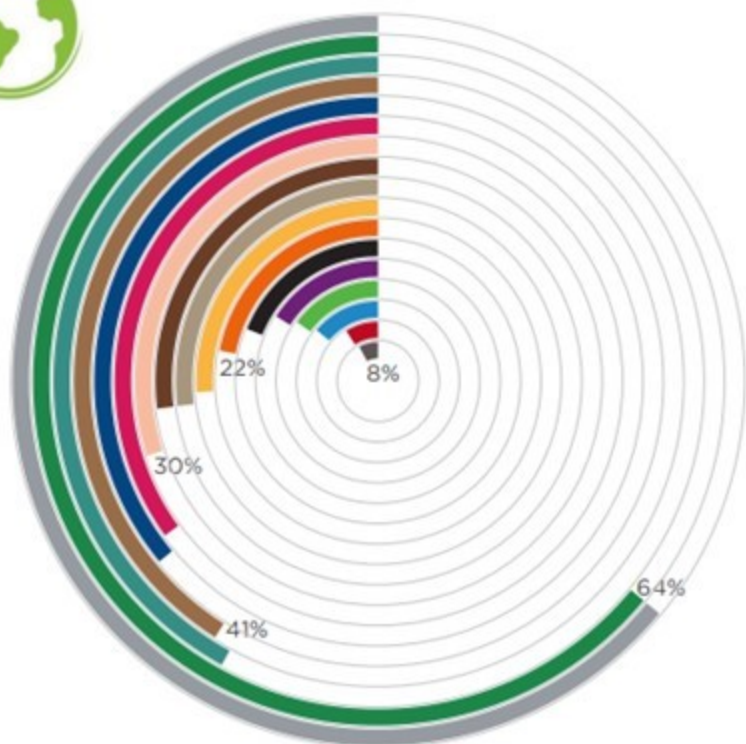


SURVEY INTO COSTS AND PRICES FOR FRESH PRODUCE OPERATORS



PRELIMINARY CONCLUSIONS



Europe

Overall, significant increase in costs of production (average rise)

The majority of respondents indicates that their selling price has gone up over the past two years (by 11 percent on average); for those who saw their selling price decrease (mostly in Germany), the average fall was 19 percent. However, the large majority of European respondents indicate that their selling prices, even if risen, have not kept pace with rising operating costs. Operators have been unable command higher prices for various reasons, including oversupply, decreasing consumption and lack of bargaining power. 56 percent of respondents are mostly breaking even, 16 percent are largely selling at a loss, and 28 percent generally make a profit on their transactions. Nearly all respondents state that their sales margins have declined compared to 2019 (by 12 percent on average); only a handful of respondents indicate that their margins have increased (by 8 percent on average).

A significant majority of respondents state that rising production and operating costs have impacted their investments, not only in capital and equipment but also in innovation and expansion. Operators are cautious to

invest in their operations; some have even reduced their production capacity and output. In most cases, rising costs have affected strategic and operational choices: some producers have reduced their use of inputs (e.g. gas), while traders may have reduced their export activities or choose produce with lower shipping costs.

A very small minority of operators have received support from their governments to compensate rising production and operating costs.

Around one third of respondents believe that the effects of rising costs will lessen by the end of 2023; two thirds of respondents, however, do not believe that the impact will soften soon. While certain costs are going down (e.g. shipping and freight costs, packaging material), other costs are unlikely to decrease in the near future (e.g. labour costs, raw materials).

- **Utilities (telephone, internet)**
8 percent
- **Utilities (telephone, internet)**
8 percent
- **Audits/accounting/management costs**
9 percent
- **Water**
14 percent
- **Plant material**
15 percent
- **Rents (land/buildings)**
16 percent
- **Machinery and equipment**
19 percent
- **Labour**
22 percent
- **Storage**
26 percent
- **Cardboard**
27 percent
- **Building costs**
27 percent
- **Seeds**
30 percent
- **Crop protection products**
35 percent
- **Shipping**
36 percent
- **Pallets**
41 percent
- **Fuel/gas**
42 percent
- **Fertilizers**
64 percent (peak of 300 percent)
- **Electricity**
64 percent

