



# **SPS Challenges Faced by the Fresh F&V Sector**

**8th November 2022**

# Who we are and key facts

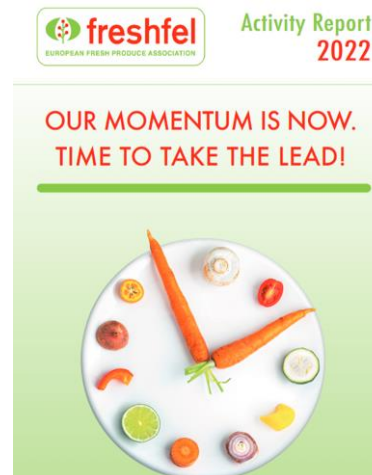
## Freshfel's mission is to ensure a robust and sustainable sector

- Vertical platform from production to the various trade segment, logistics and services provider down to retailers
- Secure the availability of a diversity of quality fresh fruit and vegetables to European consumers and to world at affordable conditions
- Build a positive image and reputation of the sector and of fresh fruit and vegetables on its unique health and environmental assets

## Freshfel Europe's mission is to:

- Improve the efficiency and competitiveness of the sector
- Assist members in complying with the highest safety, environmental and CSR standards
- Position the sector towards the latest R&I findings
- Facilitate international trade of fresh produce
- Secure a favourable environment to promote the benefits of fresh produce and share best practices
- Stimulate the consumption of fresh fruit and vegetables

=> Find out more on [www.freshfel.org](http://www.freshfel.org) and in our Activity report



## FIGURES

### Production & Economic Impact

70 million T production  
40 million T consumed locally  
5 million Jobs,  
€200 billion turnover



### Intra-EU Trade

30 million T  
€32.8 billion



### Exports

7 million T  
€8.65 billion, 145 destinations





### Imports

14.5 million T  
€15.4 billion, 130 partners



# Positive background for plant safety and trade

## A Committed & Responsible Sector

-  **Sound and diversified production for supply reliability**
-  Protecting biodiversity and enhancing environmental sustainability
-  Adapting to climate change and its impact on pests and diseases
-  R&I to cope with reduced toolkit and societal concerns
-  Raising awareness about plant health and plant safety
-  **Safe trade as a prerequisite for sound production**

## 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 difficulties 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, 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 => this has proven to be burdensome and problematic.

### Hurdles 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)



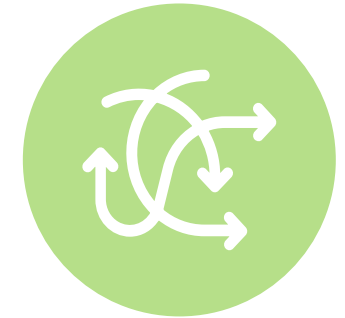
#### **Non-Recognition of EU single entity**

(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)

# Competence across the supply chain needed

## Complexity but sector expertise from...farm to fork!



### Managing outdoor environment

Coping with climate, pests volatility and tools

### Managing indoor environment

Procedure for greenhouse tomatoes.



### Managing cold treatment & logistics

Pre-shipment and in-transit with divergent requirements, transit tests, etc.

### Managing storage

Subject to destination, store segregation often for small volume



### Visio inspections

Added value but connection issues in orchards etc.

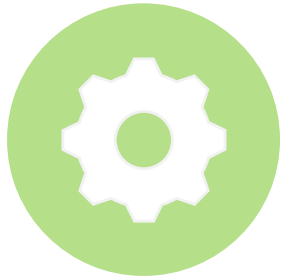
### Managing market demand

Lack of reactivity to market opportunities  
IPPC norms would streamline processes



# Closed systems lead to thorny protocols negotiation

## Protocols designed to export or for « not exporting » ?



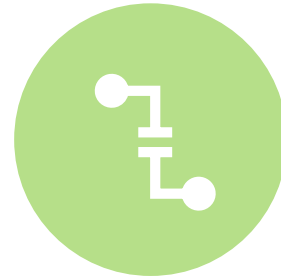
### Execution

(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)

Even where export protocols do exist, EU exporters still face onerous or undue barriers rendering their provisions moot or restricted to large-scale exports.

# Thorny protocol negotiations lead to complexity



## **Opaqueness**

(Unclear non-compliance reporting structures)



## **Requirements**

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



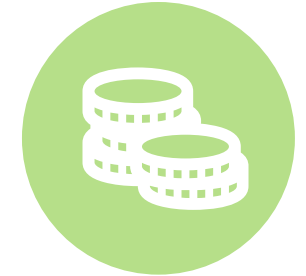
## **Plant Health**

(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)

Not all demands can be addressed in a timely manner leading to delicate and often unfair decisions to prioritize dossiers.



# Way forward

## SHORT-TERM

- ❖ Equal treatment of EU exports, regardless of Member State, when SPS risks are similar.
- ❖ Boosting digitalisation to facilitate controls and reduce administrative mistakes.
- ❖ Agreeing on specific timelines for procedures or dossiers.
- ❖ More confidence in countries' NPPO controls to prevent the need for preclearance.
- ❖ Replace one-at-a-time authorisations with parallel ones.

## LONG-TERM

- ❖ Replacing protocols with science-based **multilateral international standards**, including SPS measures in the WTO or IPPC.

No need to reinvent the wheel !  
Building «sound, safe and fair» trade  
by properly implementing principles  
of existing pillars

No need to reinvent the wheel but build « sound, safe and fair » trade by properly implementing principles of existing pillars

WTO SPS

FTA

WTO TFA

IPPC



WTO DS



Science-based



Proportionate



Non-discriminatory



Justifiable



Risk-based



Non-trade  
distortive



Feasible



Timely

F&V are essential goods, featuring the the lowest environmental impact and the highest health benefits.

Access to a diversified assortment of fresh produce needs to be consolidated and guaranteed to consumers around the world.

# Thank you!



Available for questions and continuing the discussion



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