

6 June 2011

Mr Dacian Cioloş

European Commissioner for Agriculture  
European Commission  
B-1049 Brussels

Dear Commissioner,

### ***EHEC – Compensation measures***

Since Thursday 26 May 2011, the European fresh produce sector is exposed to an unprecedented and devastating market situation as a result of the EHEC outbreak. Operators across the chain are indeed confronted with a disruptive market situation affecting most of the fresh vegetables and including some fruit as well. According to our estimates, last week sales of cucumbers were down by 80 to 100%, sales of tomatoes by 50 to 80% and lettuce over 50%. Such a situation prevailed in many European markets affecting volumes and also prices.

The perishable nature of fresh vegetables is further exasperating the situation. Preventive withdrawals and/or in-store destruction by operators of unsold volume is often the only solution. The (partial or complete) ban imposed by third countries since the end of last week is aggravating the pressure on the collapsing European fresh produce market. Finally, this crisis is deeply and unfairly affecting in consumers' mind the image of fresh produce. Rebuilding this image will be a costly and timely task. The sector is not in a position to undertake this effort on its own.

We understand and welcome that the Commission is preparing a comprehensive package to compensate some of the heavy losses suffered by vegetable producers. These much demanded measures might alleviate the severity of the situation for those producers.

This crisis is unfortunately not only damaging the production interest. It has also a significant impact upon a wide range of operators across the chain, including packers/shippers, wholesalers, importers and exporters, logistics providers and retailers, etc. Cancellations of programmes, return of unsold products, lower prices in saturated markets, withdrawal/destruction of products, as well as infrastructure and workforce not used at full capacity are some of the immediate damages suffered by operators in the supply chain.

Pending the clarification of the source of the outbreak and the length of the crisis, the long term image of fresh vegetables is also at stake. It will have a long lasting impact on the sales of fresh produce affecting significantly business's turnover for several months.

We are therefore urging the EU to take into account these additional elements for the upcoming discussion and accompanying measures to be taken to remedy this situation. We would favour the implementation of a fast track European generic promotion/communication campaign focusing on the benefits of consuming fresh produce (raw vegetables in particular). We estimate that 50-55 million € would be required to conduct such a large scale 3 weeks media campaign (press & TV) in the most affected Member States. Given the need for a prompt action, it should be financed in full under the EU budget, in close coordination with the sector.

We remain available to identify with your services the modalities of such a scheme which is crucial to restore consumer confidence and stabilise the market and benefit the entire supply chain from production down to retail.

With best regards,

A handwritten signature in black ink, appearing to read 'Ph Binard', with a horizontal line underneath.

Philippe Binard  
General Delegate  
Freshfel Europe