

FOR IMMEDIATE RELEASE

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Freshfel Europe calls for intensified support for the EU fruit and vegetable sector facing the Belarus embargo

The Belarus embargo began on 1 January 2022, affecting EU fruit and vegetable exports for possibly longer than 6 months and will further compromise the position of the EU fresh produce export business. The fresh produce sector is essential and price-sensitive, with limited options to deal with restrictions that stem from political disputes and are outside its control. In this context, Freshfel Europe expresses its deep concerns about the difficulty faced one more time by the sector as a result of geopolitical disputes, calls for collaboration, and urges policy makers to support all operators directly and indirectly affected by the embargo through intensified monitoring, direct market assistance, and promotional activities, as well as renewed efforts to open to new markets. Geopolitical embargoes since 2014 have had an annual impact of close to €3 billion on European fresh produce.

On 1 January 2022, the Belarus embargo began and brought along severe repercussions on the European fruit and vegetable sector. Regretfully, the fresh produce sector is too often a bargaining chip in geopolitical disputes such as the Russian embargo, the Algerian market closure, the USA retaliation measures on other trade disputes, and now Belarus. Philippe Binard, General Delegate of Freshfel Europe, stated "About 400 to 500.000 T of produce are exported to Belarus yearly. The volume at stake, which is worth €250 million, is particularly significant. Poland is most affected, covering more than 60% of EU export with an annual export of 300.000 T". Spain with 60.000 T, Belgium with 35.000 T, the Netherlands with 30.000 T, Greece with 15.000 T, and Italy with 10.000 T are the other EU suppliers. Philippe Binard added: "Excluding exports to the UK, Belarus is the second destination for EU fresh produce and represent more than 10% of EU exports. This limitation could have a significant impact on the EU market, create a boomerang effect on several markets, with some significant prices variation for certain varieties". Besides directly challenging fruit and vegetable trade between the EU and Belarus and indirect consequences on the EU market, the embargo will also have collateral consequences, such as custom delays at the border for EU re-exports of products from third countries, uncertainties about transit through Belarus, and the delay of the Belarusian exit for products such as the wood supplies necessary for packaging in the EU. Freshfel Europe also noted that the EU is not banning fresh produce from Russia and Belarus. For the past years, exports mainly of vegetables coming from these countries with the support of production input coming from the EU have been competing with glasshouse production in the EU Baltic states and berry and vegetable production in the Eastern EU.

Restoring market access with Belarus is further complicated by the fact that Belarus is not a WTO member and has no bilateral agreement with the EU. The embargo is currently set for 6 months, although it is presumed to stay in place for longer due to its ties with the Russian embargo, from which the sector still suffers today the consequences. European fruit and vegetables represent a third of the



value of the €7,5 billion Russian embargo, with 2,2 million T affected. Philippe Binard commented: *“The cumulative embargos on the fruit and vegetables are targeting legitimate business worth annually now to close to €3 billion of turnover that need to be repositioned. Considering that fruit production is based on long term investments in the orchards and the need to specifically adapt varieties to market specifications of the new destinations, having to reposition exports to new markets is challenging for the sector”*. Freshfel Europe and its members are proactively addressing market diversification, SPS market access procedures, as well as current logistics constraints to overseas markets. Alternative opportunities should primarily be looked at in neighbouring markets such as Turkey, a huge market with consumers following a Mediterranean diet. Philippe Binard added: *“Given that asymmetric trade arrangements with high customs duties and complex custom procedure are still in place for export to Turkey, EU exports are limited to 10.000 T while Turkey ships around 900.000 T of fruit and vegetables to the EU annually”*. While considering other new opportunities in South-East Asia and Africa, European allies in these geopolitical disputes should also demonstrate their solidarity and finally consider opening their markets to EU fresh produce, starting with the United States and the joint apple and pear protocols that have been blocked for several years, or Japan, ending their lengthy procedure to finalise protocols with the least distortive market access conditions for kiwifruits or pears among other products.

Freshfel Europe expresses its deep concerns about the difficulties faced by the sector, which is essential and price-sensitive. Freshfel Europe calls for intensified assistance from policy makers to help the sector and all stakeholders directly or indirectly affected adjust to these increasing market restrictions. Freshfel Europe is expecting measures to be introduced to actively assist the market stability, in particular for apples. An extended withdrawal scheme for POs and individual growers should be considered, with free distribution to schools (without undermining existing business channels), charity, and other people in need, in order to address the short-term implications of the ban. Additional resources for promotional activities concerning the fruit and vegetable sector funded by the EU’s exceptional crisis budget would be an asset to sustain consumption in the EU, alongside renewed efforts to open to new markets, in particular in the EU neighbourhood (e.g. Turkey, the Balkans, North Africa), but also in Asia, Africa, or the Americas. Freshfel Europe will continue monitoring the developments of the Belarus embargo, as well as other trade restrictions that the sector faces.

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Note to the Editors:

Freshfel Europe is the European Fresh Produce Association, representing the interests of the fresh fruit and vegetables supply chain in Europe and beyond. Freshfel Europe currently has over 200 members, including both companies and associations. For more information, please contact info@freshfel.org.



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