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## **EU's fruit processing industry rings alarm over burden of cost increases**

European producers of canned & frozen fruit, jams, fruit preserves and compotes are flagging the sector's grave concerns over the continued steep increase of input costs.

After a very challenging year 2021, the industry has seen yet another sharp increase of costs for packaging material, for glass containers, but also costs for metal cans, caps, carton, wood and plastics have increased considerably. Cost increases up to 60% are reported for tin (cans) and glass containers.

Prices for gas and electricity continue to increase, reaching historically high levels. In light of the current international context and the different sanctions packages against Russia put in place by the European Union, this is likely to remain the case for the near future.

At the same time prices for sugar have risen considerably. Fruit processors are very concerned about the current sugar market situation. The tense supply situation - against the background of continued reduction of EU sugar beet growing areas and in view of the upcoming sugar campaign - is reflected in exceptionally high prices on the spot market. The sector therefore calls for measures such as a temporary import quota of duty-free sugar from 3<sup>rd</sup> countries to alleviate the market situation. The sugar concerns add to the overall cost increase for raw materials; while farmers are faced with increased costs of energy, fertilizers, and a shortage of seasonal farm workers.

In addition, the general increase of costs for logistics is still a reality following upheavals in the global supply chains triggered by the pandemic. Lead times for delivery both of raw materials and finished products continue to be high.

Combining all these factors the fruit processing sector is confronted with cost increases on all fronts.

The EU's fruit processing sector produces around 1 million tons of jams, puree and compotes, 550.000 tons of canned fruit, and around 500.000 tons of frozen fruit. The fruit processing sector, as an essential sector, is doing an outstanding job in providing a wide range of healthy and long shelf-life products to consumers. The sector needs to be able to continue to provide food to the population, also in difficult times. It is important for both consumers and workers that food production in Europe remains viable.

**The sector therefore calls for a general awareness amongst all partners in the value chain to take these developments into account.** It is time for a renewed appreciation of processed fruit products to assure the viability of the European fruit processing sector.

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*PROFEL(Europe) is the European Association of Fruit and Vegetable Processing Industries, representing over 500 companies in 12 European countries, producing canned vegetables, frozen vegetables, dehydrated vegetables, canned fruit, jams and fruit preserves and frozen fruit. The members of PROFEL employ more than 80.000 people.*