

CAOBISCO

*Association des industries de la Chocolaterie, Biscuiterie et Confiserie de l'UE * Association of the Chocolate, Biscuits and Confectionery Industries of the EU*
Tel : +32/2/539.18.00 Fax : +32/2/539.15.75 E-mail : caobisco@caobisco.be Website : www.caobisco.com

Ref: 395-1668e-final
Date : 19 December 2005

To: Hazelnuts experts group+ RMC
National associations
From: Flavia Bernardini

CAOBISCO Position

Working towards restoring trust and confidence in the hazelnuts market

CAOBISCO is the Association of chocolate, biscuit and confectionery industries of the European Union. CAOBISCO currently has 13 national EU associations as full members, 2 observer members (Switzerland, Norway) and 6 contact members (Hungary, Poland, Czech Republic, Slovenia, Slovakia and Malta).

CAOBISCO represents 1900 companies, with 270,000 direct employees and more than 44 billion Euros annual turnover. CAOBISCO industries show an output of 10.8 million tons of products; €3.4 billion Euros of exports, i.e. 10% of the total value of food exports from the European Union; and an import value of € 1 billion. CAOBISCO industries represent a considerable percentage of the world consumption of hazelnuts.

Overview of the hazelnuts market

The Hazelnuts market has proven to be very unstable during the last years, showing wide price fluctuations with an overall increase of approx. 300% in just 2 years. This situation is clearly affecting all the main parties involved, in particular the Turkish exporters, who possess a leading export position, and our associated companies. Any activity in this market, such as buying and selling hazelnuts, fixing long-term consumers prices as requested by major retail companies in Europe, holding stocks and managing contracts has become risky and difficult. Some companies are defaulting on contracts, spoiling quality and coming up with strange solutions to survive.

CAOBISCO commitment and actions

CAOBISCO initiative wishes to restore trust and transparency in a market that is key for many people and companies. CAOBISCO has initiated the creation of a private hazelnuts stakeholders group in collaboration with the other trading partners throughout the supply chain. The mission of the Stakeholders group is:

- To establish a transparent hazelnuts market, where all the stakeholders can rely on trustworthy statistics, figures on production, supply, demand and effective contract management to build long term relationships in a stable environment.
- To build a contractual framework to guarantee a stable, reliable and trustworthy environment for all parties involved in the market.

The CAOBISCO hazelnuts stakeholders group consists of representatives of the manufacturers, experts from the European Federation of the trade in dried fruits - FRUCOM, representatives of the agricultural co-operatives of Italian and Spanish hazelnuts' producers COPA-COGECA, of SOMERCOM (Société Méditerranéenne pour les Echanges et les Réalisations Commerciales) and delegates of the Turkish Exporters Union.

The above organisations are working together in order to restore trust and confidence in the market. The approach of CAOBISCO hazelnuts stakeholders group is twofold:

- Working together with the objective of creating reliable statistics on hazelnuts production and consumption;
- Drafting a list of recommendations for the contractors in order to avoid problems concerning contract fulfilment and product delivery.

The European Institutions and the Turkish authorities are regularly informed on the progress of the stakeholders group. CAOBISCO also participates in all the initiatives of the European Commission concerning the hazelnuts market. CAOBISCO actions are in line with the aim of both the European Commission and the national Turkish plan to adopt the *aquis* in Turkey. Therefore, CAOBISCO would strongly advise being accepted as a constructive partner of the European and Turkish Authorities in working towards the restoration of trust and confidence in the market as well as the improvement of statistics.

*