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By Mike Knowles

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Brexit: what now for the produce trade?



Freshfel Europe has produced a special document outlining possible scenarios facing a post-Brexit fruit and veg trade

European fresh fruit and vegetable association Freshfel Europe has released a [special fact-sheet \(click here to download\)](#) which outlines the various potential effects of the UK's plan to leave the EU and their likely effect on the fresh fruit and vegetable sector.

Expressing several concerns about the implications of last week's referendum and the very real possibility that the country will leave the European Union, the organisation said the vote had opened "a period of uncertainty" for business in general and the fresh produce trade in particular.

It said it would be following developments closely and considering the implications for its members – including existing UK companies – and that it would also voice any specific concerns the industry had about Brexit in the coming months.

Commenting on the fact that Brexit negotiations would have to be undertaken in line with the provisions of the Lisbon Treaty and completed within a period of two years following the UK's decision – so far not made – to invoke Article 50 of that treaty, Freshfel said it would remain "business as usual" for the time being in terms of the single market and trade agreements with third countries.

"Other benefits of the Common Agriculture Policy, food safety legislation, and research and innovation projects will also remain fully applicable," the group stated.

'Too early to speculate'

The group continued: "It is still very early to speculate on the outcome of the Leave negotiation and moreover no precedent exists on this kind of dismantling negotiation.

"The process is also likely to imply high

political and legal complexity. As a result of this process, it could lead to significant number of implications for the fresh produce trade."

"It might primarily affect existing trade between the EU-27 and the UK, given the important EU-27 shipments of fresh produce to the UK market.

"This business is currently enjoying the benefit of the free circulation within the single market and trade is facilitated by the existence of the 'acquis communautaire' securing harmonised rules within the single market. The negotiation of the new treaty... will have to address these matters and access conditions."

The UK is also a significant importer of fresh produce originating from third countries. Freshfel said it understood these imports were currently taking the benefits of trade liberalisation conditions set by existing Free Trade

Agreements that the EU had signed on behalf of its 28 member states.

As a result, the UK like other EU members can currently import fresh produce from countries in the Mediterranean basin and Southern Hemisphere, as well as former ACP countries and nations in South-East Asia, free of any duties. That could change with an exit: "The FTA negotiated by the EU will most probably cease to apply for import into the UK," Freshfel warned.

"To maintain similar conditions, it will need to be governed by new bilateral trade deals, to be negotiated by the UK individually with the third countries. [From] experience, these negotiations processes are usually time consuming, lengthy and need to comply with the requirements of WTO."

Key trading partner

The UK remains highly dependent on imports for its fresh fruit and vegetable supply, bringing in produce from close to 120 individual countries.

In 2015, the UK spent around €6.8bn on more than 5.6m tonnes of fresh fruit and vegetables from either the EU or other parts of the world. About 2.9m tonnes of that total came from the EU itself.

The country's main suppliers last year were: Spain (1.4m tonnes), the Netherlands (700,000 tonnes, including some produce re-exported from elsewhere), South Africa (350,000 tonnes), Costa Rica and Colombia (300,000 tonnes each). The Dominican Republic, France, Germany and Ireland all shipped around 200,000 tonnes each.

In terms of volumes for individual product categories, the largest imports were bananas (1.1m tonnes), apples (450,000 tonnes), soft citrus (300,000 tonnes), oranges (280,000 tonnes) and table grapes (280,000 tonnes).

When it comes to exports, Freshfel said the figures were smaller but significant nonetheless. The UK exports or re-exports up to 200,000 tonnes of fresh produce to its EU neighbours, a trade worth around €240m. Ireland is the main destination, accounting for close to half of that business.