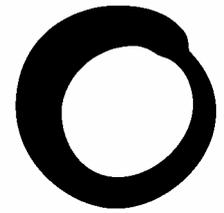


Media Briefing



**Friends of
the Earth**

October 2002

Supermarkets and Great British fruit

British fruit growers frequently complain that supermarkets place impossible conditions on the appearance, quality and price of their products.

Friends of the Earth sent surveys to 100 apple and pear growers asking them about the difficulties they face in meeting the specifications of the supermarkets for the appearance of their fruit. The results reveal just how tough a task they face trying to make a living out of supplying fruit to the major supermarkets.

Unfortunately, Friends of the Earth cannot release details of the growers who responded to our survey. One grower told us that they'd love to give contact details "but if leaked to supermarkets I would be delisted and so forced out of business".

THE HIDDEN PRICE OF COSMETICS

Supermarkets like to promote the high quality of the fruit they sell but they don't tell their customers the price that they are paying to have cosmetically perfect fruit on their shelves. They don't tell us how much fruit goes to waste or is sold at a loss because it didn't meet their specifications. This includes:

- fruit that has minor skin blemishes,
- apples that are either not red enough or are too red,
- fruit that is too big or too small,
- pears which are the wrong shape.

In our view, these are mainly the concerns of the big retailers rather than consumers. An issue that *is* of concern to consumers is the presence of pesticides in fruit – our survey reveals that additional pesticide sprays have to be used to meet the supermarket's cosmetic requirements.

Supermarkets are keen to appear to support and promote British apples and pears. But the reality is that many growers are going out of business. They cannot compete in an increasingly global market

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and they find that supermarkets are not giving much shelf space to home-grown fruit.

KEY SURVEY FINDINGS

- Supermarkets reject apples and pears for a variety of reasons which have nothing to do with the eating quality of the fruit, for example colour, non-harmful skin blemishes, shape, size and hail damage.
- One grower had a whole crop of apples rejected by the supermarkets even though the fruit was still good to eat.
- Rejected fruit is likely to go for processing (resulting in a lower price for the grower) but in many cases it is simply wasted, left on the tree, on the orchard floor or dumped.
- Even cooking apples get rejected due to cosmetic standards despite the fact that they will normally be peeled.
- Supermarkets go beyond the already strict standards for cosmetic appearance set out by the EU and they buy very little Class II fruit, a standard which allows more flexibility in appearance and size.
- The appearance standards have got more demanding over the last five years making it harder for growers to comply with them.
- Supermarkets' pre-occupation with appearance is forcing growers to use more pesticides on their fruit
- Growers find it difficult to compete with the appearance of imported fruit [1]
- Fruit also gets wasted because supermarkets don't give enough shelf space to British fruit, because they change orders or cancel them at the last minute, and because they delist traditional varieties of home-grown fruit.
- Some growers say the only way to survive is to find alternative ways of marketing their apples

SURVEY DETAILS

All the responses relate to the 2001 crop.

- Well over a third of growers (38/100) mailed responded to our survey [2] and replies are still coming in. Most of the respondents are based in Kent but we also received responses from Norfolk, Herefordshire, Gloucestershire, E Sussex, Essex and Cambridgeshire. All the respondents grow either dessert or culinary apples (or both) and 16 also grow pears. The size of orchards varied from about 4ha (10 acres) to over 40ha (100 acres) so our respondents include some large holdings. The average orchard size in England is 4.24ha and in Kent the average orchard size is 13.6ha (about 33 acres).
- Supermarkets are the main sales outlet for most (27/35) of the respondents. Most of the respondents supply more than one supermarket. All the big six supermarkets are named. The most commonly named supermarkets were Tesco and Sainsbury's, reflecting their market share.
- Wholesale markets are also important to most growers but a lower proportion of their crop is sold in this way than to supermarkets.
- Processing is an important outlet for growers but in some cases this is due to fruit not meeting eating quality standards (see below).
- Few growers supply farmers markets (6/35), farm shops (8/35), or local wholesale (9/35) and then only for a very small proportion of the crop. Two growers sold 10% and 15% respectively

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of their fruit through a farm shop, but this was unusual.

GOOD FRUIT REJECTED

We asked growers what percentage of their crop met the supermarkets specifications. For dessert apple growers, only twelve managed to meet the supermarket specifications for 80% or more of their crop. Two growers found that none of their crop met the specifications, and for three others less than half their crop was accepted by the supermarkets.

Over half of the respondents (21/35) said that some fruit was not even harvested, so it was simply wasted, in some cases left on the tree, left on the orchard floor or dumped. One grower had to waste half of the crop. However the results also indicate that where dessert apples are rejected they are often sold for processing at a lower price to the grower.

Reasons for rejection also include too much colour, too little colour, size, shape and blemishes. Blemishes or russeting on otherwise sound fruit was the most common reason for apples being rejected last year, with nearly all growers mentioning this (32/35); it was also a common factor in pears being rejected. Minor skin blemishes should not be a problem as they will not be harmful to consumers, and russeting is natural in some varieties of apple. Size was rated as the most important reason for rejection by nine apple growers and mentioned by 19 others; it was also an important issue for pear growers. Most growers [28/35] also said that they had had apples rejected due to having too little colour but many (20/35) also had apples rejected for having too much colour! One grower told us that “supermarkets can be unreasonable with fruit ‘too red’ even though it is not overripe e.g. Gala, or requiring 100% Green Bramleys which naturally have some red in some years and situations”.

But consumers have been led to expect perfect looking fruit. One grower noted “customers do expect a better quality with so much choice – fruit must look good and very small, marked or other imperfect fruit is not acceptable”. Another grower told us “don’t forget imports come in looking perfect – so the UK crop has to match their standards”. Almost all pear growers (14/16) had pears rejected due to the shape of the fruit. Shape was also a common reason for rejection of apples (27/35).

Apples were also rejected due to hail damage, in one case a whole crop was rejected due to hail damage, despite the eating quality of the fruit not being affected. Even culinary fruit is rejected on appearance standards, as one grower put it: “good culinary fruit is wasted for no good reason as the fruit in question will be peeled anyway!”

QUALITY OR COSMETICS?

The supermarkets would claim that their specifications are in the interests of ensuring that they only sell good quality fruit to their customers. But the EU already sets out appearance standards for fruit and vegetables. These fall into Class 1 (higher appearance requirements) or Class 2. We asked growers whether the supermarket standards go beyond Class 1 and the majority of respondents confirmed that they do [29/35]. This seems unnecessary since Class 1 already sets out very strict standards for size (e.g. ‘large’ apples must be at least 65mm diameter), colour, (e.g. red varieties must have at least half of the surface of the fruit red coloured) and blemishes (must not exceed 1cm squared). Class 2 is a more flexible standard but our survey confirmed that hardly any Class 2 fruit

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was taken by the supermarkets (only 8 growers supplied any Class 2 fruit last year). We also asked growers whether the amount of fruit rejected by the supermarkets due to strict appearance standards has increased over the last five years. The majority of respondents [28/35] said that it has increased indicating that it is getting harder and harder for growers to meet the specifications.

CHEMICAL COSMETICS?

Supermarkets believe that cosmetic perfection is what their consumers want. But do consumers want this if the price to be paid may be more pesticide residues in the fruit? We asked growers if the supermarkets' appearance standards required them to apply additional pesticides for cosmetic appearance, pest control and/or disease control. More than half of respondents [20/35] said that they have to apply more pesticides to meet the cosmetic standards of the supermarkets. About half said that they have to apply more pesticides for pest control and disease control due to supermarket requirements.

SUPERMARKET PRACTICES

We also asked growers about the reasons other than appearance why fruit may get wasted. The most common response was the lack of shelf space which supermarkets devote to UK fruit [26/35 respondents mentioned this]. Over half of respondents [20/35] said that fruit gets wasted because supermarkets delist particular varieties. One grower said that this was particularly the case for traditional varieties. Supermarkets also make last minute changes to the specifications (e.g. pressure or firmness of fruit), late changes to packing requirements, or cancel orders at the last minute. All this leads to wastage of fruit.

IS THERE A FUTURE FOR ENGLISH APPLES AND PEARS?

Orchards were once a key part of the traditional English landscape, but they are rapidly disappearing from our countryside. Over 60% of UK apple orchards and about 50% of pear orchards have been lost since 1970 and the decline is continuing. The amount of land under orchard production in England declined by 12.8% between 2000 and 2002 [DEFRA Agricultural and Horticultural Census June 5, 2002].

Apples are imported from as far away as New Zealand, and increasingly China, and are produced at high volumes convenient for the supermarkets. China produced over 24,000,000 tonnes of apples in 2001. Supermarkets can shop around the globe to find the lowest prices. One grower felt that global oversupply was a more important issue threatening growers than supermarket standards.

However, when apples are rejected for cosmetic reasons growers are often forced to sell at a low price e.g for processing. One grower told us that although all the fruit was harvested, "all non supermarket fruit was harvested and marketed at a financial loss". One grower also pointed out that the high standards required result in paying very high packaging charges.

Some growers told us that local direct marketing is the only way forward, not selling to the supermarkets. One grower is trying to set up a local marketing initiative but it is difficult to get set up funding for such a venture even though it fits in with current Government policy. Another grower told us that "the critical factor is to get local produce into local and regional stores. A regional counter, staffed by knowledgeable people would be a huge step forward to helping UK growers. Regrettably,

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small shops are in decline”.

Currently supermarkets are too powerful and control the market for fresh fruit and veg. Alternative means of marketing are not yet well enough developed to offer growers a viable alternative. Unless the Government takes firm action to regulate the way in which supermarkets operate and puts significant resources into developing local food economies our apple and pear growers face an uncertain future.

ACTION NEEDED

Supermarkets should

- source more UK apples and more varieties when they are in season
- pay growers a fair price for their produce
- be more flexible about appearance standards.

Government should

- support local food initiatives in particular to help growers set up direct marketing ventures
- regulate to stop unfair trading practices of the supermarkets
- set up an independent watchdog to protect both consumer and producer interests

Consumers should

- buy UK apples when they are in season, and buy local and direct from the grower wherever possible.

[1] Fruit coming into the UK is of ‘export’ quality and so tends to be the best looking fruit of the crop from the exporting country.

[2] Out of the 37 responses 3 were incomplete and so are not included in the results

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