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CIAA Priorities

for the **Czech Presidency** of the EU

CIAA

Confédération des industries agro-alimentaires de l'UE
Confederation of the food and drink industries of the EU



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The EU food and drink industry is an important pillar of the European economy, serving almost 500 million consumers with a vast variety of safe and high quality products. It is the largest manufacturing sector in Europe, with a turnover of € 870 billion a year, and provides employment to over 4.3 million people.

CIAA represents the European food and drink industry and its mission is to help pro-actively develop an environment (enlarged EU and global markets) in which all European F&D companies, whatever their size, can compete effectively for sustainable growth, meeting the needs of consumers and playing their part in delivering the targets set by the Lisbon declaration of the European Council.

CIAA's permanent secretariat, based in Brussels, maintains close contacts with European and international institutions and has become a major partner in consultations on food-related developments.

CIAA has become a trusted partner as a result of its long-standing work, in particular on horizontal food issues such as food quality and safety, nutrition and health, novel foods, labelling, the Common Agricultural Policy, international trade issues, sustainable development, respect for the environment and enlargement.

Membership of CIAA is made up of:

- 26 national federations, including 3 observers;
- 28 EU sector associations;
- 19 major food and drink companies.

CIAA co-ordinates the work of more than 700 experts, grouped in Committees and Expert Groups around the following three themes:

**Trade and
Competitiveness**



**Food and
Consumer Policy**



Environment



Through these Committees and Expert Groups, manufacturers from all EU countries provide broad and in-depth expertise. They contribute to establishing CIAA positions on key issues, which, once approved, are communicated to European and international decision makers.

CIAA fulfils its role as a leader in the representation of EU food and drink manufacturers by:

- helping the food and drink industry to maintain consumer confidence;
- establishing close and fruitful co-operation between all links in the food chain;
- ensuring maximum co-ordination between the various sectoral and geographical groups that make up the EU food and drink industry.

SOME FACTS AND FIGURES ABOUT THE EU FOOD AND DRINK INDUSTRY

- largest manufacturing sector in Europe, with a turnover of € 870 billion;
- purchases and processes 70% of EU agricultural production;
- exports almost € 55 billion of food and drink products to third countries;
- contributes to a positive trade balance of around € 2 billion;
- offers almost 500 million consumers a wide range of safe, wholesome, enjoyable, nutritious and affordable food and drink products;
- directly employs 4.3 million people.

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High Level Group (HLG) on the Competitiveness of the Agro-Food Industry

In the European Union, the food industry is a significant economic sector whose competitive position has recently been questioned. The sector has flourished over the years, but is now facing new risks and challenges.

In this context, a High Level Group on the Competitiveness of the Agro-Food industry, led by Vice-President Verheugen and composed mainly of representatives of selected Member States, the European Union agro-food industry, professional associations and civil society, was officially established and launched on 12 June 2008.

The mandate of the High Level Group is:

- to identify the factors that influence the competitive position and sustainability of the Community agro-food industry, including future challenges and trends likely to impact on competitiveness;
- to formulate a set of sector-specific recommendations addressed to policy makers at the Community level.

The HLG provides for a three-tier structure composed of the High Level Group, the Sherpa Group and the Working Groups which have facilitated detailed and broad-based discussions with stakeholders involved. CIAA is strongly committed to laying the foundation for improved competitiveness. The High Level Group provides an opportunity to put essential food and drink industry requirements into the political limelight, and has the potential to initiate a visible change.

The overall objective of the food and drink industry is to provide consumers and society with a wide variety of safe, wholesome, nutritious, sustainable and affordable food and drink products. Requirements for the food and drink industry competitiveness include:

- The ability to produce and market products without undue constraints. This is essential to achieve the industry's overall objective. There are two ways of achieving sustained growth: by reaching out to rapidly expanding markets and by developing products with higher value, through research, development and innovation.
- A sufficiently flexible and business-friendly framework in which to operate, calling not only for better regulation, but also for a better process to create the business framework. Legislation is imperative in certain areas. However, alternatives to legislation can often provide equivalent or even more effective guidelines to market players and must be given due consideration.
- An integrated food policy that focuses on the needs and the role of the sector as a whole is essential for the competitiveness of the industry. The success of the High Level Group will depend on its ability to deliver a comprehensive and coherent set of actionable recommendations which can be swiftly implemented.



Novel Foods

The revision of the Regulation should stimulate innovation in the food and drink industry, protect the functioning of the internal market as well as public health and, at the same time, facilitate market access for novel food products.

In 2007, the European Commission announced its intention to revise Regulation 258/97/EC on Novel Foods and Novel Foods Ingredients. CIAA welcomed this announcement as initial discussions revealed that administrative burdens, timing and legal uncertainty add costs to the overall procedure. In response to the proposed amendment, CIAA, together with the Platform for Ingredients in Europe (PIE), commissioned the UK economist Graham Brookes to undertake an extensive study with leading European food and drink ingredients companies to look at why the industry is reluctant to come forward with new products. The report confirmed that food innovation in Europe is not possible without a fundamental reform of current procedures. Exclusive access to the market for innovative products, combined with short, predictable procedures, which are proportionate, have been consistent demands from the food and drink industry.

In January 2008, the European Commission adopted the proposed revision of the Novel Foods Regulation. The proposal meets several of the demands raised by the food and drink industry. In particular, it introduces a centralised authorisation procedure and includes data protection provisions for newly developed innovative food. The initial applicant would be authorised to market the food for five years before it becomes a generic foodstuff that can be produced and marketed by others. The proposal also makes provisions for food which has never been consumed in Europe, but which has a history of safe use elsewhere. For such foodstuffs, the authorisation procedure is simplified.

Meanwhile, the European Parliament, in its vote in the Environment Committee, has introduced an important amendment on data protection to the proposed legislation, which hopefully will be maintained when the report is voted in plenary.

CIAA welcomed the European Commission's intention to amend the existing European rules governing novel foods (Regulation 97/258/EC), which cover all new foods without a significant history of consumption within the European Union before 1997.

CIAA still maintains that the following areas need to be further looked at to ensure that the competitiveness of the food and drink industry is maintained and that SMEs, in particular, can in the future benefit from simpler procedures, thereby encouraging their investment in innovation:

- Establishing a more explicit link between a novel food authorisation and the applicant company.
- Providing appropriate transitional mechanisms for pending novel food applications.
- Ensuring an operable relationship between the Novel Foods and Health Claims Regulation.
- Introducing a simplified notification procedure for foods and ingredients with a history of safe use, such as foods and ingredients that are already used in food supplements, but which are intended to be used in a novel food.

CIAA hopes that the Czech Presidency will pursue these points.



European Commission Proposal on the provision of food information to consumers

CIAA welcomes full EU harmonisation in relation to food information, and believes that this is the only means to guarantee the single market and free movement of goods whilst enabling consumers to make informed choices and simultaneously protecting the competitiveness of producers.

In January 2008, the European Commission adopted a proposal which revises the existing EU labelling rules (Directive 2000/13/EC). The proposal also includes nutrition labelling (Directive 90/496/EC). CIAA welcomed the European Commission's intention, in the spirit of Better Regulation, to focus on the simplification of existing legislative measures and the reduction of administrative burdens.

The food and drink industry is committed to helping consumers make informed choices by providing them with clear, consistent and non-judgemental

information. As early as 2006, CIAA made a commitment to implement a voluntary nutrition labelling scheme for the entire food and drink industry, across all EU Member States. This CIAA scheme is based on internationally-accepted and scientifically-derived Guideline Daily Amounts (GDA) and has made rapid progress, as demonstrated by its adoption by an increasing number of companies. By the end of 2009, at least ten of the biggest food and drink companies in Europe will be using the labelling system on 100% of their products. Other large companies, as well as SMEs, are not far behind.

CIAA strongly encourages public authorities to build on the efforts and achievements made by industry so far, and believes that the following requirements need to be considered:

- The development of national schemes will substantially weaken the single market and confuse consumers. Therefore, CIAA continues to be in favour of a Regulation which aims for full harmonisation while at the same time providing operators with the flexibility to offer additional voluntary information.
- Legibility is a complex issue, dependant on a number of inter-related factors that extend far beyond font size. CIAA considers Guidelines for the Legibility of Labelling to be a more workable solution than legislation. CIAA's Guidelines for the Legibility of Labelling provides guidance to manufacturers on the key factors affecting legibility such as layout, font, colour and contrast.
- Consumers want simple at-a-glance information. The CIAA scheme therefore stipulates that energy (i.e. calories) should be on the front-of-pack with more detailed information on nutrients such as sugars, fat, saturated fat and sodium, available on the back-of-pack. The scheme allows the flexibility to increase the information on the front of the pack, if the label and product size allow it.
- The guiding principle for the proposed origin labelling provisions should remain not to mislead consumers. CIAA therefore believes that there is no need for further legal requirements, given that the law already requires origin labelling when the absence of such a provision may mislead the consumer as to the true origin of the product. The same rules apply for the provision of information regarding origin on a voluntary basis.

CIAA looks forward to discussing its position with the Czech Presidency.



Sustainable Consumption and Production & Sustainable Industrial Policy

On 16 July 2008, the European Commission published an Action Plan on Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) accompanied by a set of legal proposals (Eco-design, Eco-label, EMAS) and a Communication on

Green Public Procurement (GPP). CIAA welcomes the publication of this Action Plan and supports its objective to set up a policy framework to foster resource-efficient production patterns and to help consumers make informed choices.

The following are CIAA's priorities related to the Action Plan.

General principles:

Sustainable consumption and production requires the integration of its three pillars - environmental, social and economic - in a holistic manner. Aspects related to food safety, health and nutrition are of particular importance for food products. It is thus vital to ensure that the Action Plan's environmental objectives are coherent with relevant social and economic objectives outlined in other EU policies.

The environmental performance of food and drink products is a reflection of a long series of processes along the life-cycle, managed by different actors, ranging from farmers to manufacturers, packaging producers, retailers, consumers and the waste management sector. The entire food chain must thus be involved directly and in a representative manner in the design and implementation of SCP policies in order to ensure real and continuous environmental improvement from farm to fork and end-of-life.

Incentives for sustainable consumption (environmental information, including eco-labels, and public procurement) must be based on scientifically reliable and uniform assessment methodologies across the EU, covering the most significant environmental impacts along the product life cycle (including not only greenhouse gases, but also water, energy, bio-diversity, air and soil). The applied assessment methodology must have the broad support of the supply chain and should therefore be developed in a representative multi-stakeholder process.

Environmental information to consumers:

The EU food and drink industry supports voluntary consumer information on all relevant product characteristics, including their environmental performance, on the condition that it:

- is scientifically reliable,
- is based on uniform environmental assessment methodologies across the EU in line with international standards,
- is covering the most significant environmental impacts along the life-cycle,
- is relevant and understandable for the consumer,
- avoids disproportionate financial or administrative burden, especially for SMEs,
- maintains innovation and the functioning of the Internal Market,
- takes advantage of the most appropriate communication tools.



Proposal for a revised Eco-label scheme:

Food products are excluded from the scope of existing Regulation (EC) 1980/2000, in order to avoid conflicts with existing EU food legislation (covering aspects such as food safety, hygiene and labelling of foodstuffs) and in reflection of the immense diversity of food and drink products in terms of both health and nutrition and environmental characteristics.

The European Commission now proposes to extend the scope of the Eco-label Regulation to a limited fraction of food products (processed food, fishing, aquaculture) and to limit the assessment to a few stages in their life cycle, i.e. processing, packaging, and transport.

CIAA is very concerned about this fragmented European Commission proposal for the following reasons.

- First, the proposal disrespects the life cycle principle, which is fundamental in the EU Eco-label legislation as well as in all international standards on life cycle assessment.
- Second, the proposal draws an arbitrary distinction between processed and unprocessed food. Consumers would be confused by such an incoherent patchwork of information.
- Third, the EU Eco-label scheme fails to take into account the specificities of food and drinks in terms of health and nutrition and is therefore not the right tool to assess and communicate the sustainability performance of food.

Given the significant risk that the current EC proposal would mislead rather than inform consumers about the environmental performance of food products along their life-cycle, CIAA calls upon the EU co-legislators to maintain the existing exemption of food and drink from the scope of Regulation (EC) 1980/2000.

Instead, CIAA calls upon the Commission to undertake additional methodological work in order to identify more holistic strategies for assessing and communicating the environmental sustainability of food to EU consumers in a coherent way. For this purpose, the Commission should establish a representative multi-stakeholder process, comprising all relevant food chain players, including consumers and the scientific community, and take account of ongoing industry and public policy initiatives across the EU (see point below).

Towards a Food Chain SCP Roundtable:

Achieving sustainability of food and drink production and consumption is a matter of shared responsibility across the entire supply chain. CIAA thus promotes the establishment of a Food Chain SCP Roundtable, gathering - on an equal basis - farmers, manufacturers, retailers, consumers, EU and national policy makers, scientists and NGOs. The Roundtable should work, as a matter of priority, on the following three issues:

- Development of scientifically reliable and uniform methodologies to assess the environmental performance of food and drink products along their life-cycle;
- Identification of suitable communication tools to communicate the environmental performance of food vis-à-vis consumers, taking into account the specificities of food in terms of health and nutrition;
- Facilitation of consistent voluntary action to improve the environmental performance along the entire food chain, taking account of existing initiatives at national, EU and global level;

CIAA and its members are proactively engaged in the establishment of the Food Chain SCP Roundtable and invite the Czech Presidency to play an active and facilitating role in the successful launch of this platform.





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