

# open letter

## A PLEDGE TO THE EUROPEAN COMMISSION FROM THE WORLD UNION OF WHOLESAL MARKETERS

**THE WORLD** Union of Wholesale Markets (WUWM) is a non-profit member association that has been in existence since 1955. We seek to support and promote the food wholesale and retail markets of the world. We believe that in protecting the role and well-being of food markets and market traders, we can ensure consumers receive sustainable access to a diverse variety of quality, fresh food products at competitive prices, delivered with the highest standards of service and food security.

We note the European Commission's commitment to supporting economic growth and employment, to protecting our environment, and its desire to change the passive role that European consumers often have in the business equation. We also note the commission's desire to better support, inform and protect European consumers, and provide a framework whereby European policies may lay beneficial foundations for all business and competition to thrive.

Consumption currently accounts for some 58 per cent of EU GDP, a significant figure. We bring to your attention that food consumption would include a significant percentage of that, though sadly, this may be in danger of diminishing. Since quality food is essential, and in fact the source for all life and good health, we face challenges related to fresh food consumption and spending is of concern.

We suggest that looking after consumers and producing more efficient market economies lies not only with

innovation and the replacement of inefficient producers, but it is also about supporting those beneficial businesses and services that already exist but, due to a variety of factors, are in danger of becoming marginalised.

As the ownership and management of wholesale and retail markets has for most of history been largely municipal or community based, many markets

have had limited resources with which to develop anywhere near as rapidly as other major players in the economy. This has, in turn, had a corresponding effect on consumers and the many traders operating on markets, as well as the small and medium businesses and other downstream linkages that benefit from the market's existence. Certainly, the resources made available to large multi-nationals have brought them many lobbying possibilities, greater advertising power, and increased consumer attention and influence in society. However, studies show that it is markets (in their many forms, whether that be wholesale, retail, street, farmers', etc) that are most effective in supporting the objectives and needs of local communities and their citizens – whom we know

fall into various levels of economic wealth and social well-being.

Historically, towns and cities grew up around markets, and decision-makers worldwide are rediscovering the many ways that retail markets provide important environmental, social and economic benefits to cities and their citizens. Retail markets, frequented directly by consumers, are being increasingly

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acknowledged as beneficial and effective tools, for instance in promoting healthy-eating programmes, community integration, urban regeneration and socio-economic development. Retail markets, with their independent and professional retailers, need the existence and support of a credible wholesale market, or problems arise whereby the retail markets and their traders are submerged by other players in the food distribution chain. This often increases the prevalence of low-quality foods being made available,

predominantly by other players, to consumers, and limits the ability of small and medium businesses to compete fairly.

Since a strong link between wholesale and retail markets is so vital to ensuring effective food distribution and commerce, both

players must work together efficiently if we are to support and develop the livelihood and future of markets in general. Wholesale markets provide many public benefits, not the least of those being market transparency, competition and efficiency. 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. In 2003, our member wholesale markets alone were directly involved in 40 per cent of the then EU fruit and vegetable supply, accommodating more than 80,000 permanent operators, more than 153,000 employees, and marketing volumes of more than 26 million tonnes a year.

Wholesale markets, like retail markets, give small- and medium-sized businesses, local producers and growers, independent retailers, caterers, processors and small chain retailers many important opportunities to prosper and compete. Wholesale markets also provide a direct link between producers and consumers, and with their strong community links, have a proven ability to promote food safety, hygiene standards and control.

Important research has been undertaken by WUWM and its membership, as well as within progressive local governments, to analyse the benefits of retail and wholesale markets to cities and consumers, as well as to the food distribution chain in general. There are many socio-economic benefits, including health, employment, culture and tourism, economic regeneration, community cohesion, environment, support to local

**MARIA CAVIT, WUWM SECRETARY GENERAL**



agricultural industries, ensuring continuity of supply, and facilitating monitoring of food standards and quality control measures.

We believe empowering consumers is possible only by creating the right conditions for them to make informed, considered and rational choices, and then giving them the tools to do so. One of the challenges facing food markets has been the education of the

consumer: dispelling the general confusion and ignorance that exists around the food distribution chain, and combating the often misleading advertising and marketing ploys of big businesses that may seek to profit from increased consumer apathy and ignorance. Consumer behaviour is changed by environment and

culture, and it would seem increasingly evident that our societies are in danger of losing understanding of the power their choices and spending have in changing, and re-creating, tomorrow's communities. The result of this is increased challenges to personal health; limitations in food choice, quality and availability; and a loss of many values that generations before us enjoyed – such as a respect for quality, fresh, tasty food, as well as nurturing food cultures, traditions and communities.

**'To ensure the sound education of consumers, we need not only reliable information, but also a level playing field for all forms and channels of businesses to compete'**

To ensure the sound education of consumers, we need not only reliable information, but also a level playing field for all forms and channels of businesses to compete. Effective lobbying by the biggest players in the economy has meant that many other important but resource-challenged players, such as markets, have struggled to have a strong voice within the

commission, as well as other decision-making bodies that exist to ensure an effective representation of the consumer's rights within the food and market sectors.

We take this opportunity to offer you the support of the WUWM and its membership in identifying the challenges and priorities in the sectors

mentioned, in supporting the education of consumers in these areas, and in helping to ensure consumer rights and benefits, as well as those of communities and small businesses – especially as it relates to price, choice, quality, availability, safety, sustainability and environment.

Such collaboration would not only benefit consumers, but also help ensure the ongoing existence and success of tens of thousands of food markets and market traders throughout the EU. ○



In the FPJ's monthly series on the wholesale scene, The World Union of Wholesale Markets writes an open letter to the European Commission

**Dr Brian Iddon MP and Ann Coffey MP, from the All-Party Parliamentary Markets Group, UK**

"THE ALL-Parliamentary Markets Group clearly understands that markets contribute to a number of mainstream policy agendas. Successful markets matter in all their forms, whether they are wholesale, specialist, farmers', street or covered. They contribute to the social, environmental and economic well-being of the nation, providing a united sense of place and culture, as well as supporting independent retailing, increased employment and sustainable environment. They also ensure consumer access not only to quality fresh produce, but also other commodities." ○



**Jacques Valade, senator for Bordeaux district and chairman of the French Federation of Wholesale Markets, France**



"RETAIL STREET and covered markets represent a very significant part of the food distribution in France. Their image is very positive for most French consumers in terms of freshness, quality, variety and human contact. They are adequate tools for marketing directly and locally the local production and, for that purpose, are necessary elements for improving sustainable development. Retailers find their supply source in wholesale markets. Wholesalers and wholesale market authorities are permanently modernising and improving their working conditions to offer all customers, and in particular market retailers, products adapted to their requirements in terms of quality, price and food safety. Wholesale and retail markets are working jointly to offer consumers more quality products, at the best price." ○

**Gunnar Uldall, senator in the Hamburg ministry of economics and labour affairs, Germany**



"HAMBURG'S 60 municipal and 40 privately operated street markets have traditionally been an indispensable part of the local food supply. They are the most important direct marketing opportunity for the growers of agricultural produce from the surrounding region, and for those who process food using artisan methods. Mingling with the food stalls are a large number of itinerant traders selling a wide cross-section of goods, adding to the interesting mix of products and the special, unique flair that makes open-air markets so popular with customers. The freshness and quality of the produce on sale and the personal contact with the trader are what make the markets so attractive to the customers, and the biggest reason why they keep coming back." ○

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