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WUWM Contribution to the European Commission Hearing on Sustainable Food

The World Union of Wholesale Markets (WUWM) takes this opportunity to provide feedback to the European Commission's Hearing on Sustainable Food, offering this identification of key issues and themes for analysis. We also offer the European Commission our direct assistance in providing further information and/or developing initiatives of significance to the goal of improved European food production and consumption patterns.

Background

The World Union of Wholesale Markets (WUWM) is a non-profit association with a wide international membership that engages in all fields and activities related to the promotion, development and international exchange of expertise and information on wholesale fresh produce markets, as well as retail markets (selling both food and non-food items) direct to consumers. These markets are often publicly owned and managed, although there are increasing numbers of municipally owned markets now being privately managed in a public/private partnership.

WUWM presently has about 210 member bodies in 42 countries worldwide (including 18 European Union member states). As food is essential to human life, our members believe food distribution is a business unable to be run exclusively by economic considerations. Therefore the core values supported by the WUWM membership reflect the belief that food distribution must comply with several social and ethical goals; and it should include a preference for fresh produce over industrialized product.

With the large retailers controlling the overwhelming majority of all food retail in European countries, the remaining retail players clearly need to remain in existence, being one of the only alternative food solutions that provide for diversity and access to local food. A competitive playing field is necessary in order to ensure sustainable food production, and we believe this begins by better understanding, helping and acknowledging the importance of the wholesale and retail market sectors.

Wholesale and retail markets are a credible answer to many of the problems currently evident in food production and consumption in Europe today. If there is to be real forward progress in ensuring sustainable food in Europe, alongside regional, urban, economic and social development, it is a major (if not urgent) priority, that local and regional decision-makers understand, address and support the needs of these markets and their traders.

Some key issues and themes for fresh food markets (with member state examples) follow in this report. A list of possible new initiatives for consideration is also annexed to this paper.

Identifying Key Issues and Themes for Action

WUWM draws attention to the following core issues and themes, with examples of current activities underway on European wholesale and retail markets in support of these objectives:

1. Public Health, Food Access and Social Exclusion
2. Food Security and Food Safety
3. Employment and Resilience of SME's
4. Food Wastage and Waste Management
5. Competitiveness

1. Public Health, Food Access and Social Exclusion

- **Markets ensure the public has access to affordable, good value, healthy food, especially fruit and vegetables.**
- **Wholesale markets can provide opportunities for education amongst adults as well as school children. Most European markets actively promote healthy nutrition and fresh product consumption e.g. through hosting school trips, retail market promotions, and actively supporting 5 a Day programmes.**
- **Retail markets can provide a point of exchange between various strata of society. They are often a major public tool to support social cohesion activities especially for ethnic minorities, the elderly, the unemployed, etc; also offering a location for public-good information dissemination.**

Examples of current activities:

- **German** wholesale markets and retail/street markets play a fairly considerable role in the context of growing public debate about healthy eating. The fruit trade, for example, takes part in campaigns such as “5 a day”, and in some of Germany’s states (Länder) a variety of school fruit programmes are also in place thanks to the involvement of a number of wholesalers. First and foremost one should mention here the EU School Fruit Scheme that has been operating in seven German states since 2010. The German states are responsible for the specific framework conditions. Under this programme, about 90 million Euro of annual EU funding is available to European member states, but as a rule, countries have to co-finance up to 50% of total costs. Per school year, Germany may draw on 12.5 million Euro. The programme is accompanied by specific, mandatory measures that must be fully funded by the member states, such as the provision of informative material and lesson plans, and arranging trips to farms or fruit-growers.

The joint marketing and best practices organization GFI (the “Association for the Promotion of the Interests of German Fresh Produce Markets”) dedicates some of its work to the implementation of “Healthy Eating” programmes of action.

- **German** wholesale markets are increasingly becoming centres of information for the topic of “Healthy Eating”. Hamburg Wholesale Market, for example, set up the SCOLAB schools laboratory in 2008 to offer school children a facility in which to conduct experiments and perform tests on foods and food ingredients under the guidance of a trained chemist. This is always a good opportunity to advise on ways to avoid unhealthy eating habits. In 2011 more than 3,000 children attended SCOLAB classes.

- Companies that trade on **German** wholesale markets donate goods to facilities that offer services to socially disadvantaged and homeless people, including the free distribution of fresh produce.

- **UK** shopping basket research has shown that fruit and vegetables can be from 30-45% cheaper when bought from a retail street market than from a main stream retailer or supermarket. (Source: *UK National Market Traders Federation; Daily Mail Survey, April 2012*).

- The **UK** New Covent Garden Market runs a school educational programme that over the last five years that has introduced over 1000 children to fresh produce, some for the first time.

- In Bolton **UK**, visits to schools take place too but there are also new menu sessions at the market for parents and children in the school holidays via the School Meals service. It is the lowest discounted School Meals provider in the UK at £1.25 with good statistics on fruit and vegetable uptake. The caterer's supply chain is via the wholesale market sector. In addition a Bolton Market electronic Loyalty Card has been piloted with 7 fruit and vegetable, as well as meat and fish traders, giving discounts and incentives to eat fresh food supplied through the independent wholesale market supply chain. Some 105 new applicants signed up in one week at Bolton University Freshers' Fair thus continuing to disseminate ideas for behaviour change to younger adults. The loyalty card is also part of a north-west European Interreg application to help learn from and expand good practice across the EU.

- The **UK** Wellbeing Project in Bolton has been teaching people how to cook from scratch with ingredients from the market. It was shortlisted at the MJ Awards this year. Qualitative research findings show it has improved dietary habits and increased confidence and cooking ability, improved food and nutrition knowledge, decreased social isolation, wider impact on stall holders, etc. This project works particularly well with the market customers as they do not feel they are being targeted, being in a comfortable, familiar environment where they come to shop and meet friends. Some have become regular visitors (in six months 2,595 taster samples and 2,500 recipe cards have been given out). The groups are made up of a mixture of Bolton society, often of people never otherwise crossing paths in everyday life.

- In **Spain**, the Mercasa network of wholesale markets allocates more than 5,000 m² to support social responsibility activities related to excess food not fit for sale but still fit for consumption. From these market installations they distributed in 2011 more than 90,000 tons of food product through different food banks. Over 500 Spanish companies collaborate with these food banks operating through the wholesale markets.

- As a further example, the **Spanish** Mercamalaga wholesale market (which has been active in this area for over ten years) gave in 2011 alone some 1,068,000 kilos of fresh products to food banks; this system not only supports the poor and disadvantaged but also allows for major reductions in food wastage.

- In **Spain** wholesale markets work hard to improve public health and increase public consumption of fresh fruit and vegetables. Some of these initiatives include:

- The advertising campaign "5 a Day" born in Mercabarna market in 1998. With the market's support the campaign meets great success in Barcelona, with evident increases in the consumption of fresh fruit and vegetables by children.
- In the Fish Interactive Center of Mercabarna market, they use interactive play to explain to children the fish food chain, from sea to table, and its relevance in the food chain.
- "Del mar al plato" (From sea to dish), is a workshop in Mercabilbao market. In this workshop school children learn firsthand about fish and its relevance to a well-balanced diet.
- The "Del Campo y el Mar al Comercio Vecinal" programme (From country and sea to local trade) is a Spanish market educational activity where children learn about healthy eating habits, and the farm to fork process of food.

- The programme “Conocemos Mercagranada y los alimentos” (We know Mercagranada and Food) involves different local schools visiting the wholesale market where children learn about food through a sensory perception workshop.
- The “L’escola al Mercat” (From School to Market) programme developed in Mercapalma market helps stimulate not only healthy eating habits but also responsible and sustainable consumption habits in children. This programme also motivates the market traders and increases competitiveness in the commercial chain.

- In **Greece**, the Athens Central Market runs a 5 a Day program, from years 2006-2008. With the aid of famous TV celebrities, the programme was successful in increasing the consumption of fruits and vegetables in local communities, as well as in schools.

- Fish wharves, scattered all over **Greece**, ensure more than 10,000 ton of fish fit for consumption but not for sale (confiscated for legal reasons or not sold) is distributed to charities or institutions supporting the socially deprived. Additionally, about the same amount of fruit and vegetable is distributed to charities, direct from the Athens Central Market premises, with support from the local merchants association.

- In **France**, all wholesale markets are developing actions towards improving fruit and vegetable consumption, often through national campaigns implemented by French official entities such as INTERFEL or the Ministry of Agriculture (the “5 a day” campaign for example). The main actions are often dedicated to young consumers at different levels:

- Occasionally schools visit wholesale markets in tours that are always ended by fresh product tasting by pupils;
- Some wholesale markets in France also permanently house professional schools, under advantageous economic conditions, in efforts to secure future professionals (in the meat and fish sector for example); also supporting their involvement with wholesalers, retailers, etc.

2. Food Security and Food Safety

- **The market supply chain offers a flexible and adaptive alternative to national distributors**, many of whom are very reliant on large distribution centres and fixed systems highly reliant on IT;
- **The wholesale market offers an alternative route to market for growers to complement the contracts they may have with national or international retailers.** This assists them to smooth supply and demand and often offers a better margin than the low price/high volume contracts with major retailers;
- **Markets provide an opportunity for niche or small scale producers to test product and varieties out on a low risk basis** (see an example below);
- **Markets support local food** and the importance of reconnecting the supply chain (grower – market – customer);
- **Markets support and implement both national and European food safety legislation and directives**, (evident in the European Commission’s (SANCO) 2009 adoption of the *WUWM Guide to Good Hygienic Practice for Wholesale Market Management in Europe*).

- Wholesale markets cannot by themselves fully guarantee the safety of food, in view of the transport chain involved. However, **as food centres, they offer a good base where food inspection authorities can check quality and take regular samples.** Additionally, many companies trading on these markets carry certification in accordance with the usual standards designed to enhance food safety.

Examples:

- The 'local food' role of markets was recognised with public-funded posts based at wholesale markets in **London, UK**. Despite demonstrable success in increasing the percentage of locally produced food on the market (supporting the local economy particularly SME's, reducing food miles, etc) there is no public funding available to continue this project beyond March 2013. SMEs throughout the supply chain need this type of support in terms of communication. In such a fragmented sector it is hard to see how this initiative will be sustained.
- In the **UK**, forest forage (e.g. nettles etc) and other highly localised or specialised production can be supplied to and sourced from the market in small quantities for local retailers or local restaurants. This keeps small scale economic activity in rural areas and maximises fringe food production to complement large scale industrial farming, keeping people active in producing food from land that might otherwise be unproductive.
- In **Spain** the concentration of fresh produce at markets supports the work of food inspectors, with most wholesale markets taking regular samples of products for laboratory analysis.
- In **Greece**, the central wholesale markets have given equipped offices within their premises to public food inspectors in order to facilitate regular monitoring of the goods distributed on the market. Also every tenant, before receiving any lease agreement, is required to have obtained HACCP/ISO 22000 certification.
- In **France**, a simple and clear quality guarantee (ASHA Certification) has been established by the Lille Wholesale Market in order to give clear information to consumers, without introducing additional costs to the producers and traders. The idea is to promote existing good products, using independent and strict quality control, through specific channels (wholesale markets). The ASHA guarantee is as follows:
 - ▶ ASHA products have been produced and marketed according to a quality charter ensuring that each of the selected products has the following characteristics:
 - Their MRLs (Maximum Residue Limits) stay below national and/or European standards,
 - They present recognised nutritional and dietetic benefits (levels of vitamins and caloric value),
 - ▶ ASHA products are marketed on Lille Wholesale Market only;
 - ▶ Lille Pasteur Institute is the only entity in charge of defining the type and number of random analyses and the molecules to be considered, and the only entity for taking samples and for analysing the molecules;
 - ▶ A progressive development of the system, on the basis of acquired experience, to new products in Lille and to new channels (i.e. other wholesale markets in France and abroad).

3. Employment and Resilience of SME's

Extrapolated figures from a WUWM (retail) member survey in 2008 showed some **25,000 retail markets sites** (including open-air/street and covered markets) operate in the European Union, with more than **450,000 retail market traders** operating businesses on those markets. Additional to that, **1 million people** were found to be working on these retail markets, with the total turnover surpassing **Euro 40 billion**.

Further to that, a WUWM membership survey in 2008 identified that more than **1,000,000 permanent employees** are working on **wholesale market sites** within the European Union.

- Statistics show that there are a high number of people employed in this sector, the majority in SME's. This sector has stood up to the economic recession better than many sectors of the retail trade, given the low costs of operation and the good value on offer to consumers.
- Statistics generally do not cover the number of small independents - both retail and food service - that also rely on the wholesale sector for supply of raw materials.
- For (retail market) start-ups, this supply can be on a day by day, pay as you go basis until they can establish a trading history and credit rating – this option would not be available from a national or even large regional operator.
- Markets, both in terms of their own tenants and also the customers they serve (small scale retailers and restaurants) give entrepreneurs easy access and low cost entry in business start-up. Markets can be considered as “essential small business incubators”.
- In terms of labour-market policies, the large number of market-sector jobs is especially significant because most of these activities are in the low-paid category (e.g. fork-lift truck operators, warehouse workers, packers, etc.) If these people lose their jobs they often have greater difficulty finding new employment.
- The vast majority of companies trading at retail and wholesale markets are small and medium sized enterprises. Moreover, many of them have been owner-managed for several generations. This is especially true of growers.

Examples:

- Because small and medium enterprises are important contributors to economic output and job provision, government policy in **Germany** is naturally very much geared to assisting and supporting these firms. In Germany, small and medium enterprises account for:

- About 99.7% of all companies paying turnover tax;
- Around 65.8% of all jobs for which social security contributions are mandated;
- They generate some 37.5% of total turnover;
- Provide some 83.0% of all trainee places.

Apart from a range of programmes to promote start-ups, various other forms of support are available (e.g. in connection with energy savings, assistance to attend trade fairs etc.) to small and medium enterprises.

- The estimated numbers of employees working only in SME's in wholesale markets in **Spain** is 27,161 people. This does not include all the indirect support offered through additional jobs in the retail sector (e.g. retail market traders and independent retail stores).

- The market network of MERCASA in Spain finds 2,000 food wholesale companies established within the 23 wholesale (fruit and vegetable, fish, meat and flower) markets, with a further 1,400 companies offering complementary services and logistics.
- In 2011, wholesale commercial activity in those 23 wholesale markets reached a total value over €10,000 million, and turnover was over 6million tonne of perishable food: including fruits, vegetables, fish and meat.
- These statistics of turnover and value include activity in fruit and vegetable markets, fish markets, and slaughterhouse / meat market work within the different wholesale markets. In addition, a Complementary Activities Zone (ZAC) completes each wholesale market.
- By type of product, the global sale of fruit and vegetables in the Mercasa Network was over 4.7 million tonnes, to the value of € 4,100 million (2011).
- Their global sale of fish products reached over 700,000 tons with the value exceeding €4,200 million (2011).
- In the case of meat sales, the Mercasa network of markets reached 400,000 tons, to the value of €1,175 million (2011).

- Some core **UK statistics** (*Source: Markets 21- A Policy & Research Review of UK Retail and Wholesale Markets in the 21st Century, November 2009*) shows:

- Over 2000 retail markets across the UK
- Supported by 26 Wholesale Markets
- 45,700 retail traders
- 1,000 wholesale businesses
- 95,000 employed directly on retail markets and 10,000 on wholesale markets
- Retail market turnover £3.5 billion per year
- Wholesale market turnover £4.1 billion per year
- In addition, research in 2010, estimated that in relation to fresh produce, there were a further 220 wholesalers operating from stand-alone premises, with an estimated turnover of £1 billion.
- The same research also estimated that, in relation to fresh produce, the independent wholesale sector was responsible for 32% market share of sales in the UK.

- Some key statistics about wholesale markets and retail/street markets in **Germany**

- Over 3,000 retail/street markets across Germany
- Supported by over 20 wholesale markets
- Over 50,000 retail traders
- 1,720 wholesale businesses and 620 producers at wholesale markets
- 150,000 directly employed by retail markets and 20,000 by wholesale markets
- Retail market turnover 4 billion Euro per year
- Wholesale market turnover 9.8 billion Euro per year

- As a single market example, the Copenhagen wholesale fruit and vegetable market in **Denmark** exceeds 650,000tonne turnover (0.5billion DKK), has 2,540 registered customers, with 128 permanent companies on the market employing in excess of 1,000 people.

- In **France**, wholesale markets represent 2,300 independent companies (which are mostly SMEs) and employ more than 25,000 persons, with a total turnover surpassing 12 billion

Euro. In addition they give marketing alternatives to more than 4,000 independent producers that market directly to many of the 60,000 registered active retailers buying in all of these wholesale markets.

- See pages 12-14 of this report for some more statistical information on employment in wholesale and retail markets in Europe.

4. Food Wastage and Waste Management

At European level (2008), wholesale markets were globally marketing around 33 million tons of fruit and vegetables every year, representing almost 40% of the total amount of annual consumption. Wholesale market customers are, in particular, independent stores and street markets, and both sectors require the outside organisation of either their produce supply or their waste management. Wholesale market efforts towards environmental protection are logically focusing on two main complementary aspects: waste management, in particular through recycling, and energy savings through the organisation of traffic flow.

- Very special attention is given by wholesale markets to the management of the waste they collect: **in 2008 some 43% of collected quantities were recycled**, in particular cardboard, wood and organic matters, but also plastics and polystyrenes (fish markets). The recycled total is increasing annually, reducing the impact on landfill by creating commercially viable alternatives such as composting and waste to energy;
- Produce bought through the markets supply chain tends to have less packaging and is often bought loose, again reducing waste.

Examples:

This is a typical profile for the major wholesale markets in the UK:

- The **UK New Covent Garden Market** now sends nothing to landfill either recycling or converting into energy some 12,000 tonnes of waste a year;
- **New Spitalfields Market (UK)** now sends nothing to landfill and either recycles or converts into energy 10,000 tonnes of waste a year.

- One third of all food in the **UK** is wasted (Source: *government fund agency Waste and Resources Action Programme – WRAP*) and whilst a high proportion of this waste is at point of consumption, markets can contribute to reducing food waste by providing an alternative supply chain to complement mainstream retail, smoothing supply and demand, or providing an outlet for high grade but out of a retailer's specification product, reducing waste at point of production.

- In **Spain**, waste management in the 23 wholesale market Mercasa network is done through a recycling point where all material left by users is recycled. Those materials are usually cardboard, packaging, organic matter, and some cases wood, such as at the market of Mercabadajoz (Badajoz, Extremadura).

In 2011, SAICA Natur Company collected from the recycling point in Mercazaragoza (Zaragoza, Aragón) market some 561,480 kilo of cardboard, 387,460 kilo of wood and 102,480 kilo of plastic. Over 2.6 million kilo of organic material was also collected there by the Focsa Company. With some 9,078 kilos of organic material collected from the fish market in 2011.

- The Spanish market Mercazaragoza has a slaughterhouse inside its installations. The waste management processes there in 2011 collected some 7.2 million kilo of dangerous material, including blood.

- Following a study of the situation in **Germany**, the University of Stuttgart concluded that trade, industry, canteens, caterers and private households throw away about 11million tonnes of food every year. The waste comes from:

- Private households: 6.7m tonnes (61%)
- Canteens and caterers: 1.9m tonnes (17%)
- Industry: 1.85m tonnes (17%)
- Trade: 550,000 t (5%)

Fruit and vegetable accounts for the biggest share of food thrown away in private households (some 18% and 26% respectively). Of the roughly 580kg of waste the average inhabitant of Germany produces annually, about 81 kg a year is attributable to discarded food.

All waste is treated in Germany:

- Around 45% is recycled by local authorities in Germany, placing Germany at the top of the league in Europe (European average, 25%)
- 38% is incinerated (European average 22%)
- 17% is composted (European average 15%)

The waste deposited on landfills in Germany is practically worthless. Subsequently waste removal has always been an important topic for **German** wholesale and retail /street markets. In view of the high price of waste removal (especially if the waste has not been sorted) all options for avoiding and separating waste, as well as recycling are examined. A survey conducted by the German markets association GFI revealed that the association's member wholesale markets generate some 36,000 tonne of waste per year in Germany. This is composed of the following materials:

- Paper/cardboard: 8,923.06 t
- Organic waste excluding plastics: 8,516.98 t
- Residual waste: 7,063.34 t
- Wood: 6,481.70 t
- Organic waste including plastics: 3,450.99 t
- Unauthorized litter: 1,835.12 t
- Green cuttings: 53.00 t

There is currently considerable public debate in Germany on the issue of food waste. One has to remember that 65% of the food wastage could be entirely or at least partially avoided.

In **France**, already for many years, all wholesale markets give huge importance to waste collection and treatment. Around 100,000 tons of waste are collected every year and duly recycled for both economic and environmental objectives. From this amount, more than 50% is recycled - namely cardboard, wood, plastic and organic matter (for the production of compost). The remaining 50% of waste is made up of unclassified items and disposed of by incineration.

5. Competitiveness

How will Europe keep the small/micro independent retailers and local food producers alive if markets (as one of the main upstream structures to support them) disappear or continue to be marginalised?

By offering producers, be they large or small scale, an alternative route to market from the major national or multinational retailers, producers can achieve better returns, either because markets offer a better margin on average over the period, or because the supply and demand extremes can be smoothed. For example, if a retailer commits to a promotion but then doesn't buy the goods as forecast, the producer has the option to either plough or dig the unwanted product back in or to offer them to the wholesale market, where they might even achieve a better margin than that offered originally by the retailer.

Markets are themselves an inherent source of competitiveness as they are defined as a "concourse of buyers and sellers". Product sells for the best price the market can stand. In fresh produce when product is low on shelf life, it will sell for a lower price, enabling street markets to offer good value fresh produce.

Ensuring the competitiveness of operators in the food chain is important to secure sustainability in the food sector. Wholesale markets play an important role in this matter, gathering SME's in clusters with synergy in know-how, marketing, infrastructure and capacity costs thus securing there is variety, high quality and the best price possible for end consumers.

Within the markets (applicable to both wholesale and retail markets) there is competition among traders in the halls and among those operating market stands. In both areas a large number of suppliers offer the same products. Thus these are still "real" markets in the true sense of the word. This is why customers / buyers find them good places to engage in price negotiations, because they are not limited to one or a small number of suppliers.

With regard to the competitiveness of wholesale markets compared with other providers and thus rivals in the wholesale sector (e.g. METRO, FEGRO etc.) or with large food chain operators (e.g. supermarkets, discounters) that have their own distribution channels, customers' growing preference for doing their food shopping at these big outlets has had a negative impact that has been noticeable for several years now. The result is a drop in traditional trade activity at wholesale markets. These days, therefore, smaller wholesalers are disappearing more rapidly from the market. Their sales space is taken over by larger companies. However, buyers from specialist retailers, market stall holders and restaurants etc. continue to value wholesale markets for their considerably larger range and for the top quality and freshness of the produce.

Meanwhile, however, some firms based on wholesale markets, larger or very specialized enterprises, have started to cooperate with the organized food retail business (supermarket chains) and discounters, so that the logistics function is playing an increasingly large role at wholesale markets.

The consumer preference for shopping at supermarkets and discounters, as already mentioned, is matched by a corresponding drop in demand at retail/street market level.

Examples:

In **Spain**, the market share held by the Mercasa 23 market network equals 50% of the total Spanish fruit and vegetable consumption, 53% of fish and seafood consumption, and 20% of the nation's meat consumption. Most of these Spanish wholesale markets have a particular area for local producers to sell produce directly. In 2011, the sale of Spanish local product

from wholesale markets was 112,000 tonnes, representing 10% of the total commercial sale of vegetables and potatoes in Spain.

- In 2011 the Central Market of Athens in **Greece** decided to decrease its rents by 20% in an attempt to enhance trading activity on the market.

- In **France**, efforts are being continually made by wholesale markets to increase the local consumption of locally produced food. Two types of actions are being made: development of direct sales from producers to retailers, and assistance to local producers for submitting offers to official tenders from local authorities (centralized kitchens, hospitals, canteens, etc).

Some support information on the definition of a retail and a wholesale market, along with a summary of the role and importance of these markets to Europe, and an overview of retail market statistics in some European countries follows.

A list of new initiatives for consideration by the Commission in the Hearing on Sustainable Food is also annexed to this paper.

For queries related to the information supplied in this report, or in the attached annex, please contact:

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SUPPORT INFORMATION

The following background material is offered in support of the foregoing contribution.

Defining a 'Market'

It is clear that in the past decade or so the original meaning of the word 'market' has been extensively enlarged. Our use and definition of the word 'market' is based upon the original understanding of the word's meaning: as a public place/gathering held for buying and selling produce and merchandise.

For the purposes of ensuring clarity, WUWM provides the Commission with the following definitions of a "wholesale market" and a "retail market". These definitions have, in recent years, been formally adopted by every member of WUWM managing such a market or trading on such a market, in 42 affiliated countries.

Wholesale (food) market means: *"Those premises managed as a food business by a market (management) authority within the confines of which independent food businesses operate and may share common installations where foodstuffs are traded, stored, prepared or processed."*

Retail market means: *"Those premises (either open-air or covered buildings) which unite a variety of commercial establishments and retail entrepreneurs that provide a wide commercial offer of food products of daily consumption complemented by other non-food products, and all this under a unity of management"*.

Importance of Wholesale Markets to Europe

With some 110 wholesale market members representing 21 different EU countries, the WUWM (European) wholesale market membership* has more than **1,000,000 permanent employees** working on corresponding sites, and the companies operating on these markets have a turnover of around **€42 billion annually**. The overall volume of marketed produce represents around **26 million tons per year**, which equates to approximately **40% of the fruit and vegetable supply in Europe** (24 million tons per annum), 10% of fish and fish products supply in Europe (1 million tons per annum), and 2% of meat and meat product supply in Europe (1 million tons per annum).

Wholesale markets provide substantial economic (e.g. market transparency, competition and efficiency) benefits, allowing for a better understanding of price levels and price transparency - being successful in ensuring that this information is also made available to producers. They are vital providers of quality fresh produce and are the only alternative to the increasing global power of a handful of supermarkets and discounters.

WUWM supports the move for the increased recognition of wholesale markets as a valuable and essential established route to market for producers and their organisations; supporting efficiency and providing increased business opportunities in the process. In addition wholesale markets provide many social benefits (e.g. by ensuring the effective supply of food to the poor and to the many diverse ethnic groups within our respective populations) and will continue to do so through adaptation and innovation in the future.

We believe that the existence of SME/micro independent food retailers, local producers and retail market traders depends largely upon the existence and success of their suppliers – fresh food wholesale markets; and in turn that the role and importance of the retail trade to the life of local communities is dependent on there being an effective wholesale market network.

Importance of Retail Markets to Europe

Extrapolated figures from a WUWM (retail) member survey in 2008 showed some **25,000 retail markets** (including open-air/street and covered markets) operate in the European Union, with more than **450,000 retail market traders** operating businesses on those markets. Additional to that, over **1 million people** were deemed to be working on these retail markets, with the total turnover surpassing **Euro 40 billion**.

Retail markets, particularly where supported by fresh produce wholesale markets and local producers, are effective and vital players in ensuring European consumers have access to affordable fresh produce, with increased choice and product diversity. Consumers usually benefit from the retail market trader's competitive advantage in being able to offer a better tasting, higher quality, competitively priced product, alongside more personalised service and unsurpassed product knowledge.

Several core socio-economic benefits derived from the existence of retail markets within local economies and communities have been identified. Those include:

- Health (e.g. increased public fresh fruit/vegetable consumption)
- Employment (especially as relates to business entrepreneurship)
- Culture and tourism
- Urban and economic regeneration
- Community cohesion
- Support of the most vulnerable in the community (elderly, poor, etc.)
- Environment
- Support to local agricultural industries and local consumption/production
- Ensuring continuity of supply (and agricultural diversity)
- Facilitating monitoring of food standards and quality control measures

In further explaining the benefits of markets to local producers/agriculture, WUWM clarifies this position by especially noting here the fact that local growers and producers do not normally have the possibility, skill or time to sell directly to consumers. They may be able to sell a very small amount of produce to consumers (for instance using farmers markets) for limited periods such as weekends, but this in itself is not a sustainable solution for feeding larger urban communities/cities. The efficient sale of local produce normally relies on the effectiveness of the independent local retailers having an efficient sales/distribution network: local retailers (e.g. market traders and small shops/SME's trading daily or frequently) cannot themselves be expected to drive to every local farm, individually sourcing the necessary product to in turn be sold to their customers. For this reason the wholesale market business is the asset guaranteeing the retail markets.

Short Overview of Retail Market Statistics in several key EU Member States:

European Union
25,000 Retail Markets
450,000 Retail Markets Traders
1million people employed
€35 Billion turnover (est)
10% of European retail offer (est)

Spain
1,300 indoor markets
290,000 persons (direct) and 3,000 (indirectly) employed in retail markets
€5 billion turnover
82,000 individual retail market stalls
Selling 40% of the consumption of Spanish fresh food (1,825 tonnes of fruit and vegetables, 225,000 tonnes of fish, and 417,000 tonnes of meat and meat products)

U.K.
Over 2,000 retail markets across UK
45,700 retail traders
95,000 people employed directly
£3.5 billion annual turnover

Netherlands
1,000 weekly open-air markets
24,000 registered market traders
over €3billion turnover

Germany
3,000 weekly markets
50,000+ traders
150,000+ people employed
Over € 4 billion in annual turnover

France
3,000+ retail markets
50,000 + traders
100,000+ people employed
€6 billion annual turnover