GLOBAL COALITION OF FRESH PRODUCE

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Global Coalition of Fresh Produce highlights enduring costs challenges in the fresh produce industry, stresses impact on long-term sustainability

The Global Coalition of Fresh Produce today released the final results of its third survey into costs and revenues in the global fruit and vegetable industry, conducted in the spring and summer of 2026.

“We conducted this survey as a follow-up to the surveys conducted by the Coalition in 2023 and 2024, when producers and traders the world over were facing unprecedented cost hikes,” says Greg Palmer, Chairman of the Coalition and Vice President, Trade and Market Development at the Canadian Produce Marketing Association. “The aim of this new survey was to assess current cost pressures in the fresh produce industry, especially in light of the ongoing war in the Middle East.”

Survey results

The results of the survey, which was completed by growers, packers, shippers and exporters, importers, wholesalers, and retailers across the globe, show that:

COST INCREASES ARE FELT ACROSS THE FRESH PRODUCE INDUSTRY

The industry continues to grapple with widespread cost increases. Overall, fuel and gas, shipping, fertilizers, plant protection products, and packaging emerge as the five most critical cost pressures. Eighty-five percent of respondents report rising costs for each of these categories. Cost increases for electricity, labor, and machinery are widespread too, with three quarters of respondents seeing these costs rising.

COST INCREASES ARE CONSIDERABLE

In terms of the magnitude of cost increases, fuel and gas stand out again, with the highest number of respondents (one in five) reporting increases exceeding 50 percent. Two thirds of respondents report cost increases for fuel and gas of at least 10 percent. Shipping records the highest number of respondents (three quarters) reporting increases of at least 10 percent, with one in six respondents reporting increases of more than 50 percent. Next in line are fertilizers, with 70 percent of respondents experiencing cost increases of 10 percent or more. Altogether, almost two thirds of respondents experienced overall cost increases of at least 10 percent, while one in seven respondents report cost increases exceeding 50 percent. This suggests that the financial pressure is not limited to small price adjustments but represents a substantial rise in operating expenses for many businesses.

MOST SELLERS ARE UNABLE TO PASS COST HIKES ON TO THEIR BUYERS

Nearly half of all respondents state that they are unable to increase their selling prices sufficiently to compensate for rising costs, roughly a quarter are uncertain, and only one quarter is certain that they can. This result indicates a squeeze on business margins across the industry. Sellers are unable to pass rising costs on to buyers primarily because of limited bargaining power. Many growers describe themselves as price takers, with prices being determined by buyers or prevailing market conditions. Other reasons that are frequently cited are strong market competition that makes it difficult to raise prices without losing customers to competitors, and resistance from buyers to accept price increases, particularly when consumers are already facing widespread inflation and reduced purchasing power.

COST PRESSURES ARE WIDELY EXPECTED TO PERSIST

The survey indicates that nearly all businesses in the fresh produce industry expect cost pressures to persist. Nearly 90 percent of respondents anticipate an increase in their overall costs, with packaging, labor, plant protection products, shipping, and fertilizers among the categories most frequently expected to rise. Well over 80 percent of respondents expect these cost categories to become more expensive, suggesting that business anticipate continued pressure on their operating expenses. In terms of the magnitude of expected cost hikes, fuel jumps out as the most critical cost pressure, with nearly a quarter of respondents foreseeing that fuel costs will go up by 50 percent or more within the next twelve months. Significant cost hikes are also expected for fertilizers, shipping, and electricity.

THE WAR IN THE MIDDLE EAST IS CREATING ADDITIONAL UNCERTAINTY

The survey results indicate that the war in the Middle East is having two main consequences for the fresh produce industry: higher operating costs and disruption to international trade routes. Fuel and gas are by far the most frequently cited concern. Over 90 percent of respondents anticipate higher fuel and gas costs, potentially affecting agricultural production, refrigeration, transportation, and distribution. Eighty percent of respondents cite higher shipping costs as a result of the war, and 74 percent higher fertilizer costs. Multiple respondents report disruptions to established shipping routes, with changes in destination ports and difficulties planning shipments. Some respondents are already adapting their sourcing strategies and export destinations, while others remain uncertain about how the situation will develop. Transit times are reported to have increased by up to 300 percent, leading to a deterioration in produce quality on arrival and increased customer claims.

INVESTMENT IS UNDER PRESSURE

The survey reveals that rising operating costs are affecting businesses' ability to invest in future growth, technological innovation, and sustainability. Expansion is the most frequently affected area, with 80 percent of respondents indicating that rising costs negatively affect investments in additional agricultural land, greenhouses, warehouses, machinery, or other productive infrastructure. Another investment area that is particularly affected is sustainability, where 70 percent of respondents indicate an impact on investments towards energy efficiency, waste reduction, and climate resilience. Sixty-three percent of respondents report that rising costs limit their investments towards innovation, including investments in new technologies, improved production processes, and new varieties. An important finding is that cost pressures affect several investment areas simultaneously. More than two thirds of respondents report negative effects on at least two of the three main investment areas, while almost 45 percent identify all three. This suggests that cost pressures are not only reducing current profitability but may also undermine the sector's longer-term competitiveness.

THERE IS WIDESPREAD CONCERN ABOUT THE MEDIUM-TERM ECONOMIC SUSTAINABILITY OF BUSINESSES IN THE FRESH PRODUCE SECTOR

The survey results show that almost two thirds of respondents consider their medium-term economic sustainability endangered. A further 21 percent remain uncertain, meaning that only around one in seven businesses express confidence that their economic sustainability is not threatened. Rising input and transportation costs emerge as the most frequently identified threats, cited by 95 percent and 92 percent of respondents, respectively. Insufficient profits for investment represent another major concern, affecting 70 percent of respondents, followed by rising labour costs (69 percent) and regulatory compliance costs (59 percent). The results are particularly significant because they suggest that cost increases are no longer viewed as a short-term operational problem. For many businesses, they represent a potential threat to their financial viability over the next two to three years.

Overall conclusion

The survey points to three interconnected challenges: widespread cost increases, limited ability to pass those increases on to customers, and reduced capacity to invest. Together, these pressures are squeezing profit margins, undermining competitiveness, and raising concerns about the sector's long-term economic sustainability.

Cost increases are not only widespread but also severe, with many businesses reporting double-digit increases across multiple essential inputs, particularly fuel and gas, shipping, and fertilizers. These cost pressures are expected to persist over the next 10 to 12 months, with the vast majority of respondents anticipating further increases.

Limited bargaining power, intense competition, and buyers' resistance to price increases are preventing many producers and exporters from passing additional costs on to their buyers. As a result, businesses are being forced to absorb rising costs, squeezing profit margins and placing further financial pressure on an already strained sector.

"What is especially worrying," said Palmer, "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". According to Palmer, the central concern is that "rising costs may create a cycle of reduced profitability and underinvestment, limiting businesses' ability to improve efficiency, strengthen competitiveness, and adapt to future challenges". He added: "the survey's finding that two thirds of respondents fear that they may have to close down their operations within the next two to three years, is especially alarming".

The war in the Middle East is adding to the industry's difficulties. "The impact of the conflict extends beyond higher freight rates. Longer and less predictable transit times can be particularly damaging to fresh produce exporters because of the perishable nature of their products. When produce arrives later than expected or in poorer condition, exporters may face price reductions, customer claims, or product losses", highlighted Palmer.

Despite these challenges, Palmer emphasized the industry's proven ability to respond to difficult market conditions. "Over the past years, the fresh produce 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."
For more information on the survey dataset and its analysis, contact the Global Coalition's secretariat at info@producecoalition.net. 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.

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 and sustainable global value chains for fruits and vegetables. 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 the Association of Banana Exporters of Ecuador (AEBE), 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 Fruit Alliance (SFA), and United Fresh New Zealand. The Global Coalition of Fresh Produce calls for continued action, collaboration, and knowledge sharing between the global fresh fruit and vegetable industry, policymakers, and other stakeholders to identify gaps in current efforts, develop strategies for improvement, and leverage our products' beneficial attributes for society and the environment. To join us on our journey, visit our website at **www.producecoalition.net** or contact us at **info@producecoalition.net**.