

EUREPGAP

The Global Partnership for Safe and Sustainable Agriculture

MADRID CONFERENCE FRESH PRODUCE REPORT
NOVEMBER 2003

www.eurep.org



Over 450 delegates from 37 countries at the Madrid conference reflected the impact EurepGAP is having internationally.

EU COMMISSIONER APPLAUDS OUR PROGRESS

The EC Commission has been impressed with the progress that EurepGAP has made in its short seven year existence combining the interests of the whole fresh food industry in the interests of the consumer.

This was one of the key messages given by EU Commissioner for Health and Consumer Protection Dr David Byrne, in a video address to the Madrid conference in September.

"It is the essential foundation from which quality and excellence can continue to thrive," he said. "Our goal is to ensure that food supply reaches and maintains the highest standards".

With the creation of the European Food Safety Authority new carefully targeted legislation is coming into force covering a whole raft of issues. Legislation relating to measures on TSEs, animal by-products, labelling of feed, undesirable substances in it, food supplements, and the withdrawal of antibiotics have already been introduced, and there are also a number of proposals going through the European Parliament and Council

which could be agreed this year.

Delegates were able to hear of the wide brief that Dr Byrne holds, for apart from the traceability and labelling on GM products there are legislative moves which will merge, harmonise and simplify food hygiene packaging.

"One of the key features of the new system.....is the requirement for each link in the food chain to be able to trace at least one step forwards and one step back with more stringent requirements for sensitive products such as beef and GMOs," he added. Dr Byrne also said it had been made crystal clear to the new emerging partners of the European Union that these rigorous standards must be achieved to enable them to participate fully in the internal market. "Your organisation has made great strides," he said. "You too are concerned with driving standards up, and improving the competitive position of your members.

"I applaud your approach - which compliments and reinforces our own food safety initiatives and I hope you go from strength to strength."

THE PATH AHEAD

With EurepGAP conference title of "Towards Global Harmonisation 2003", and no less than some two dozen presentations, not counting the debates it was not surprising that the atmosphere at the Hotel Auditorium in Madrid buzzed with discussion and opinion.

It continued throughout the three days both in the conference halls and lobbies as producers, distributors, crop scientists, quality assurance executives and some of the largest retailers in Europe found much in common.

"Producers anywhere in the world now have access to cost effective, credible farm certification, which is accepted by an increasing number of food retailers," reported independent Chairman Nigel Garbutt. "There is a wide choice of accredited certification bodies and all our documentation, which is produced to internationally recognised norms, is available free of charge.

"We have developed an open and consultative culture and our greatest strength lies in facilitating the co-operation on farm standards development across the global supply chain.

"Retailers and producers are in an extremely competitive market but have united in EurepGAP to agree the protocols and this is proving to be very efficient and effective for all those concerned."

As a result there is a far greater level of voluntary discipline which would have been unachievable even five years ago.



"MORE AND MORE MEMBERS ARE JOINING"

Every month EurepGAP is increasing its international influence as the accepted benchmarking standard in the fruit and vegetable sector. The evidence is increasing membership.

This was the confident report given by Secretary Dr Kristian Moeller to delegates when assessing the progress since the Bologna conference held in 2001.

Membership has doubled to over 200 companies. There are over 12,000 certified growers with a combined 394,400 hectares.

The largest certified schemes are headed up by the United Kingdom, followed by The Netherlands.

But the balance will continue to change as other major producing countries see their schemes reaching levels of similar certification, confirms Dr Moeller.

At present Spain, South Africa, Israel



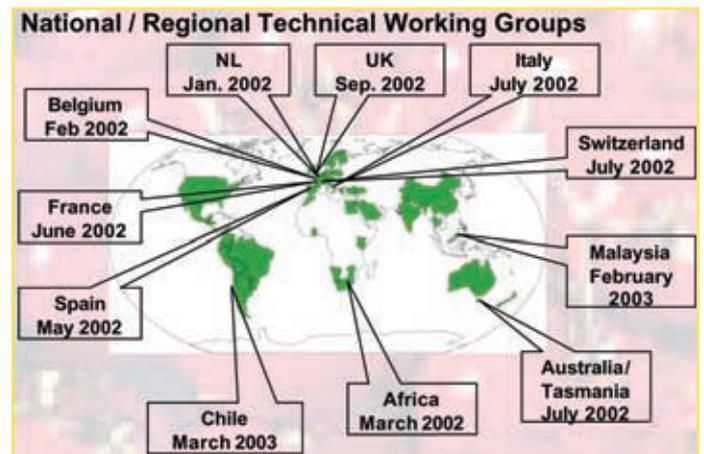
"We will see a major increase in the coming six months"

and Belgium have the next highest number of growers, but Dr Moeller revealed that virtually the entire French apple and potato industries are about to be certified.

These are the two largest representative certified crops outside the UK, but already the range is increasing and embraces over 50 lines of produce as diverse as bananas, cherries, citrus and asparagus.

Meanwhile, the number of accredited certification bodies has risen accordingly from three in 2001 to the current 31.

A further seven are not accredited at present said Dr. Moeller, underlying the strict rules which are enforced. A further five have over a period of time, been suspended.



EUREPGAP Training

There is a wide mix for those that want to build up their knowledge in Good Agricultural Practice and EurepGAP requirements

Attend a EurepGAP Train-the-Trainer Workshop, conducted by EurepGAP staff (see events on our website or receive information by e-mail newsletter)

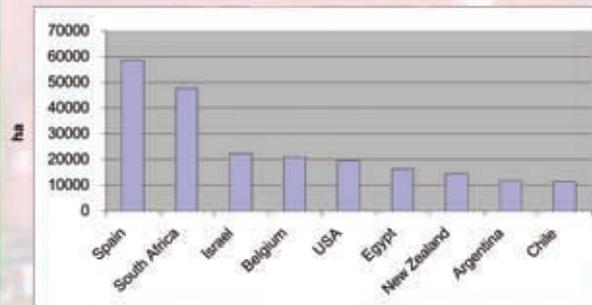
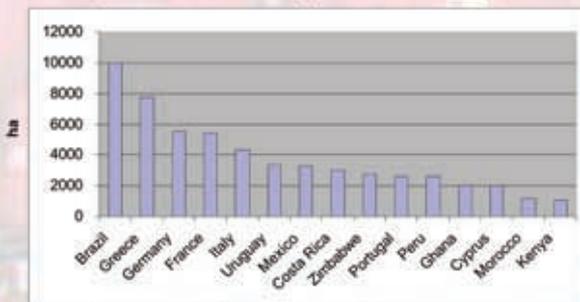
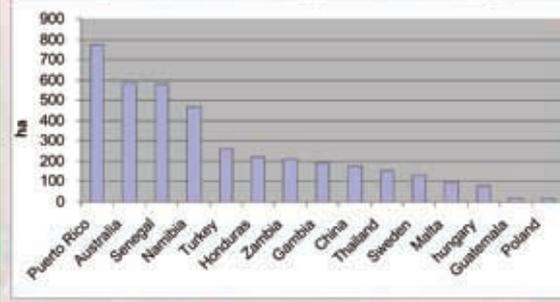
- **Target Group:** Experts that want to consult and train
- **Length:** 2 days
- **Content:** In-depth discussion, small working groups

Attend a Workshop of a EurepGAP Trainer that has passed the Train-the-Trainer Examination and is listed on the EurepGAP Website.

Attend a EurepGAP awareness day, organised by a local sponsor, with the participation of EurepGAP staff.

Organise an awareness day in cooperation with the EurepGAP Secretariat, maybe in combination with a regional EurepGAP Train-the-Trainer Workshop, where the sponsor can send 3 delegates for free.

Please contact Mrs Nuray Üstün, mail to: uestuen@foodplus.org.

**Certified Growers
(EUREPGAP with approved Schemes)**
Total Number of Certified Growers (August 2003)
12,106
Total Area Certified (August 2003)
563,707 ha (including APS)
Certified Area
NL: 66,349 ha; UK 213,094 ha

**Certified Area
(EUREPGAP with approved Schemes)**

**Certified Area
(EUREPGAP with approved Schemes)**

 Updates available at www.eurep.org

NEW COMMITTEE ELECTIONS

The result of the 2003 elections was as follows:

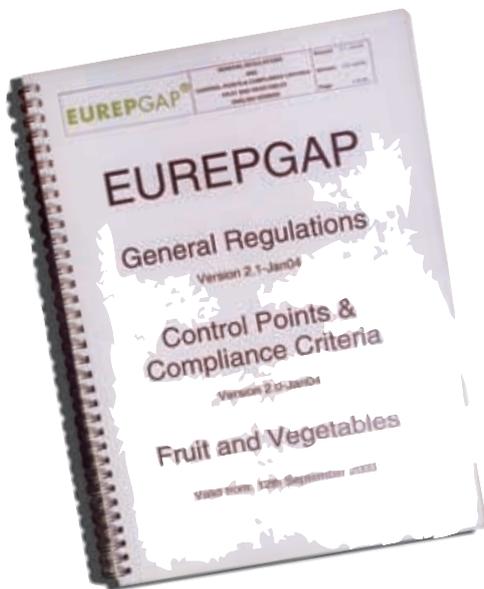
FRUIT AND VEGETABLE TECHNICAL AND STANDARDS COMMITTEE

CONSTITUENCY NAME	ORGANISATION	COUNTRY
Producer Benic, Lindi	SHAFFE and Fruit South Africa	South Africa
Producer de Montigny, Aymard	CNIPT	France
Retailer Hofmans, Willem	Albert Heijn	Netherlands
Producer Hylkema, Dick	LTO Nederland	Netherlands
Producer Knuppen, Herbert	German Fruit and Vegetable Producer Association	Germany
Producer Laghi, Massimiliano/ Reggidori, Gianpiero	Apofruit/APO Conerpo	Italy
Retailer Massani, Joachim	Spar Austria	Austria
Producer Navarro, Rebeca	Fepex	Spain
Retailer Peeters, Luc	FEDIS/DRC	Belgium
Retailer Thirkell, Simon	Sainsbury's	United Kingdom
Producer Yudin, Richard	Fyffes	USA

FRUIT AND VEGETABLE STEERING COMMITTEE

Retailer Bailey, Gavin	Safeway	United Kingdom
Producer Brown, Ronald/ Manning, Roger A.	CFFA, Chilean Fresh Fruit Association	Chile
Producer de Baerdemaeker, Jose	Lava/VBT	Belgium
Retailer Doherty, Shaun	Superquinn	Ireland
Retailer Foley, John	Waitrose	United Kingdom
Retailer Matern, Jürgen	Metro	Germany
Producer Iranzo, Benito Orihuel	Anecoop	Spain
Producer Payne, Chris	Assured Produce Company/AFS	United Kingdom
Producer Sorek, Eran	Agrexco	Israel
Producer van Staalduinen, Jan	DPA/The Greenery	Netherlands

NEW PROTOCOL SEEN AS VALUABLE TOOL IN WIDENING DIALOGUE

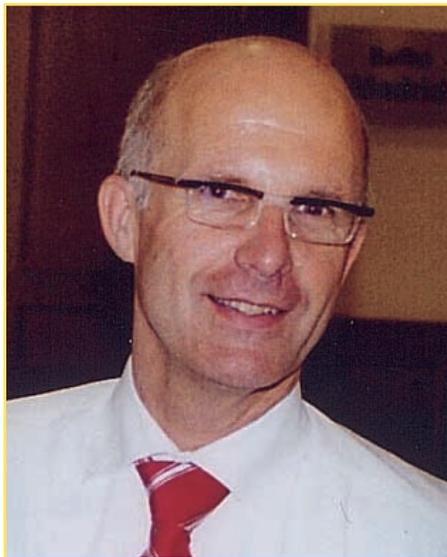


It's a mammoth document, not because of the number of pages, but the sheer necessary detail which is provided in the second EurepGAP Protocol unveiled at the Madrid conference. It will become operational in 2004.

Incredibly it has taken only 18 months to achieve due to the hard work of the Technical and Standards Committee following an intense consultation period with experts from around the globe.

Its Chairman Willem Hofmans of Albert Heijn regards the publication as "a tool on which we can build trust."

He believes it will help producers and distributors solve what he



"Helping producers and distributors solve hidden problems."

called "hidden problems". The amended Protocol updates practices which have been in operation for several years during the early stages of EurepGAPs development and will bring additional benefits to members in its new form.

It will help open up discussion with both governments and agrochemical companies in areas such as pesticides where an increasing level of

understanding is needed.

Also increasing awareness of micro biological standards is an area into which the produce industry is being drawn, said Lindi Benic, representing SHAFTE.

"The days of us all hoping our problems will simply go away are over," added Gavin Bailey of Safeway Stores, citing the area of worker welfare now also a major issue.

SIMPLICITY IS KEY TO SUCCESS

The new Protocol while complex, is far easier for growers to understand, Hugo Hays, EurepGAP's Technical Manager told delegates. The added list of features includes definitions and flow charts, and there is a consolidated list of growers rights and obligations.

SOME OF THE MAIN CHANGES

- A revised Chapter 8 (Crop Protection) with a high priority given to compliance with new regulations. Particularly important given the fast pace of change in this area.
- Re-focused Chapter 12 (Worker Welfare), which brings together all GAP requirements to ensure the protection of worker health and safety. This chapter also aims to raise awareness in the developing area of worker welfare.
- A new Chapter 10 which provides hygiene criteria for on-farm packing.

The documents are available FREE to download at www.eurep.org



A presentation to the members of the Technical and Standards Committee acknowledging their hard work was warmly applauded by the delegates.



METRO TO ASK FOR EurepGAP

The Germany based Metro Group will ask their fruit and vegetable suppliers to show them a EurepGAP approval by October 2004, said Jürgen Matern, the Metro Group's Head Quality Assurance.

METRO Group



Steve Homer (left) of Zwetsloots and Simon Pearson, Marks and Spencers, are pleased with the progress being made towards accreditation.

FLOWER AND ORNAMENTALS FOLLOWING SUITE

An initiative to create a benchmark similar to the EurepGAP Protocol on fruit and vegetables now needs the support of the entire horticultural industry by October 2004 to progress.

Begun three years ago at the instigation of UK supermarkets and leading importers and packers the document was officially launched last year at Hortifair in Holland. It won the support of companies such as Zwetsloots, the Butters Group, Flowers Plus, and Lingarden, and retailers Somerfield, Sainsbury, Tesco, Marks and Spencers, Safeway, Migros and Coop Switzerland. Now it has been backed by the British Ornamental and Pot Plant Association in the UK which already has its own standards also covering cut flowers, hardy stock and shortly packhouse procedures.

Other organisations include Ascoflores from Colombia, and the Kenya Flower Council, confirmed Steve Homer, Commercial Manager of Zwetsloots, Chairman of the Technical Steering and Standards committee.

He appealed to the industry to add its further support to achieve critical mass before October 2004 when members or organisations must be part of a scheme which is EurepGAP compliant.

"We think we have created a Code which will have enough commonality to encourage existing schemes to join us in benchmarking, whilst encompassing the refinements needed to achieve basic code harmonisation," he said.

Backed on the platform by Simon Pearson, Technical Manager at Marks and Spencers also on the Ornamentals TSC, neither underestimates the scale of the undertaking which ranges across Dutch chrysanthemum growers with multi hectare factories to merchants

which have traded for generations in a particular area.

In these cases they provide agronomy support, fair prices and prompt payment for hundreds of small family growers which are the source of millions of stems of flowers for supermarkets.

"The absence of written contracts and a formal structure means these companies are not true PMOs, but will be instrumental in EurepGAP's application to producers who may only have 500 sq. metres of production and a staff of two family members," explains Homer.

The Code contains sections on traceability, record keeping, varieties and rootstocks. In some cases the strength of the compliance point has been changed to recognise the differing structure of the sector.

But a key element is that unlike other EurepGAP codes, there are no food safety standards although flowers and plants are now increasingly being sold at retail level worth £600 million.

"EurepGAP has been a large dark cloud on the horizon for many ornamental growers who have been putting off the time to engage with us," he claimed. "We have to remove negative feelings and suspicions of extra cost and bureaucracy."

He believes a system of nationally relevant benchmarking and regionally tailored solutions are the only way for growers to achieve continuous improvement, acceptable standards and self sustainability.

He also sees it as offering a degree of protection against potential problems.

"Many of the issues facing the produce industry - such as MRLs - will filter down into this sector - a process which he said normally took around five years." This timescale is already shortening.



Andrew Brown (left) Californian Grape Commission and George Smith, Washington Apple Commission.



Shaun Doherty (Superquinn) (left), Gavin Bailey (Safeway), Johann Züblin (Migros)

KEEPING COSTS LOW IS A KEY PART OF BENCHMARKING

There are no short cuts to accreditation, which is why the system that ensures these disciplines are followed must be as professionally managed as the schemes chosen by growers and members who support them.

This was the key message from Kylie Sheehan, Business and Programme Development Manager for JAS-ANZ awarded the overall benchmarking role by EurepGAP.

In a major step forward for the industry the EurepGAP Steering Committee agreed changes to the way benchmarking is carried out. From May 2003 all benchmarking applications are assessed by JAS-ANZ, which maintains offices in Canberra and Wellington fully staffed with administration, technical and programme development expertise.

JAS-ANZ was established by the Australian and New Zealand Governments in 1991 for the purpose of being the recognised accreditation body for the two countries to facilitate trade.

It is currently the only accreditation body outside of Europe that has the bilateral arrangement with the European Co-operation of Accreditation. This is a strict peer review process for gaining confidence in accreditation bodies.

The company has wide experience in the agrifood sector, and is a member of the International Accreditation Forum (IAF) and is signed up to the Multi-Lateral Agreement (MLA).

It meets the requirements of ISO/IEC Guide 61:1996, General Requirements for the assessment and accreditation of certification bodies, and as such is uniquely placed to ensure impartiality and independence in the processing of schemes for assessment of equivalence against EurepGAP.

JAS-ANZ currently accredits 45 Certification Bodies in Australia, New Zealand, China, India, Korea, Thailand, and Vietnam who provide services for some 90 accredited programmes.

These include EurepGAP, ISO 9000, ISO 14001, food safety, occupational health and safety, information security management systems, training course providers, personnel certification, product certification, regulatory sector schemes, industry sector schemes, and inspection bodies.

ISRAEL'S EXAMPLE IMPRESSES



Hugo Hays (left) EurepGAP Technical Manager, Professor Lise Korsten, University of Pretoria and Eran Sorek of Agrexco provided a blend of science and practicality from the platform

One of the first countries to recognise the value of the EurepGAP benchmarking procedures has been Israel, and in a practical demonstration of what had been achieved Eran Sorek of Agrexco guided delegates through a visual presentation which showed how problems had been overcome.

As a major fruit and vegetable exporter, as well as other foodstuffs, Israel first launched its own Ecofresh system with

Sorek becoming the project manager. This scheme has now been harmonised with EurepGAP.

Delegates were impressed with the detail shown which included wide aspects of packhouse hygiene as well as strict control of chemicals at production level, linked to risk analysis and detailed operation flow charts so that growers had clear, concise and simple instructions to follow.

NEW APPROACH TO MRLs

The rationalisation of minimum residue levels which is now set to take place within the framework of EC legislation has been welcomed by the European Crop Protection Association as well as a route towards increasing free trade within the enlarged Community and third countries.

Dr. Micheal Kaethner, from its residues expert group, brought delegates up to date on the current position whereby the Commission proposal is to consolidate the existing four directives in a single act.

"MRLs setting as well as monitoring and control will be simplified under the same regulation," he added. "It does not require implementation into national

law as it is immediately applicable in all members states.

These will apply from January 1, 2005 for fresh produce, when all existing residue directives will be repealed at this time followed by July 1 for stored product.

Defining this new concept he added, that if no selective levels are set this would be at a uniform low. It was expected that the new MRLs could be in place within three to twelve months.

However he warned that "The introduction of the default standard low MRL approach will lead to a great increase in the number of reported violations in the EU, especially in imported produce."



Prince de Bretagne, the French marketing organisation which has achieved an international reputation for quality vegetable was well represented.

McDONALD'S COMES TO THE PARTY

An extra dimension has been added to the EurepGAP membership with the support of one of the world's best known global brands - McDonald's which sees its products bought daily by over 46 million people world-wide.

Reinhard Kaepfel, responsible for European quality assurance, stressed that while two years ago it began to operate its own internal assurance programme (MAAP) it had also been impressed with EurepGAP as a quality scheme which could also enhance its food sourcing and operation.

The scale is massive. In Europe alone McDonald's purchases 150,000 tonnes of beef, 100,000 tonnes of chicken, 120,000 tonnes of wheat, 850,000 tonnes of potatoes and 70,000 tonnes of produce for its 6,000 restaurants in 42 different countries.

"We strongly support any efforts which will lead to further harmonisation of existing standards," he added, "Differences in national schemes should be made more transparent".

While stressing that McDonald's will continue to maintain its own MAAP standards, he expected more supplies would be linked to EurepGAP approved sources. This linkage to its lettuce programmes had shown that the two schemes were complimentary.

Looking further forward, Kaepfel also praised the Integrated Farm Assurance initiative for other foods which he believed will also become a similar benchmark.



"We strongly support any efforts which will lead to further harmonisation"

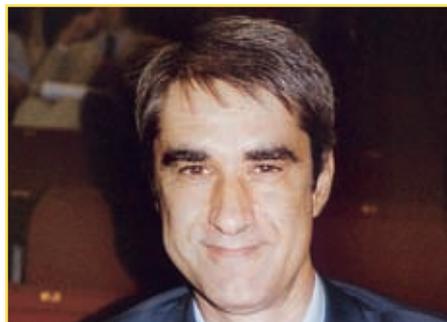
EROSKI IDENTIFIES AN ADDED VALUE

One of Spain's largest supermarket chains, Grupo Eroski, has identified the value of EurepGAP benchmarked marketing system.

Inaki Larrabeiti, Product Quality Manager, admitted it had created an extra strata of confidence when developing its Consumer Natur Selection within its 1,905 stores.

Covering additive free, fresh foods its logo had been in response to consumer concerns over safety and health coupled with the environment. The demand for knowledge as to where products were sourced, was equally as important as enhancing the pleasure of eating.

The results were impressive since the programme was started three years ago using EurepGAP as a benchmark in



"Consumers want more information"

2001. Sales had reached 76 million Euros, involving 43 suppliers with disciplines enforced through 40 reference points.

Currently certified suppliers had increased by a third, with more coming on stream every year.

EurepGAPs WIDER ROLE WELCOMED BY AHOLD

EurepGAP's Integrated Farm Assurance schemes have already been heralded by Fons Schmid of the Dutch supermarket chain, Royal Ahold as the leading private reference standards for beef, pork, farmed fish, dairy and poultry.

As vice president responsible for food safety and consumer health within the group, he also revealed that it already relied on the Protocol covering fruit and vegetables.

He believes that EurepGAP can play an even more significant role ensuring how the thinking regarding the future of food safety can be shaped as consumer demands and the legislation which backs them becomes more complex and demanding.

"What our customers want all over the world is virtually impossible to deliver in these competitive times," he said. "There is no room for price increases, and that is where standards come into play.

"Governments will maintain their role as police officers inspecting the vulnerable parts of the food chain, but the main focus for the future of a successful world-wide agri-food business has to be closer co-operation between public and private players."

This in turn would stimulate efficiency, food safety, environmental protection, animal health and quality creating maximum transparency, and by so doing help eliminate trade barriers.

EurepGAP IS ON THE RIGHT ROAD WITH THE CONSUMER

There is still tremendous confusion amongst consumers over how food is grown, stored, handled and marketed, believes Independent Consumer Consultant Diane McCrea. "So it is not surprising that the level of trust is very fragile," she said.

"The public's view is clouded by reality and misconception," she added, while asking for a far greater level of transparency. This was one reason why she supported EurepGAP. "You are on the right road," she told delegates.



Looking to the future she believes the way forward is to provide more information on nutrition and health as food becomes more closely associated with the wider images of lifestyle, identity

and culture, environmental issues and animal welfare were also playing a greater part in consumer choice.

But she warned that industry messages should not be so complex that they were hard to understand. That was why consumers were also looking for short cuts, such as logos, to give them the confidence to buy.

"Even safety definitions are sometimes different," she claimed. "And if redress is sought it is often difficult to know where to go."

WORLD BANK WANTS TO CO-OPERATE

Interest by the World Bank in the role that EurepGAP plays in exports from developing countries was manifested by the attendance of Kees van der Meer as guest speaker at the conference banquet sponsored by the Chilean Fresh Fruit Exporters Association, Europe.

Van der Meer revealed that the Bank has recently conducted a series of surveys in Kenya, Morocco, Senegal, India, Thailand, Nicaragua, Jamaica, Peru, and Ethiopia into the cost of compliance, as food safety standards become more stringent.

In some cases private sector standards are more demanding than public safety requirements. Some have provided the World Bank with valuable information that confirms these findings.

The World Bank has a special interest in what exports can contribute to improving income and employment for the poor in developing countries. The participation of small-scale producers in export supply chains is an important aspect.

As a result the World Bank is interested



Kees van der Meer (left) with Nigel Garbutt EurepGAP independent Chairman and Roger Manning, Director General of the Chilean Fresh Fruit Exporters Association, Europe at their reception.

in some possible co-operative projects with business to strengthen the position of producers in developing countries whose exports of fresh produce and fish products often form their major source of income.

With this in mind systems of tracking and tracing that are applied by EurepGAP

and other buyers, should be suitable for local conditions and participation of small producers.

Supply chain projects with benchmarking can play a valuable role in gaining and maintaining market access, while they have at the same time influence on wider market development.



KEEP THINKING FLEXIBLE

Better farming practices can play a critical part in improving the global ecological balance. And the message to EurepGAP delegates from Dr Jason Clay of the highly respected World Wildlife Fund was to keep an open mind when choosing which path to follow, so innovation remains a cornerstone of development.

"Progress can be achieved by growers focusing on how to think, not what to think," he said. "There may be thousands of ways to get to one point why limit it to just one?"

RECOGNISING VALUES

Continued proof that EurepGAP is becoming recognised both as reference standards as well as a vital discipline in modern retailing is apparent with the Protocol now being used in China.

Zhiqiang (David) Zhang, Director of the Institute of Contemporary Technology at the Chinese Chainstore and Franchise Association spoke of the recognition of its value as food safety and quality needs to meet higher standards.

At the same time it is helping national and local Chinese retailing to compete with Western supermarkets. Eight major international players have 100 branches between them recording sales of 3,190 million Euros. He predicted, supermarkets could account for 45 percent of the Chinese retail trade within five years.

The association with a membership of over 500 represents both local and national elements and is already sharing



information and training.

Zhang told a fascinated audience that the top 100 retailers had seen their sales double to 27.39 billion Euros, an increase of 52 percent on the previous year. The number of stores rose by 29 percent to reach nearly 17,000 employing over half a million people. Sales areas was up by nearly 60 percent and fresh produce and meat now accounted for 35 percent of turnover.

