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Fruit processors report higher production costs – low product prices do not reflect value of their products

Since the start of the Covid-19 crisis, the fruit and vegetable processing sector – as an essential sector - has done an outstanding job in meeting increased consumer demand for its wide range of healthy, safe, long shelf life products.

The pandemic put emphasis on locally produced and processed quality products, and the sector fulfilled these expectations. The producers of canned and frozen fruit and vegetables and jams, fruit spreads and compotes have shown resilience under very difficult circumstances, impacting all areas of production. The challenges presented themselves along the whole supply chain, such as availability and protection of workers including seasonal workers, factory conditions, logistical constraints and disruptions.

Strict enforcement of COVID-19 hygiene protocols and processes continue to result in increased production costs for all products in the sector portfolio.

These increased costs – in particular for processed fruit products like jams, fruit spreads, canned fruit and compotes – are not reflected in the products' permanently low prices. In fact, processed fruit products have not been sufficiently valued for many years: being sold at systematically low prices all year round – independent from fluctuations in production, distribution and raw material costs.

Producers regret that – while price fluctuation due to seasonality and availability for many food products including fresh fruit and vegetables is widely accepted by consumers – the same is not true for processed fruit products, especially in an exceptional season under the pandemic's impact.

Against the current background of higher production costs at both grower level and factory level, selling prices to consumers do not reflect the real value of jams, spreads, canned fruit and compotes, and in fact result in a devaluation of such products. PROFEL are convinced that consumers are also ready to support the value chain of processed fruit products with fair prices, and so calls upon retailers and consumers for a new appreciation for these fruit products.

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PROFEL is the European Association of Fruit and Vegetable Processing Industries, representing over 500 companies in 11 EU countries, producing canned vegetables, frozen vegetables, dehydrated vegetables, jams and fruit preserves, frozen fruit and canned fruit. The members of PROFEL employ more than 80.000 people. The combined turnover of our members amounts to an impressive figure – roughly €22 billion. Members annually produce approximately: Frozen vegetables: 3.300.000 Tons; Canned vegetables: 2.100.000 Tons; Canned Deciduous fruits and compotes: 1.000.000 Tons; Fruit preserves and jams: 485.000 Tons; Dried vegetables: 50.000 Tons.