## EUROFRUIT

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## SHAFFE congress hears calls for closer collaboration



Speaking with one voice will help the sector tackle "one of its most challenging seasons in 20 years"

nprecedented increases in shipping costs, a lack of containers, longer transit times, labour shortages, climate challenges and rising input costs will make for an exceptionally difficult season for Southern Hemisphere fruit exporters and require closer cross border collaboration to find common solutions to common challenges.

This was the message that came through loud and clear from the speakers who took part in the second Southern Hemisphere Fresh Fruit Trade Congress on 30 March.

Hosted by the Southern Hemisphere Association for Fresh Fruit Exporters (SHAFFE), the event gathered together growers, exporters, importers, marketers and industry associations to discuss the outlook for fresh fruit exporters in 2022, as well as the opportunities and challenges in mega markets such as India and China, and

the current state of play of sustainability requirements in key markets.

Setting the scene, SHAFFE president Charif Christian Carvajal said the sector faced one of the most challenging seasons of the last 20 years, with the problems created by the two-year Covid pandemic compounded by the breakout of war between Russia and Ukraine.

Referencing the newly created international coalition of fresh produce associations in the face of rising costs, Carvajal said speaking with one voice would help the sector negotiate with different stakeholders, such as shipping companies, in order to inform them of and tackle the different issues it faces.

Several suggestions were floated at the congress on how to deal with the challenges facing the sector, including forming an alliance with the meat and fish industries to secure better access to

reefer containers, asking global governments for a temporary suspension of taxes on food products to make them more affordable for consumers, and closer cross border collaboration.

Eugenio Oliveira of Peru's Consorcio Productores de Frutas (CPF), suggested the industry adopt an open book strategy, with suppliers sharing the true cost and challenges they face with other stakeholders.

"We need a long-term vision to guarantee future of our sector. In the case of citrus, shipping companies need to understand that it is a low margin product and if they want to keep our business in the long term this needs to be reflected in the prices they charge," he said.

There were calls too for fresh fruit to be recognised as an essential good and be treated accordingly. With 11m tonnes of fruit worth US\$15.8bn moving from the Southern to Northern Hemisphere each year, Marta Bentancur, vice president of SHAFFE said it was vital for the industry to be recognised for its significant contribution to the sustainability of the planet and human health.

Nelli Hadju, SHAFFE's secretary general, said cross-regional dialogue on sustainability should form the centrepiece of SHAFFE's strategic response to the current crisis.

She announced that SHAFFE's recently created sustainability taskforce would shortly be publishing its sustainability white paper, that would serve as a guide for producers, exporters, importers and governments, defining a common concept of sustainability and develop common targets and objectives on a range of areas, such as preservation of the ecosystem, water, biodiversity conservation, carbon emissions and people.

In spite of the current challenges facing the sector, optimism remains high about the future outlook for Southern Hemisphere exporters. SHAFFE's 2022 outlook survey shows that

while most respondents cite increased logistics and input costs as a major obstacle to trade, the majority (60 per cent) also think the industry has a bright future ahead.

There was also optimism about the prospects for fresh fruit in two of the world's biggest consumer markets. Sumit Saran, director of India's SS Associates, pointed to a report from the World Economic Forum showing that consumer spending in India is set to increase fourfold by 2030.

With food and groceries accounting for the biggest proportion of household spending and a growing class of optimistic, tech-savvy middle-class consumers spreading across the country, this creates excellent opportunities for imported fruit.

Kurt Huang, deputy secretary general of the China Chamber of Commerce for Native Produce and Food Stuffs, noted that in spite of the many difficulties caused by port congestion and clearance showdowns, fruit imports into China increased in 2021, mainly due to a rise in imports of tropical fruits from nearby countries. However, he said that faced with supply shortages in other fruits, importers had turned to domestically grown produce and this had accelerated the development of China's national production during the pandemic.

Closing the second edition of the congress, Bentancur said: "SHAFFE has led the way in forming a coalition of fresh produce trade associations to analyse and facilitate global solutions for the industry.

"We must be open to adopting new strategies in order to manage the critical issues facing us today. Our growers are resilient and optimistic. In spite of challenges they will keep working with stakeholder to find alternatives and are confident that the future is positive for the industry."

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