

Trade and Agriculture Directorate
Committee for Agriculture

OECD Scheme for the Application of International Standards for Fruit and Vegetables

Preliminary Report: Evaluation of the Impact of the Coronavirus (COVID-19) on Fruit and Vegetables Trade

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The following report is based on the information provided by the following delegations of the OECD Fruit and Vegetables Scheme: Austria, Belgium, Brazil, Bulgaria, Finland, France, Germany, Ireland, Italy, Kenya, Luxembourg, the Netherlands, Poland, Slovak Republic, Spain, Switzerland and Turkey. It also includes the information received from the European Fresh Produce Association (FRESHFEL Europe) and the EU-funded Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP), both Observer Organisations at the OECD Fruit and Vegetables Scheme.

The views expressed and arguments employed in this report do not necessarily reflect the views of the OECD or its member countries.

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1. Background

1. The COVID-19 pandemic is a severe health problem that is creating an equally severe economic crisis. The OECD is providing facts and advice, as well as co-ordinating responses amongst its member countries on how to address the economic impact of this pandemic.
2. The Secretariat of the OECD Fruit and Vegetables Scheme has reached out to the Scheme's delegations to gather their input on the impact of COVID-19 to date or impacts that were expected due to the confinement period imposed by many countries. The OECD sought to better evaluate the information needed by countries to deal with this economic crisis. How long could they manage with the current shutdown? What measures were currently in place? And, in general, countries were asked to share any information that could be of value to other member countries.
3. This report is based on the information provided by the following delegations of the OECD Fruit and Vegetables Scheme: Austria, Belgium, Brazil, Bulgaria, Finland, France, Germany, Ireland, Italy, Kenya, Luxembourg, the Netherlands, Poland, Slovak Republic, Spain, Switzerland and Turkey. It also includes the information and suggested actions received from the private sector: the European Fresh Produce Association, which represents the entire European fresh fruit and vegetable supply chain from producers to wholesalers, traders, logistics, and retailers (FRESHFEL Europe), and the EU-funded Europe-Africa-Caribbean-Pacific Liaison Committee, gathering experts from the fruit and vegetables export sector of Africa, Caribbean and Pacific countries and importers from the European Union (COLEACP), both Observer Organisations at the OECD Fruit and Vegetables Scheme.

2. General overview

4. The level of disruption is heterogeneous amongst the OECD Fruit and Vegetables Scheme member countries. Some countries imposed confinement measures earlier than others. Thus the economic impact is still negligible in some countries, while in others the impact is severe. However, the fresh produce sector is particularly vulnerable. The impact on this sector is huge and unless co-ordinated action is taken, supply lines will not hold for much longer.
5. The COVID-19 pandemic has far-reaching implications within the fruit and vegetables supply chain. Although there is much being done to guarantee the stability and continuity of supply at points of sales, there are new costs and obstacles to deal with. These new costs are due to many factors, including the lack of efficiency resulting from the necessary social distancing in orchards and packhouses, increases in logistical costs due to trucks returning empty to their base, additional safety measures, and delays. There are also market pressures and product losses. All of this is increasing pressure on growers and traders as these additional costs are not compensated by higher returns on sales.
6. Governments have contingency plans in place to maintain the essential services that facilitate food trade, and ensure that food safety and quality standards are maintained. Although today there are sufficient fruits and vegetables in shops and supermarkets, the ongoing supply will depend on access to seasonal workers and the implementation of new work standards in orchards and packhouses that respect social distancing and other safety

measures. Given the perishability of fresh produce, it is important to secure trade facilitation and avoid delays.¹

7. The following sections summarise some of the challenges faced by governments, producers, and traders of fresh fruit and vegetables. **The views expressed and arguments employed in this report do not necessarily reflect the views of the OECD or its member countries.**

3. Challenges and possible solutions

3.1. Transport disruptions and delays

8. The introduction of new restrictions to movement across countries in Europe and the rest of the world is creating disruption. Extra checks (e.g. requirement of new and /or additional certificates) at borders translate into delays that are detrimental to perishable goods. There are reports that some countries quarantine trucks and/or drivers, thereby significantly reducing ground fleets, especially in Europe.² Quarantines also apply to ships, which need to stay longer in port as a result, leading to increased risks of produce damage and longer delays to supply markets.³
9. Flight cancellations⁴ have hindered the supply chain. Many products used to be shipped on commercial passenger flights, and the grounding of most air traffic poses serious challenges on how to deliver products.
10. The decrease in the number of import/export inspectors at borders due to social distancing also adds to the burden and to delays. The quality inspection services are ensuring the priority tasks. In most member countries of the OECD Fruit and Vegetables Scheme, only critical staff are physically present at Border Inspection Points. In Kenya, inspections are still being done at points of exit, although the number of such inspections has decreased.
11. Fatigue and stress⁵ are an issue. In the past, some trucks would have two drivers depending on the distance, allowing them to take turns driving. At present, social distancing requires there be only one driver at all times.

¹ In addition to the supply shortages, there is a huge challenge regarding the economic sustainability of operators across the fruit and vegetables supply chain. This is due to the strong economic impact the crisis has already had in this sector. Increased costs for operators (additional insurance and “risk bonus” for workers, increases in logistics costs due to the limited flow of freight in non-essential goods, etc.) and the loss of several business areas (such as produce aimed at food providers and wholesale markets whose activities have been reduced dramatically due to the closure of work and other activities).

² This will lead to a shortage of staff (transport workers) available, as well as shortage of trucks due to quarantine blockages.

³ This is particularly concerning for the economic sustainability of businesses, as waiting times lead to higher costs resulting from detention charges in ports, which are usually charged daily at the expense of the importer.

⁴ This is also affecting the reception of import certificates for goods usually sent by plane. Due to the absence of flights, their presence upon arrival of the produce at import border checks is no longer secured and can lead to delays and refusals.

⁵ The problem of the lack of resting and dining facilities for transport workers (e.g. road hotels, canteens etc.), many of which are now closed, has also been noted. A temporary relaxation of working hours (in the EU Regulation 561/2006) would be needed to allow drivers longer working hours. Several countries have been working on this issue with labour unions, e.g. Spain.

12. It is important to restore worker safety and motivation in grading, packing, cooling, and processing facilities. The establishment of safety processes and the provision of protective gear to employees are preconditions to maintaining a safe workplace, even if those measures imply a significant extra cost, that in turn creates a huge financial impact for processors, handlers, and traders. In some countries, the shortage of protective devices is putting companies under additional pressure.
13. Confinement and the consequent delays harm developing countries that depend mostly on agriculture. For example, up to 70% of the population in Kenya depend on income from farms that export fresh produce. If there is a total lockdown, including on the supply of fresh produce, then the economic impact together with the pandemic will hit such countries even harder. It is important to keep open supply chains not only to ensure that consumers continue to receive fresh produce, but also that producers' livelihoods worldwide are safeguarded.
14. During the first weeks of reported cases in Kenya, exporters reported reduced airfreight capacity due to ban on passenger flights which constituted 40% of the total fresh produce exports capacity. The main destination for Kenya produce is UK and the EU (especially the Netherlands, Germany and France). The reduced airfreight capacity led to doubled airfreight costs and increased transit times hence affecting the normal supply of fresh vegetables from Kenya (French beans, snow peas, sugar snaps, baby corn and herbs). To address the airfreight situation and ensure continuous supply for high quality and fresh produce, Kenya Airways, the flag carrier airline of Kenya, as of 16 April, converted passenger flight to be airlifting 40 tonnes of fresh fruits and vegetables to Europe. This is in addition to other charter freighters which have been airlifting produce from Kenya. Sea freight in Kenya has been less affected so far.
15. At present, the focus on treating the pandemic is strongly inward-oriented, and intended to secure national or regional supplies. However, the coming weeks will be shaped by disruptions to global supply chains and the slowdown in international trade as a result of the emergency measures taken worldwide.
16. The lack of harmonised sanitation protocols on port regulations when COVID-19 cases are found on board and the lack of rules on how to unload perishable goods may lead vessels to search for an open port. The quarantine measures that have been introduced in India (up to 14 days), for example, have significantly delayed the unloading of perishable goods, which in turn affects the quality of those goods.
17. European imports of produce from countries like India, the People's Republic of China (hereafter "China"), and South Africa have slowed down or even stopped, while exports of European produce towards those countries has come to a standstill. However, some EU countries such as Spain have increased their imports from other countries such as Morocco since the start of COVID-19 in order to guarantee the supply of fresh fruits and vegetables in Europe.

Suggested actions

- Create global harmonised port sanitation protocols on handling perishable loads in case of COVID-19 infections on board under the lead of the International Maritime Convention.
- Set up internationally agreed and recognised protocols for transport workers to cross borders and for transport to farms, fields, or orchards. Ensure workers' health without delaying operations and provide them with essential services to allow them to continue to do their work (e.g. open rest areas and dining premises).

- Temporarily relax the provisions concerning working hours for truck drivers to allow for the swift passage of goods, despite limited staff availability, within permissible safety parameters.
- Keep borders open internationally for essential goods, including food, via “green lanes” such as those set up by the European Union, which also guarantee the free movement of essential transport workers.
- Accept electronic reception of certifications of imports or copies of these (e.g. phytosanitary certificates, certificates of origins). The European Union has granted this exceptional facilitation for imports of fresh produce and has requested third countries to reciprocate. Turkey envisages implementing a procedure for accepting photocopies or electronic versions of original documents at import.
- Waive container detention charges on import shipments in international harbours in view of the overall slowdown of operations. This measure, already implemented by India, provides relief to exporters whose shipments are taking longer to unload, resulting in a significant extra cost if detention charges are applied as usual (generally on a daily basis).
- Avoid imposing additional certification (e.g. “free from COVID-19” labels) as the European Food Safety Authority (EFSA) and other international scientific bodies have signalled there is no evidence that food is a means of transmission.

3.2. Lack of workers

18. The agriculture workforce has been significantly reduced due to travel restrictions. The sector relies heavily on seasonal labour.⁶ Harvesting season is imminent for many products and the lack of workers poses a severe constraint that could lead to loss of produce and shortages on the market. There are important concerns regarding available labour for harvesting (e.g. in Central American countries such as Ecuador or Columbia for the citrus harvest, and in all regions which are currently under curfew/lockdown regulations). In Europe, seasonal workers originate from EU and non-EU countries. With the newly implemented travel bans within the European Union and the closure of the Schengen area, many seasonal workers will no longer be able to travel to production sites. But even where borders are open, there is a “fear factor” to travel to infected areas.
19. Regionally and locally in Sub-Saharan Africa, travel restrictions, border closures, and other containment measures are having adverse effects on the movement of both produce and workers, especially casual workers. Processing and exporting companies rely on outgrowers⁷ to supply produce – in Kenya, reports suggest that the use of outgrowers decreased by nearly 50% in March. Operationally, companies are resorting to laying off casual workers and placing some permanent staff on paid/unpaid leave.
20. In France, the need for agricultural labour is estimated at 200 000 people from April to June. At present, farmers need to hire 45 000 people, particularly in the south of France. In Germany, nearly 300 000 seasonal workers are needed and the situation is becoming urgent for the asparagus and strawberry harvests. The Spanish Ministry of Agriculture estimates

⁶ Labour is needed to undertake plantings, the absence of which will lead to problems with the mid-term supply of certain products. This, in turn will lead to an increase in prices.

⁷ Outgrower schemes, also known as contract farming, are broadly defined as binding arrangements through which a firm ensures its supply of agricultural products by individual or groups of farmers.

that around 100 000 to 150 000 people are needed for the summer fruit and vegetables harvest season that starts in May.

21. To address this shortage of labour, some governments are creating online platforms that can link farmer demands with people interested in helping. In France, the FNSEA (*Fédération nationale des syndicats d'exploitants agricoles*, the French National Federation of Agricultural Holders' Unions) launched the start-up Wizifarm, otherwise known as “arms for your plate”. This platform connects farmers with available workers, especially those who are unemployed and students who no longer have classes. However, the gap between those who seek work and the number of people needed continues to be large and urgent.⁸
22. In Belgium, the period that seasonal workers can work on a farm has been extended from 60 days to 200 days so that those who are still present in the country can stay longer. Temporarily unemployed people have received authorisation to work on farms without losing their benefits.
23. Keeping a safe distance in the fields is easier than in packhouses and grading lines. If people become sick and thus absent from the workforce, this will be felt first in the logistics sector. Absenteeism in the processing industry was at 10% of the workforce in some countries by end of March.⁹ In France, absenteeism in stores and logistics bases has reached +/- 30% in some regions. Some supermarkets also report a shortage of drivers, forcing them to use carriers that are not specialised in food.¹⁰ If absenteeism continues to increase as the epidemic progresses, this may result in a decrease in the products available in stores.

Suggested actions

- Allow for the free movement of seasonal workers across borders under the strict harmonisation of medical supervision regulations and registration of incoming workers.
- Allow charter flights to continue with a limited number of seasonal workers on board, based on strict health protocols.
- If there is a redistribution of the workforce – for example assigning workers who are: (1) short-time workers, (2) workers whose activities are banned under the current pandemic situation, (3) people that have refugee status, or (4) workers receiving unemployment benefits – this can only be done under the following circumstances so as not to jeopardise the motivation of the recruited workforce:

⁸ The viability of these systems remains an open question. Previous experiences have shown disappointing results, with volunteers often lacking the necessary knowledge, physical capacity, and motivation to work in the field for a long time (leading to uncertainty in the capacity to continue production activities in a uniform manner).

Furthermore, it will remain challenging to recruit workers who are willing to take the risk of potential infection when working with others. This will require additional motivational incentives to ensure availability of a workforce.

⁹ The transport of workers in the field is, however, a strong limitation as bans on transporting more than six people limit the number of people in the field so as to respect social distancing protocols. A second problem is the accommodation of seasonal workers. Many countries require single bed accommodation which is often not available at farms. This causes further complications and limitations of capacity on the farms to employ and accommodate enough staff.

¹⁰ Shortage of trucks and truck drivers have been reported across Europe (Germany, Italy, Belgium, France, and Spain). Many drivers fear entering red zones, as they worry about not only infections, but also member state policies (quarantine provisions for returning truck drivers are increasing an already dire situation).

- Facilitate administrative processes for both workers and producers in light of the exceptional circumstances
- Suspend social security obligations if the worker is hired as a “freelancer” and suspend VAT payments
- Maintain received benefits and not substitute these with farm work income so as to maintain long-term motivation of non-trained or volunteer workers.
- Provide producers with government assistance to ensure that social distancing measures are affordable whilst continuing production (e.g. financial assistance to host seasonal workers in individual rooms instead of shared ones, or assistance to allow for increased transportation capacity whilst maintaining social distance). Create availability of additional accommodation possibilities in empty hotels, pensions, or vacation rentals.
- Raise awareness and share detailed information amongst potential volunteers about the reality of the activities to be undertaken (e.g. hard physical activity, need for availability for X amount of time, number of work hours required per day) to ensure volunteers are committed and able to take on the required tasks. To ensure motivation, financial incentives (e.g. fiscal advantages) could be foreseen by public authorities.
- Introduce protocols and contingency measures in case of detection of a COVID-19 case amongst the workers.
- Ensure enough availability of protective equipment against COVID-19 for truck drivers, port workers, seasonal workers, as well as for workers in packhouses, grading and cooling facilities and warehouses.
- Ensure the mobility of harvest, packhouse and port workforces where curfews are place so that these workers can arrive to their workplace safely and without interruption. Clearly communicated rules on transport possibilities to the production site or packhouse (e.g. number of people in cars, vans, seating order, passing allowances) are one example of what is required.

3.3. Lack of supplies

24. The interruption of the production of fertilisers (raw CO₂) by some suppliers due to lack of staff puts in serious difficulty the manufacturers of CO₂ and, by extension, the food industry. CO₂ is used for different food applications (freezing, carbonation of drinks, conservation of products in a controlled atmosphere, such as packaged meats, allowing to postpone consumption deadlines). This has penalised in particular manufacturers of carbonated drinks and large dairy groups (deliveries of liquid CO₂ to some groups could not be satisfied).
25. Difficulties in accessing inputs (e.g. seeds, fertilisers) particularly affect smallholder farmers in developing countries. Closure of village-based agro-dealers is adding to the inability to access affordable inputs.
26. A key issue for companies of all sizes is financial management affected by: reduced cashflow due to declining orders and increased costs; limited access to credit; inability to pay creditors on time; creditors reducing the length of payment terms; the need to service asset finance loans while vehicles and equipment are lying idle; banks freezing loans, especially for import/export businesses; difficulties to pay staff, suppliers, and taxes; and increased production costs. Longer-term impacts through 2021 and beyond will result from

reduced planting and limited extension services, accumulated debt, loss of trained workers, loss of traditional supply bases (outgrowers), and loss of clients due to damaged confidence as a result of undersupply (79% of survey respondents¹¹ in Kenya were unable to honour existing contracts due to logistical challenges directly linked to the COVID-19 crisis).

27. In Italy, there are reports of shortages of spare parts for agricultural machinery. Like Italy, Kenya has identified and allowed essential services to continue during the lock down. Industrial raw materials, and farm produce and workers are allowed to move but with strict adherence to safety measures.

Suggested actions

- Allow services related to food production and supply to continue operating. In Italy, Belgium and Kenya, for instance, despite the strict lockdown measures, food production and related services and activities are allowed to continue operations as long as they provide proof they are supplying an essential sector, e.g. fruit and vegetables.
- Promote awareness of the need to monitor nurseries and the trade of seeds and seedlings so as to map eventual shortages of fresh produce.

3.4. Lack of packaging

28. In France, tensions along the supply lines are appearing in the glass, plastic and cardboard markets due to strong demand from the food industry. In the case of plastic, the producers of recycled bottles (100% or partially) fear they will soon no longer receive packages of recycled PET (R-PET) due to the shutdown of sorting and recycling plants. Virgin PET (not recycled) does not appear to be a substitute, not only because manufacturers do not have the capacity to redo labels in an emergency, but also because the product would no longer comply with the indications on the labels (recycled plastic bottles). Beyond this issue of labelling compliance with regulations, there is a risk of disruption of the sorting and recycling chain.
29. The tense packaging situation in France has not yet translated into shortages for several reasons (available stocks, revival of production to meet the needs of mass distribution, reallocation to the French market production initially intended for collective catering or export), but it must be followed carefully.

3.5. Disruption of trade channels

30. Side effects of the containment measures to combat the pandemic are spreading and affect the fruit and vegetables sector in different ways.
31. The food services channels, consisting of hotels, restaurants, catering and cafés (the HoReCa sector), which purchase today at least 25% to 30% of fresh fruit and vegetables, are closed. Part of the fruit and vegetables production dedicated to these channels is now being redirected to supermarkets and small grocery food shops. Currently, the biggest problems lie with the small specialised companies that supply catering services because of closures in the HoReCa sector, cancellation of events, etc. Only part of this volume is redirected to sales in supermarkets for consumption at home.
32. Some crops that used to go mainly to the HoReCa sector are now partly redirected to supermarkets. This concerns products such as arugula, cresses, other specialties of lettuces

¹¹ This survey was conducted by Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP) among its members.

and sprouts, as well as asparagus. This increases the offer for these products for consumers. In Belgium, prices for asparagus are 50% lower than in the same period last year.

33. This situation could deteriorate further with the strengthening of containment measures, such as those which led to the closure of outdoor markets. The recent ban on open markets in several European countries affects mostly smaller farms because these depend more on this channel. In addition, their produce originally destined for local outdoor markets is not always transferred to the retail sector because of different quality requirements or expectations, in addition to the fact that retailers have their preferred channels of procurement.
34. In Brazil, the containment measures to combat the pandemic have severely affected small farmers. Fruit and vegetables represent 20% in value of government purchases for schools, that is USD 28 million for 4 773 municipalities. The closure of schools, open markets, and other commercial spaces (e.g. street vendors and kiosks) have made it difficult for farmers and growers to ensure a smooth flow of their agricultural production. As the situation evolves and containment measures intensify, this situation will become more severe, worsening unemployment and income in rural areas and placing many families in a vulnerable position. The following actions are proposed by the Brazilian farmers' associations and the Brazilian rural assistance office (EMATER-DF, Empresa de Assistência Técnica e Extensão Rural) to help the weakest farmers and growers of the fruit and vegetables sector:
 - Provide producers with government assistance to safeguard income, sales channels, and/or promote new channels to ensure the smooth flow of production of small farmers.
 - Ensure that social distancing measures take into account the situation of small farmers and the need to maintain the supply of fresh produce.

3.6. Unstable prices and demand

35. In Europe, some fruits and vegetables have sales that significantly exceed their reference values (e.g. potatoes, apples) and others have seen their prices plunge. Online sales of food are soaring.
36. Consumers seem to be changing their purchasing habits due to confinement. Belgium reports that sales in supermarkets are still good and pulling the market. However, after an initial peak in demand (hoarding), the market for fruit and vegetables has weakened and prices might start to fall because customers go out less frequently to do their grocery shopping. This is already affecting the sales of perishable produce, such as strawberries. France has registered a reduction in sales of fresh produce, especially seafood and fruit and vegetables, and an increase in sales of industrialised and long-storage products, such as starches. In the area of produce, French consumers are buying fewer perishable fruit and vegetables, and more long-storage ones such as apples and carrots. It is likely that the price of the latter will increase.
37. A similar trend is observed in wholesale markets. In a press release issued on 23 March 2020, Interfel, the French inter-branch organisation for the fruit and vegetables sector, expressed alarm at the 40% drop in sales at wholesale markets. In particular, France reports that at the Rungis market for fruit and vegetables the offer exceeds demand, with the exception of long-storage produce and those rich in vitamin C. Between weeks 11 and 12, of the 143 types of fruit and vegetables exchanged at Rungis, only 13 saw their price increase by more than 10%; 77 had a stable price and 29 saw their price decrease (Table 1).

Table 1. France: Fruits and vegetables

Inflation and deflation of prices between weeks 11 and 12

Particulars	Unit	w11 2020	w12 2020	w11 /w12
Savoy cabbage France Class I package of 6	6 pieces	6.5	12.5	92%
Courgette green Spain Class I 14-21 cm	kg	1.01	1.8	78%
Aubergine Spain Class I	kg	1.1	1.83	66%
Tomato round Spain Class I 57-67 cm	kg	0.9	1.37	52%
Cauliflower France trimmed Class I big	6 pieces	9	12.17	35%
Tomato round Spain vine Class I	kg	1.3	1.63	25%
Clementine Gold Israel Class II 1-X	kg	1.4	1.7	21%
Tomato round France vine Extra	kg	2.42	2.9	20%
Orange Valencia late Spain Extra 2 (84-96 mm)	kg	1.24	1.48	19%
Orange Maltese half-blood Tunisia Class I 8(64-73 mm)	kg	0.82	0.95	16%
Orange Lane late Spain Class I 2(84-96 mm) 10 kg package	kg	0.93	1.07	15%
Tomato cherry France Extra 250 g punnet	kg	4.5	5.15	14%
Sweet Pepper green square Spain Class I big	kg	2	2.23	12%
Strawberry Gariguette France Class I 250 g punnet	kg	8.75	7.67	-12%
Mango Kent Peru vessel	kg	1.6	1.4	-13%
Strawberry standard Spain Class I plate 1kg	kg	3.16	2.7	-15%
Strawberry Gariguette France Extra plate	kg	11.7	9.67	-17%

Note: Prices at Rungis market and in EUR tax-free.

Source: FranceAgriMer via DGCCRF (Directorate for Competition Policy, Consumer Affairs and Fraud Control).

38. In Italy¹², the composition of food purchases was significantly altered due to a “stock effect”. Several products saw a huge increase in purchases: UHT milk (+ 55% only in the last weeks of March), pasta (+ 44% with peaks of + 66%), flour (+ 79% peaks of + 162%), eggs (+ 26% overall with peaks of + 59% for growth values of over EUR 9 million), frozen vegetables, rice, red preserves (+ 45% with peaks of + 75% equal to over +EUR 12 million on the same week in 2019), and canned meats (+ 66%). Table 2 below compares the food purchases during the 17 February – 15 March 2020 period with the same period in 2019.
39. “Comfort products” were not lacking in the Italian trolley: cold cuts (+39% in the last week), mozzarella (+ 43.4%), chips (+ 31.3%), beers (+ 13.8%), sweet spreads (+ 57.7%), frozen pizza (+ 54.3%), and chocolate bars and bars (+ 21.9%).
40. Current airfreight pricing has increased by EUR 2-3 per box as a consequence of the scarcity of available airfreight connections and cancelled commercial flights. Competition for airline connections is high. African countries have been the most affected by the cancellation of flights, but this has also affected, for example, imports of melons and pineapple from overseas destinations such as Costa Rica and Panama.

¹² <http://www.ismea.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/10990>, consulted 31 March 2020.

Table 2 Italy: Food purchases, percentage increase compared to 2019

Products	Percentage change in consumption, 17 February – 15 March, compared to the same period in 2019
Flours and semolina	79%
Meat in box	63%
Potatoes	37%
Products tomato-based	45%
Rice	49%
Dry pasta	44%
Citrus	27%
Fresh eggs	26%
UHT milk	29%
Preserved fish	36%
Prepared food	33%
Frozen fish	26%
Frozen vegetables	23%
Hard cheese	28%
Industrial cheese	21%
Cured meats	21%
Extra virgin olive oil	14%
Yogurt	11%
Wine	7%
Fresh milk	4%
Fruit with shell	12%
Fresh Vegetables IV Range	-2%

Source: Ismea – Nielsen.

41. In Belgium, the floriculture sector is at a complete standstill because of the closure of all flower shops and garden centres. The nursery stock, flower and bedding plant sector is one of the hardest hit with current sales at least 60% to 70% below average. The Netherlands and Belgium report that the demand for potatoes (intended for fries – fresh and frozen) has come to a complete standstill. Consequently, the Dutch and Belgian Ministers of Agriculture are considering whether a separate damage fund is required for these sectors that have been severely affected by the Coronavirus measures.
42. The increase in transport costs is a concern. In France, following the announcement of tariff increases several shipment companies immediately alerted authorities of their concerns. In Germany, producer and trader associations indicate that despite falling diesel prices, the freight costs in truck traffic have increased considerably, by about 30% to 40%. A study carried out by the French National Road Council at the request of the French Directorate-General for Infrastructure, Transport and the Sea (DGITM, *Direction générale des Infrastructures, des Transports et de la Mer*) highlights that the drop in the vehicle fill rate (i.e. the problem of empty returns) has had a significant impact on the cost of road transport of goods, and may justify, in principle, requests for tariff increases from carriers affected by this. The drop in oil prices has had only a marginal impact to date.
43. The French Ministry of Ministry for the Ecological and Inclusive Transition, in charge of transport, has engaged a dialogue with representatives of all sectors concerned with a view to finding solutions to alleviate the current economic situation. The objective is to distribute the effort equitably between actors, to preserve the activity of the most fragile, and to secure the supply of foodstuffs.

Suggested actions to deal with decreased purchases of fresh fruit and vegetables

- Reinforce consumer trust in bulk products by ensuring enough communication is shared via retailers and other means so consumers can continue buying and safely handling and cooking these products instead of favouring, as is the case in some countries, packed products over loose ones. In Spain, for instance, single use plastic gloves are given to consumers so that they can safely pick from bulk products. Business sectors and consumers should be reminded of the WHO and FAO hygiene recommendations.
- In countries such as Brazil where the population is not used to cooking fresh fruit and vegetables at home, but rather purchase these prepared from canteens or street vendors, communicate on how to prepare fresh produce. Raise awareness on the need to launch *ad hoc* campaigns via information and communication technologies (e.g. video streaming on internet by chefs preparing easy dishes, use social media to promote the benefits of fresh produce consumption).

3.7. Adverse weather conditions

44. In addition to the strains of COVID-19, Italy, Luxembourg and the Slovak Republic were confronted in March with low temperatures and frost that are affecting several crops.
45. Adverse weather is always an issue for producers in developing countries. In recent years, the increasing occurrence of extreme weather events and incidents such as the current locust outbreak in East Africa (thought to be exacerbated by climate change) are already having major impacts.

3.8. Stronger co-ordination and harmonisation are needed

46. To date, countries have followed national or regional approaches to deal with the crisis, yet supply lines run across many countries and require a unique harmonised approach to ensure frictionless trade. There is an urgent need to co-ordinate and apply a common framework to deal with this crisis.

4. Exceptional times require exceptional measures

47. Governments must recognise the essential role of agriculture and horticulture, and the food-processing industry and to allow these sectors to continue to function (taking into account all necessary safety measures). Indeed, producers and producer organisations can continue to function, including their associated quality assurance systems, if adequately supported.

4.1. Ensure the movement of workers and goods

48. Governments must continue to ensure the movement of goods and workers across countries, subject to adequate safety measures to reduce the spread of the coronavirus. Borders must remain open for the transport of food and raw materials for the agricultural and food sector, and the free movement of workers from other countries should be guaranteed.
49. In Europe, the implementation of “green lanes” (which have a 15-minute maximum limit for controls) border crossings for freight vehicles containing all types of products is a good option that could be adopted by other non-EU countries, extending it to ports and airports.

Delays at any point have a negative impact on highly perishable goods such as fruits and vegetables.

50. Turkey is implementing measures at border gates. Priority is given to the entrances of vehicles/drivers carrying medication, medical supplies and urgent foodstuff. Contactless measures (the “Contact-Free Trade”) have been adopted to allow foreign trade operations to continue in a controlled manner and without any person-to-person contact. For instance, at the border gate with Iraq, a buffer zone has been established. In this buffer zone, drivers of foreign nationalities are allowed to change trailers, containers and drivers, and then the vehicles and freights are carried to the delivery point. At the border with Iran, the road gates have been closed as of 23 February 2020. However, to enable the smooth flow of trade, the “Contact-Free Railway Trade” has been implemented at the rail border with Iran: customs operations/transactions are carried out while taking all the necessary safety precautions, which includes not allowing any machinery or personnel to cross the border. Finally, cargo transportation by sea and air routes and Ro-Ro lines (roll-on, roll-off) can still be carried out by taking all of the compulsory disinfection measures. The crew/personnel of these vessels are not allowed to contact land.

4.2. Support farmers and traders

51. The economy is facing a large external shock, and farmers and traders will face the consequences. Some EU governments are already providing support to farmers and traders of fruit and vegetables by introducing *ad hoc* measures: temporary emergency measures bridging work maintenance; relaxation or deferral of taxation and reduction of fines; and temporary credit facilities to absorb liquidity problems related to the coronavirus crisis.
52. India declared a *force majeure* in some of its ports to ensure that unforeseen delays in the delivery of cargo and other port-related services do not affect their commercial contracts with port users. This has reduced the financial burden on traders.
53. The EU-funded Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP) has learned from a preliminary survey of exporting companies in Kenya that two-thirds of respondents saw a loss of more than 50% of initial projected revenue for March 2020. ACP companies are seeking to mitigate the impacts by exploring options for other local and regional markets, diversifying to other crops and processed produce, and looking for equipment to automate planting and processing and thereby limit the proximity of workers to each other – if the necessary financing can be found. Support at the local level to ensure sufficient access to finance and affordable inputs for growers will be vital. To date, good practices by governments in Sub-Saharan African countries¹³ have included finding ways to obtain affordable inputs to farmers (Ethiopia, Ghana), and assisting village-based advisors to creatively deliver government-subsided inputs to farmers while educating them on COVID-19 safety guidelines (Kenya).
54. These types of measures could be adopted by other countries. Any targeted and clearly time-bound measures to reduce economic burdens, or time delays are crucial to ensure the functioning of food supply chains.

4.3. Ensure global co-ordination along the supply chain

55. Governments need to co-ordinate and have a harmonised policy response to ensure that food supply chains continue to function effectively. For example, co-ordination is crucial

¹³<https://agra.org/ourharvest/april-20/covid-19-should-not-lead-to-food-crisis-in-africa-smallholder-farmers-are-our-lifeline/>, consulted 16 April 2020.

to ensuring that foreign seasonal workers reach the fields at the right time. The harvesting and planting season is now and unnecessary waste of produce needs to be avoided. Finally, there is a need for a comprehensive framework that provides adequate compensation to farmers and producers, and that supports logistics for the duration of the crisis.

56. Several producer associations worldwide are requesting global co-ordination. Some suggestions are as follows.

- Create a globally harmonised handling of port sanitation protocols under the lead of the International Maritime Convention on handling perishable loads in case of COVID-19 infections on board of vessels.
- Set up internationally-agreed and recognised protocols for transport workers to allow them to cross borders and protect their health without delaying operations, as well as to provide workers with essential services to allow them to continue working (e.g. opening of resting and dining premises).
- Temporarily relax the provisions concerning working hours for truck drivers to allow for the swift passage of goods, despite limited staff availability.
- Keep borders open internationally for essential goods via “green lanes” like those set up by the European Union, which also guarantee the free movement of essential transport workers.
- Accept electronic reception of certifications for imports or acceptance of copies (e.g. phytosanitary certificates, certificates of origins, and other customs documents). The European Union has granted this exceptional facilitation for imports of fresh produce and has requested third countries to reciprocate.
- Waive container detention charges on import shipments in international harbours when these are due to the slowdown of operations. This measure has been implemented by India; it provides relief to exporters, whose shipments remain longer than usual in ports before unloading – representing a big extra cost if detention charges remain as usual (generally on a daily basis).
- Avoid the imposition of additional certification (e.g. “free from COVID-19 labels as the European Food Safety Authority (EFSA) and other international scientific bodies have signalled there is no evidence that food is a means of transmission.