainable environment taking into account all the conditions. An impact assessment is needed at the starting of the new policy to define appropriate percentage targets.**

Moreover, the objective of "50% reduction by 2030 for PPP" could compromise the viability and biodiversity of certain fruit and vegetable crops, if the interdiction/no renewal of certain active substances is not carried on assuring "at the same pace" the availability of alternative solutions. Otherwise we will face a drastic reduction in yields and UE production and a contraction in consumption of European products (with higher ENVI added value) in favor of non-EU production.

Finding alternative methods is a very slow process, as new solutions need to be tested and validated for effective implementation and entails costs for producers too.

It is therefore necessary to strengthen the role of research, innovation (e.g. Genome editing) and the promotion of new eco-sustainable techniques (precision farming, sustainable practices on phytosanitary treatment considering their significant contribution to risk mitigation), while ensuring in the short term an adequate phytosanitary protection.

To this aim, the increasing family of the so Bio-PPP should be supported, facilitating the necessary assessment considering, at the same time, they might be seen today as "supporting tools", often still lacking effectiveness in terms of pests control capacity and efficiency.

Furthermore, many plant protection products used in fruit and vegetable cultivation are no longer available, especially insecticides, sometimes removed by using arguments other than "scientific". The situation will be even more worrying in the future due to the loss of further active substances. Meanwhile, the consumers continue to demand flawless products.

In fact, F&V producers are today heavily penalized because "chemical multinationals" industry is not "economically" interested in supporting the demand for certain active substances (e.g. "minor uses").

It is necessary to bear in mind that:

- the objectives were not be set on the basis of any analysis of the starting situation in F&V sector and omitting that there are specificities and profound differences between sectors and regions. An impact assessment and an updating process related to the intermediate steps and targets are in our view necessary .
- the best way to limit the use of pesticides is also to prevent pests' disease. The threat of new pests endangering European crops, is growing as a consequence of the lack of an effective border protection system and of the climate change.

The F2F announces "new rules to strengthen import surveillance and plant control in the EU". This is a "key issue" that should lead to bold concrete steps. We do not mean imposing "non-tariff barriers" on imports, but making the phytosanitary policy and the objective of the plant health prevail over the commercial policy, especially in a context of extreme limitation on the use of phytosanitary products.

**The Cooperative F&V sector supports the further development of organic production which could lead to a better market value and highlights that organic is not the only sustainable production method.**

IPM methods, when well applied, have similar sustainable performances and should continue to be promoted.

All the sustainable production methods – namely IPM and biological control - should not be discriminated, but supported since they permit to combine the environmental sustainability (increasing the overall cultivated land using ecological systems) with the guarantee to have the right supply in terms of quality, safety, quantity and price. These methods permit to protect the land and the EU's society and consumers.

Moreover, the objective of increasing organic cultivations should be well balanced between the market equilibrium and changes in prices for the final consumer.

To develop organic surfaces, imposing too ambitious percentage targets without taking into account all the constraints and inconsistencies with the real situation, and ignoring the potential development of this market (supply / demand equilibrium/disequilibrium by product) and the final prices for consumers would lead – paradoxically - to serious disruptions in this market and therefore to producers' income.

**Aiming to reduce packaging and introducing alternative packaging solutions is a challenge that will carry out additional costs for the F&V industry. Moreover, the new obligations do not take into account the pace of introduction and availability of alternative packaging solutions.**

The objectives of reducing the use of single-use plastic in packaging and reducing food waste should also take into account the peculiarities of the F&V products and marketing chain (perishability, fragility, storage difficulties, unavoidable technical losses ...).

The European Union has already defined the regulatory framework publishing the "European Strategy for Plastics in a Circular Economy", the "Directive 2019/904 on Single-Use Plastics" and others regulations and the MSs have already proposed or are preparing their own standards in this respect. Nonetheless, the new regulatory framework should follow objective and technical criteria and should not lead to the disruption of the Single Market, letting MSs still impose "national" standards, thus preventing the free movement of food.

These instruments are very important to mitigate the impact of plastic waste on environment and the sector supports its implementation especially for its impact on water and ocean pollution. The cooperative F&V system believes that collecting and recycling should play a major role in limiting plastic consumption in all the sector where plastic material cannot be substituted. For some F&V products plastic packaging is essential to preserve the F&V freshness and quality before consumption, preventing food (fruit) waste effects.

The sector supports the substitution of plastic whenever and wherever possible, taking into account even the increased demand of packaged food as an indirect effect of the pandemic.

Also, in this case, aiming to reduce packaging and introducing alternative packaging solutions is a challenge that will lead to additional costs for the FV industry. The effort must be distributed throughout the chain and not lie on producers.

**The Commission's goal of promoting the F&V consumption is welcomed by producers and it's good for consumers' health. However, the Commission should promote the consumption of all F&V, not just of the organic ones.**

All the measures foreseen in the F2F Strategy promote F&V consumption in the EU as the basis of a healthy diet trying to revert the downward trend observed for several products in different MS. They would then tend to balance the internal market but above all they would have a positive effect in terms of public health costs savings.

However, the sector regrets that promotion is focusing predominantly on organic production while different sustainable production methods should not be "discredited". The sector also underlines that the target – which implies both agricultural and public health policies - should be linked to quantitative objectives (e.g., F&V consumption per capita increase by X% by 2030")

Thus, the necessity to reinforce and improve the "EU Fruit and Vegetables School scheme" and the EU promotion policy, but also to realize a specific and "direct communication" made by the EU and MS health authorities to inform and raise awareness on the composition and effects of "healthy diets"(as there is also a direct interest of the MSs' administrations in reducing the health "bill").

It would also positive to set up tax incentives for healthier and more sustainable products (such as a VAT reduction for F&V).

**The objective of reducing food waste does not conflict with the maintenance of F&V marketing standards at EU level, nor with the F&V withdrawal foreseen under CPMs.**

Responsibility for food waste should not be attributed to technical losses in the F&V handling at packing stations - whose impact is irrelevant - but to other problems and practices along the chain.

Marketing standards have played a strategic role as buying drivers, allowing the consumers to clearly understand the quality/categories they are choosing and avoiding that the F&V of poor quality are thrown away once at home (generating, of course, waste). Moreover, in the F&V standards, all the production which is not sold "fresh" because of any quality "defects", is mostly processed or intended for energy production, avoiding any kind of losses.

Fruit and vegetable waste remain high among consumers due to a lack of knowledge of the specific storage conditions for fruit and vegetables or the diversity of possible uses for fresh fruit and vegetables. Moreover, the tests carried out by certain retailers have led to failures and food waste: the majority of consumers are still not buying fruit and vegetables that do not meet the standardization criteria.

The use of F&V surpluses, even with processing, must be encouraged together with the promotion of Free Distribution to Charity Organizations as to contribute to social, environmental and economic sustainability of the entire system.

Moreover, due to the further loss of active substances and the lack of effective alternatives for the Plant Protection, a high level of food waste and loss might be expected in every link of the chain.

**The Commission's proposals to accompany the transition period appear very uncertain and weak in relation to their future concrete implementation.**

The transitional process will take time and requires concrete and solid supporting policies.

Moreover, the consumer may be unwilling (or unable) to repay the extra cost due to a more sustainable production, especially in the context of the economic crisis linked to Covid-19: this was in fact the case during previous economic crises, when consumers favored the "low price" criterion.

The low competitiveness, due to the lack of market remuneration, will be even more pressing if the imported products will not be subjected to the same sustainability requirements (absence of "reciprocity").

**All changes can be faced with a sense of responsibility by the producers and their cooperatives, but gradually and with certain and a fundamental *sine qua non* conditions behind**

The cooperative F&V system is convinced and willing to continue to proceed on the sustainability transition path, but under acceptable, realistic and fair conditions:

I. Before tightening the rules of agricultural production in the EU, new strategies and controls should be adopted at EU level for the imports from Third Countries that do not respect the same environmental sustainability, social and safety requirements guaranteed for EU consumers. We are willing to trust that the F2F Strategy will effectively bring, in the long term, a "contagion" effect through its external policies, but we do not know when and how. Meanwhile there could be a disadvantage for the economic sustainability of the European producer, a loss of consumers' interest and no changes in third countries. We need to have the necessary tools to ensure that all the products entering to the EU and thus competing in our internal market meet the same environmental, social and health requirements that are compulsory for the European products.

II. F&V producers and cooperatives should have a clear, coherent and realistic regulatory framework in relation to the drafting and adoption of National Strategic Plans versus F2F objectives. The framework must provide for a system of adequate incentives, specific tools and financial measures that promotes a fair transition and rewards investments for producers who adopt production systems that increase their environmental performance. Moreover, the system fears that the coming greater subsidiarity on the implementation of the CAP will lead to a very different implementation through the SP of each MS, thus risking to create strong distortions of intra-EU competition.

Moreover, it is clear that CAP resources can in fact only partially be used for the implementation of the F2F and Biodiversity Strategies' objectives: a reduction of support for measures aimed to economic sustainability (competitiveness) could further weaken producers and their cooperatives.

## ANNEX

Within the framework of the future regulation, the following proposal can be envisaged:

### a) new rules to implement a system or strategy to be applied to imports from non-EU countries:

#### Intensifying plant health protection policies to prevent the entry of new harmful organisms

- Set up a "positive list" system for plant entry, such as the one existing for livestock so that F&V entry is only allowed once their safety is demonstrated.
- Intensifying phytosanitary checks and controls at the EU border, strengthen and harmonize border controls in the different Member States (e.g. limitation of entry ports)

#### Preventing the entry into the EU of imports that do not respect European production sustainability standards

- Obligation to fulfill UE production sustainability standards in current and future trade agreements and review existing agreements in the same way
- Respecting the EU MRLs for imports from Third Countries

### b) Sectorial intervention within Strategic Plans Regulation:

1. new system of incentives on AEMs of CMO: enlargement of actions (eligibility), simplification, effectiveness: recognition of the total cost, not only the extra cost of the actions, also reduced to 50% as the OPs is co-financed.
2. setting a balanced and realistic percentage (compulsory) for AEMs and R&I of the OPs, with incentives for POs to reach higher (voluntary) thresholds; a high increase e.g. 20% of minimum expenditure for AEMs and 5% for R&I for OPs may lead to serious penalization and loss of PO recognition, sacrificing resources for other measures needed to gain competitiveness in the market.
3. financial incentives and cost covering for the adoption of national and international sustainability certification schemes (e.g. voluntary based IPM)
4. financial support measures to develop the use of sustainable packaging, using environmentally friendly materials, or reusable and recyclable, compostable, biodegradable materials.
5. strengthening the Producers' Organizations and APOs, with the safeguarding and the valorization of the core model F&V PO (*total members contribution, direct sale and marketing*) to improve the position of the producer in the chain (improving his profitability, competitiveness) and access to the "new sustainability value" generated in the food chain.
6. strengthening the system of phytosanitary risk management in order to make the protection of producers and their cooperatives effective in the event of a crisis, with simpler criteria for activating compensation e.g. on Mutual Fund
7. financing the processing costs of products (e.g. into juice) for "free distribution", with additional support from the EU MSs within the framework of CPM (Crisis and prevention management) of CMO, which could have a very positive effect.

### c) Promoting EU F&V consumption:

1. For a **more effective EU promotion policy**:
  - the budget could be more concentrated on more sustainable and healthy sectors (including F&V)
  - it should be more flexible and promote all the sustainable ways of production and consumption without focusing only on specific schemes (e.g. organic).



- There is a need for a common approach of CHAFEA and MSs' authorities in dealing with the programs to avoid any kind of differences in the management of single and multi-programs.
2. EU health institutions/authorities should themselves directly promote consumer awareness campaigns for "healthy diets"
  3. Reinforcing the "Fruit School scheme": it should be expanded first in terms of "target groups", as well as improved in terms of eligible measures and budget.
  4. To set up Tax incentives for healthier and more sustainable products (such as a VAT reduction for F&V)
  5. Incentives to not only promote organic farming but also equally sustainable production method - IPM and other environmental certifications recognized in the Member States

**d) Enhancing the new genetic engineering techniques:** there is the need to pursue also induced natural resistance to plant varieties thanks to new genetic engineering techniques (Genome editing).

Therefore, these new genome editing techniques must be taken out from the regulation concerning GMO.

**e) Improving the sustainable use and availability of PPP and the sector prevention/reaction to pests:**

1. An in-depth improvement of the existing tools foreseen in the EU regulation 2009/1107, such as e.g. the instrument of "mutual recognition" among Member States for "homogeneous" cultivation areas and simplified procedures for authorizations related to "minor uses"
2. **More incisive methods of coordination, guidance, definition of specific objectives and requirements to be achieved, set directly by the European Commission: e.g. guidelines for IPM** in view of EU Directive 2009/128 revision - to avoid an excessively divergent application at MS's level
3. strengthening public investment in research on sustainable alternatives, especially for minor crops
4. Set up an extraordinary Financial Fund for Plant Health Crisis Management to assist producers who are victims of economic damage caused by diseases/pests imported from third countries.

**f) Concrete measures which contribute to structure and focus the organic production on F&V Producers Organizations.**

**g) Inclusion of F&V sector in case of an EU system to "reward practices that remove CO2".** F&V - through the fruit trees in orchards – physiologically contributes to reduce the CO2

**h) Development of information/communication programs on specific storage conditions** of different fresh fruit and vegetables and the on the possible ways of preparing fresh fruit and vegetables, to reduce the waste among consumers.

**i) Setting up collecting data systems aimed to deliver reliable figures and data** necessary to guide the EU and National authorities' decisions.