

Farmers and industry at the crossroads

German canning industry fears another year of drought

If hot weather spoils the harvest this year in much the same way as in 2018, the German Association of the Fruit, Vegetable and Potato Processing Industry in Germany is very pessimistic about the cultivation of white cabbage, red cabbage and kale. The association points this out during the Fruit Logistica trade fair in Berlin.

"If the weather does not play along and it is only as dry as last year, it will be catastrophic for the industry," says Christoph Freitag, BOGK's Executive Secretary. In the past year, 25 – 50 % of raw materials were missing. The industry had to shut down production lines and could only partially supply trade and consumers. A further bad harvest would lead to a vast shortage.

The food chain – from farmers to consumers – is not set for such a situation. The industry now fears to bear a large part of the resulting damage alone. Because supply contracts between industry and trade, which are already completed for the whole year 2019, leave no room for shortfalls. "While we only have to pay farmers what they deliver, retailers can claim damages for shortages," explains Freitag. BOGK therefore calls for a fairer risk distribution. The association is currently drafting proposals for its members for contractual agreements regarding bad harvest and crop failure between industry and commerce.

A cause for concern is a look at the current situation in the growing areas. Because after the extreme drought in 2018, the soil is still not sufficiently regenerated. In the topsoil to 25 cm, it is still unusually dry in most growing areas in early February 2019, especially in northern Germany, where mainly cabbage is cultivated. If it remains dry in Germany, there is also the danger, that the cultivation of the industry's raw material is no longer possible in today's form. Potentially, this is an existential risk to processors and growers.