Consumer Assurance Trends in the EU: 2010
PAUL HARDMAN

Prof. Vaughan Hattingh (CRI) and Paul Hardman (CGA) travelled to Europe in early September 2010 to meet regulatory authorities and retailers to discuss current and future Consumer Assurance trends. Consumer Assurance includes Food Safety (the use of plant protection products (PPP) and their resultant residue levels) and Environmental Stewardship (Carbon Footprint, Good Agricultural Practices, Water Footprint, etc) and Ethical Trade.

The chief concerns that citrus growers often raise with CGA is the restrictive PPP and residue standards applied by retailers (mainly German retailers) that go beyond the EU Food Safety Standards and how this is having an impact on their ability to supply the German market.

German retailers have in place standards specifying the number of residues on the fruit, residue levels below the EU harmonized Maximum Residue Levels (e.g. 1/3 of the MRL), and residue level linked to the Acute Reference Dose (e.g. 1/3 of the AflRD). These restrictions continue to influence growers’ decision-making when considering appropriate pest and disease management strategies.

One purpose of the EU visit was to impress upon these retailers the nature and scale of the impacts their restrictions on PPPs are having at the farm level. From the engagement the following comments summarize the current attitude towards the PPP restrictions:

- Most German retailers are unwilling to relax the PPP requirements while simultaneously continue to widen their focus to a general basket of Consumer Assurance issues. This mirrors exactly the activity of NGO’s whose focus has shifted to issues like carbon and water footprints instead of PPP residue campaigns.
- Consumers’ over-dependence on NGOs as “watchdogs” continues despite the mounting evidence that NGO’s are perhaps more interested in securing funding streams for themselves than actually resolving issues. This is confirmed by NGOs unwillingness to take into account sound science. In CGA/CRI’s own experience NGOs advising retailers simply do not have the depth in expertise to make reasonable assessments about what is best in the southern African citrus context.
- This uncomfortable tripartite (retailers, consumers and NGOs) will persist into the foreseeable future because “sensation sells”
in the public media, despite the credibility of NGOs being questioned, and while retailers fear sales losses attributed to bad press.

- Not surprisingly consumers are eating less fruit and vegetables (on average Germans only eat 105 g of fruit or vegetables per day!).

CGA and CRI are noticing production practices emerging in light of this trading environment placing the long-term sustainability of the SA citrus industry at risk. Below are two cases describing where production practices come into direct conflict with the German retailers requirements:

**Imazalil Case:** EU Imazalil MRL = 5 mg/kg. German Retail Imazalil Residue Requirements = (effectively) 1.66 mg/kg. Imazalil residue level to prevent sporulation of Blue/Green mould = 2.0 – 3.0 mg/kg

In the absence of suitable alternative technology all southern hemisphere citrus producing countries rely on post-harvest fungicides to prevent post-harvest decay. Of these fungicides Imazalil is the most important given it has two modes of action: preventative and curative. The preventative action prevents the mould from establishing and developing on the citrus. Curative action prevents already established mould from sexual maturation (i.e. sporulation inhibition in addition to full infection). It is this second action that makes Imazalil a very effective tool in the sustainable management of post-harvest decay.

Unfortunately, this benefit is effectively forfeited in a direct attempt to meet German retailers’ residue requirements given effective control is achieved at residues between 2.0 and 3.0 mg/kg. To dose at a lower rate than 2.0 mg/kg increases the risk of resistance to Imazalil significantly (resistant strains propagating themselves). Already packhouses in South Africa are noticing resistant strains emerging.

**Citrus Black Spot (CBS) Case:** To maintain market access to the EU the South Africa citrus industry is compelled to control various quarantine pests, including CBS. Failure to control these pests will lead to the exclusion of SA citrus exports from the entire EU market. Whereas various cultural control strategies can reduce the inoculum pressure, there are no alternatives to fungicides able to provide the level of control of CBS
that is mandatory for compliance with the EU’s phytosanitary import regulations.

There are currently no prospects of dispensing with reliance on fungicides for the control of CBS in the foreseeable future. Effective and sustainable CBS control programmes rely on the alternation (within one season) between fungicides with different modes of action. This is essential to counter the development of resistance that occurs when the fungicides belonging to same group of chemistry.

The CBS case demonstrates the problems with both limiting the number of different residues on fruit, and residue tolerances below the legal, safe MRLs that have been established to cater for Good Agricultural Practice.

**So what can be done to change the course chosen by German retailers?**

Realistically, the prospect of changing German retailers’ position on PPPs and residues by negotiation and discussion is remote (because NGO’s are embedded in society, are unwilling to listen to the facts and have mass media at hand). What is far more likely to drive a shift in attitude is the economic realities these restrictions bring the possibility that German retailers will not be able to source fruit.

Rational growers must consider the losses arising from closed markets due to non-compliance with phytosanitary requirements (losing the EU 27 member states would be catastrophic for the SA citrus industry), higher waste where fungicides are abandoned or rendered ineffective, and higher repacking costs (due to more waste). Since most producers do not only supply the German retailers they should include cost of waste when sending fruit to other EU member states, Russia, Middle East, Far East and US when Imazalil is not used effectively. These accumulative losses must be weighed up against the benefit of selling fruit to Germany.

Some producers may conclude that the German market is worth investing in. These growers should focus on supply chain optimization such as ensuring the cold chain is never broken, shortening the time between harvest and landing that fruit on the shelves, etc.

Since much of the logistics is outside the control of the producer (e.g. recent port worker strikes, electricity outages both leading to delays and breaks in the cold chain) this latter approach will require considerable coordination.

Furthermore, these growers are strongly advised to make use of industry tools that will help them address the additional Consumer Assurance requirements such as making use of the industry carbon calculator (www.climatefruitandwine.co.za) and Ethical Trade programmes coordinated by Fruit South Africa.

Other growers may conclude that their return-on-investment may be higher by looking to grow markets in the Middle and Far East, Russia or North America where PPP restrictions do not go beyond the legal requirements.