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GLOBAL COALITION OF FRESH PRODUCE HIGHLIGHTS ENDURING CHALLENGES FACING SUPPLIERS OF FRESH FRUITS AND VEGETABLES WORLDWIDE, HINTS AT OPTIMISM

The Global Coalition of Fresh Produce today published the final results of its second survey into costs and revenues in the global fruit and vegetable industry, conducted in the spring of 2024.

“We conducted this survey as a follow-up to the survey conducted by the Coalition in 2023, when producers and traders the world over were facing unprecedented cost hikes,” says Ron Lemaire, Chairman of the Coalition and President of the Canadian Produce Marketing Association. “The aim of this new survey was to understand how the situation has evolved over the past year.”

According to the Coalition’s new report:

- Despite some moderation of the cost rises experienced during and immediately after the COVID-19 pandemic, the industry continues to grapple with substantial cost increases across various inputs such as construction materials (+56% year-on-year), fertilizers (+33%), fuel (+31%), machinery (+30%), and shipping services (+28%).
- A majority of respondents have managed to increase their average selling prices compared to last year. However, most remain unable to fully offset rising costs for various reasons, including intense price competition in the fresh produce market, limited consumer purchasing power, and a lack of bargaining power with buyers.
- 76% of operators are operating at a break even or profit, compared to 81% in 2023.

“What is worrying,” added Ron Lemaire, “is that financial strain has affected operators’ ability to invest in critical areas like capital equipment, innovation, and expansion, which are all essential for long-term sustainability.”

Looking ahead, the outlook remains daunting with ongoing geopolitical tensions, climate change impacts, and persistent inflationary pressures expected to prolong cost escalations. As a result, a substantial proportion of respondents fear for the future economic viability of their operations, with nearly 70% considering the possibility of closure within the next two to three years.

On the positive side, Ron Lemaire highlighted that “there is optimism within the market, and the industry has shown great resilience in adapting to immediate challenges.” “However,” he added, “the path to sustainable recovery and growth hinges on addressing the systemic issues driving cost increases, and ensuring adequate support for long-term investment and innovation.”

Global Coalition of Fresh Produce

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The final report is now available on the Global Coalition of Fresh Produce website at <https://producecoalition.net/publications/>. The data collected will be used to develop global and national perspectives on production and operating costs and prices in Canada, the United States, South America, Europe, Africa and Australasia, and work together with all stakeholders, including government, to address their impacts.

About the Global Coalition of Fresh Produce

The Global Coalition of Fresh Produce brings together fresh produce associations from around the world, based on their joint vision to create resilient global value chains for fruits and vegetables that bring a myriad of economic, environmental and societal benefits. The Coalition's mission is to voice solutions to address disruptions in global supply chains for fresh produce, including - but not limited to - rising costs, and share and promote best practices. The Coalition's current members are Afruibana, the Association of Banana Exporters of Ecuador (AEBE), the Australian Fresh Produce Alliance, AUSVEG, the Canadian Produce Marketing Association (CPMA), the Committee Linking Entrepreneurship-Agriculture-Development (COLEAD), Freshfel Europe, the Fruit and Vegetable Growers of Canada (FVGC), the International Fresh Produce Association (IFPA), the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) and United Fresh New Zealand. To find out more about the Global Coalition of Fresh Produce and obtain the full report, visit our website at www.producecoalition.net or contact us at info@producecoalition.net.

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