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PMA panelists outline global scene

By

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Three speakers in an international session of the PMA Fresh Summit on Oct. 13 presented a truly global view of the produce industry in this remarkable year.

Nancy Tucker, PMA's global regional vice president in the Americas, moderated the panel. The first of the presenters was Fernando Gomez, the general manager of Proexport Spain. Nicolas Moller, the executive vice president of Hortifrut S.A., discussed the global produce industry from the perspective of a company that grows berries in ten countries, located in five continents with 500 collaborating growers. The third speaker, Patrick Vizzone, discussed "Greater China" from his position as the head of food, beverage and agribusiness from the Hong Kong office of ANZ Banking Group.



Nicolas Moller, executive vice president

of Hortifrut S.A.

Gomez said that Spain has suffered more from the COVID-19 pandemic than its European neighbors. In the first quarter of 2020, Spain's GDP plummeted 18.5 percent. The European fall-off was also historic but averaged 11.7 percent. Spain exported 13.5 million tons of fruit in 2019, with 90 percent of that volume going to other European countries.

Gomez outlined 10 key changes the pandemic has brought to the produce industry in Europe. He underscored that any such discussion is very general for a region of 50 countries with 740 million inhabitants.

Foremost among these changes was consumers' increased interest in connecting fruit and vegetable consumption to health. Second, with Europeans, who have largely been homebound have an increased curiosity about developing their own culinary skills.

Among other highlights, Europeans generally are more concerned with produce prices than in the past. They are buying more produce online and are showing a greater demand for foods that are locally produced.

Proexport Spain is recommending to its growers that they not change but continue to do what they do best: produce food of high quality, readily available and safe.

Proexport urges growers to maintain profitability "while defending tooth and nail the value of our produce." This means they should avoid price wars with one another.

Gomez reminded his growers that laws of supply and demand will remain in place, thus "less

production can be more profitable.”

Moller, whose company is based in Chile, noted that his country had a social crisis even before the fateful year of 2020. He said that Chile’s ongoing drought has worsened and that Chilean and other exporting growers are suffering around the world because of heightening protectionist policies by many countries.

Because of COVID-19, Moller said “online commerce has advanced five years in 2020. And so did sustainability.

“COVID-19 has highlighted how fragile and delicate our whole system is,” Moller said. Focusing on broad sustainability applications is thus very important going forward.

He noted that international berry marketing commissions agreed to target a move to 100 percent recyclable packaging by 2025.

Moller noted that financial investment companies around the world “are coming to our industry like never before.” This is simply because food and agricultural companies are bringing higher returns to shareholders. Globally, agriculture is a \$5 trillion industry. “In a few years, billions of new consumers will be joining the market. We have to embrace the mega-opportunities.”

Vizzone said that “business is as usual” in China now after a choppy start. The country is expected to have a GDP growth of 2.1 percent this year. The GDP will jump 8.1 percent in fiscal year 2021. That number will be high in part because it follows a lowered 2020 GDP.

“But the economy is back on its feet.” While early this year there were questions about the future of China’s economy, strength in recent months indicates “a return to long-term trends.”

China has increased its high-value fruit trade with Europe, particularly with Italy, Spain and Germany.

In geopolitics, risk and instability are the new normal between China and the United States, Vizzone offered. This will be the case regardless of the outcome of the November presidential election in the U.S.

The Chinese have shifted their internal produce marketing policies toward serving the domestic market, versus building produce exports, Vizzone noted.

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