

July 2009 - Dec 2009



CIAA

Priorities

for the **Swedish 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 wide variety of safe and high quality products. It is the largest manufacturing sector in Europe, with a turnover of € 913 billion a year, and provides employment to over 4 million people.

The Confederation of the Food and Drink Industries of the EU (CIAA) represents the interests of the food and drink industry at the European level and its mission is to help pro-actively develop an environment (enlarged EU and global markets) in which all F&D companies, whatever their size, can compete effectively for sustainable growth, meet the needs of consumers and play 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 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 food industry issues related to the enlargement of the EU.

Membership of CIAA is made up of:

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

CIAA co-ordinates the work of nearly 800 food and drink 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 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 € 913 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 over 4 million people.

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

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, whilst staying competitive.

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:
 1. By reaching out to rapidly expanding markets; and
 2. 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 establish 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 role of the sector as a whole is essential.

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

In this context, a High Level Group (HLG) on the Competitiveness of the Agri-Food Industry, led by Commission Vice-President Verheugen and composed mainly of representatives of several Member States, the EU agri-food industry, professional associations and civil society, was officially launched on 12 June 2008. The mandate of the HLG is to:

- Identify the factors that influence the competitive position and sustainability of the agri-food industry in Europe, including future challenges and trends likely to impact on its competitiveness; and
- Formulate sector-specific recommendations addressed to policy makers at the European level.

On 17 March 2009, the HLG adopted a Report and list of 30 Policy Recommendations, both of which were welcomed by the food and drink industry.

Under the Swedish Presidency, industry calls on the HLG to adopt a Roadmap listing a set of actionable recommendations to be swiftly implemented. The food and drink industry believes that accompanying actions within the Roadmap would provide the necessary weight and assurance that the HLG Policy Recommendations are met by each of the respective players.



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 revision of the Regulation, CIAA, together with the Platform for Ingredients in Europe (PIE), commissioned a UK economist, Graham Brookes, to undertake an extensive study with leading European food and drink ingredients companies to investigate why the industry is reluctant to come forward with new products. The report concluded that food innovation in Europe is not possible without a fundamental reform of existing EU 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.

The European Commission adopted its revised proposal for a Regulation on Novel Foods in

January 2008, covering all new foods without a significant history of consumption within the European Union before 1997. The proposal meets several of the demands raised by the food and drink industry, most notably, via the introduction of a centralised authorisation procedure and includes data protection provisions for newly developed, innovative foods. Moreover, the initial applicant would be authorised to market the novel food product for five years before it becomes a generic foodstuff 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, thereby simplifying the existing authorisation procedure.

Meanwhile, the European Parliament, in its First Reading, has introduced important amendments, one of which is on data protection and applicant-linked approvals to the proposed legislation. We hope that this is retained in the Political Agreement sought under the Czech Presidency.

CIAA welcomes the Commission's revised proposal on Novel Foods (Regulation 97/258/EC), however maintains that key areas - supported by the Parliament's First Reading - still need to be addressed more carefully. In doing so, this will ensure that the competitiveness of the food and drink industry is maintained and that SMEs in particular, can benefit from simpler procedures going forward, thereby encouraging them to invest in innovation: The key areas are to:

- Ensure an operable relationship between the Novel Foods and Health Claims Regulations; and
- Introduce a simplified notification procedure for foods and ingredients with a history of safe use, or which have already been approved for other food uses in the EU. Such a procedure would be beneficial for operators with limited research capacities, such as SMEs.

Moreover, CIAA is also concerned that:

- Allowing Member States to reclassify an approved novel food as a medicinal product at national level could undermine the intended harmonisation of rules; and
- Vitamins and minerals obtained by using new production methods or sources, as currently suggested, do not belong within the scope of the novel food legislation, since specialised legislation on such matters is already in place.

CIAA hopes that the Swedish Presidency will pursue these points.



European Technology Platform (ETP)

Following the principles of the Lisbon Strategy, the European Technology Platform (ETP) “Food for Life” was created in 2005 under the auspices of the Confederation of the Food and Drink Industry of the EU (CIAA). The main goals of the ETP are to strengthen the European innovation process, improve knowledge transfer and stimulate European competitiveness across the food chain.

The vision of the ETP is to create the effective integration of strategically focused, trans-national, concerted research in the nutritional, food and consumer sciences and food chain management. The aim is to deliver innovative, novel and improved food products for and to national, regional and global markets in line with consumer needs and expectations.

The ETP “Food for Life” Strategic Research Agenda (SRA) was set up in September 2007 and identifies seven trans-disciplinary challenges deemed necessary to stimulate innovation, which include:

- Ensuring that the healthy choice is the easy choice for consumers;
- Delivering a healthy diet, developing value-added food products with superior quality, convenience, availability and affordability; and
- Providing safe foods which consumers can trust.

An Implementation Action Plan (IAP) was published in October 2008 to explain how the research priorities identified in the Strategic Research Agenda of the ETP “Food for Life” can be implemented most effectively. The IAP focuses on three key research thrusts:

- Improving health, well-being and longevity;
- Building consumer trust in the food chain; and

- Supporting sustainable and ethical production.

The outputs of the ETP have already had a major impact on:

- Bringing together a wide cross-section of European researchers and other stakeholders to recognise the most important challenges that the sector faces in the next decade or so;
- Establishing an active network of 35¹ National Technology Platforms “Food for Life”;
- Establishing a Member State Mirror Group, composed of representatives from Ministries and national funding bodies; and
- Influencing research priorities within recent calls for proposals under the Food, Agriculture and Fisheries, and Biotechnology theme of the Cooperation pillar of the 7th Framework Programme (FP7) of the EU.

CIAA hopes that SRA priorities will be reflected in future calls for proposals in a balanced, coherent way in line with others topics from the FP7 Theme 2: “Agriculture, Food and Biotechnology.”

(1) Albania, Austria, Belgium (Flanders' Food platform), Belgium (Wagralim platform), Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Israel, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland (Swiss Food Research), the Netherlands, Turkey, Ukraine and the United Kingdom.

CIAA believes in the importance of developing a coherent research strategy for the agri-food sector, based on a common vision of diverse stakeholders, including the food and drink industry. This strategy should take into account:

- Societal challenges;
- Economic impact; and
- Calls for major, sustained investment in multi-disciplinary, trans-national knowledge.

In addition to national and industry financing, increased funding dedicated to food research through future calls for proposals under the 7th Research Framework Programme (FP7) of the EU is therefore necessary.



Food Information to Consumers

CIAA supports harmonisation at the EU level in relation to food information and believes that this is the only way to guarantee the single market and free movement of goods while enabling consumers to make informed choices and safeguarding the competitiveness of producers.

In January 2008, the European Commission adopted a proposal revising existing EU labelling rules (Directive 2000/13/EC). The proposal also includes nutrition labelling (Directive 90/496/EC). CIAA welcomed the European Commission's proposal, which follows the spirit of Better Regulation and focuses on simplifying existing legislative measures and cutting administrative red tape for industry.

The food and drink industry is committed to providing consumers with clear, consistent, non-judgemental information from which they can make informed choices about their food so as to evaluate its place within their daily diet.

In 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, scientifically-derived Guideline Daily Amounts (GDAs). The labelling reference intake values for the GDA scheme were confirmed by the EFSA Opinion of 16 March 2009.

GDAs have made rapid progress across Europe, demonstrated by the increasing number of companies - large and small - and major retailers who are implementing the scheme. By the end of 2009, at least eleven of the biggest food and drink companies in Europe will be using this nutrition labelling system on 100% of their products.

CIAA strongly encourages public authorities to build on the efforts and achievements made by industry thus far and believes the following considerations should be taken into account:

- The development of national schemes would substantially weaken the single market and confuse consumers. As a result, CIAA is in favour of a Regulation, which foresees full harmonisation at the EU level, while providing flexibility for manufacturers to include additional, voluntary information as appropriate.
- Legibility is a complex issue dependant on a number of inter-related factors that extend beyond font size. CIAA considers Guidelines for the Legibility of Labelling as a much more flexible, workable solution than legislation. These industry Guidelines provide guidance and best practice for manufacturers on the key factors affecting legibility, namely, layout, font, colour and contrast.
- Consumers want simple, 'at-a-glance' information. The CIAA voluntary scheme therefore stipulates that energy (i.e. calories) should be on the front-of-pack (FOP) with more detailed information on nutrients (such as sugars, fat, saturated fat and sodium), on the back-of-pack. The scheme allows flexibility for the provision of more information FOP if the label and product size allow it.
- The existing guiding principle for origin labelling provisions should be maintained so as not to mislead consumers. CIAA calls for a pragmatic approach, which requires no further legal requirements. 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 Swedish Presidency during the coming months.



Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP)

Industry is committed to providing consumers with credible environmental information on a voluntary basis. To this end, the Food Sustainable Consumption and Production (SCP) Round Table aims to establish reliable, EU-wide environmental assessment methodologies for food and drink products.

In July 2008, the European Commission published an Action Plan on Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) with a view to improving the environmental performance of products and to foster their uptake by consumers. The Action Plan was accompanied by a set of legislative proposals (Ecodesign, Ecolabel and EMAS) and a Communication on Green Public Procurement.

CIAA fully supports the objectives of the Action Plan and considers the achievement of sustainable consumption and production patterns as a key global challenge of the 21st century. This task can only be successfully addressed through a consistent, balanced combination of voluntary corporate initiatives and measured regulatory instruments ensuring legal certainty and a level playing field.

In particular, both corporate and public measures in the field of SCP can only be effective if they are based on scientifically reliable, EU-wide

environmental assessment methodologies. Simplistic or incoherent approaches to product assessment bear several important risks:

- Undermined environmental effectiveness;
- Consumer confusion;
- Lack of trust in the concept of sustainability and accusations of "greenwashing";
- Obstacles to the functioning of the Internal Market; and
- Increased costs along the supply chain.

The need for reliable and uniform assessment methodologies is echoed in the European Commission's Action Plan which states: *"To implement this policy, consistent and reliable data and methods are required to assess the overall environmental performance of products"* and *"when possible, the use of European harmonised standards, ideally based on International standards, should be explored."*

The European Food SCP Round Table:

With a view to address the above challenges and to embed the European food chain as a major contributor to sustainable consumption and production in the EU, CIAA and other leading food chain representatives, together with the European Commission, officially launched the "European Food SCP Round Table" on 6 May 2009. The Round Table will work towards the following ambitious objectives:

1. Identification of scientifically-reliable and uniform environmental assessment methodologies for food and drink products, considering the entire product life-cycle (to be achieved by 2011);
2. Identification of suitable communication tools to consumers and other stakeholders, examining all channels and means of communication; and
3. Promoting and reporting on continuous environmental improvement along the entire food supply chain and engaging in an open dialogue with its stakeholders.

The Round Table will be co-chaired by the European Commission and representatives of the European food chain. Participation is open to all relevant food chain stakeholders on the basis of pertinent expertise and commitment.

CIAA invites the Swedish Presidency to play an active role in stimulating the involvement of all Member States in the Round Table's activities with a view to promoting the development of uniform and scientifically sound assessment methodologies for food and drink products across the EU.





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