

CIAA

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



CIAA Priorities for the **Belgian Presidency** of the EU

July 2010 - Dec 2010



Role & mission of CIAA

The EU food and drink industry is an important pillar of the European economy, as one of the most successful and dynamic business sectors. As the largest manufacturing sector in Europe, industry boasts an annual **turnover of €965 billion**, half of which is generated by small and medium-sized companies. The sector is highly fragmented comprising some **310,000 companies, 99.1%** of which are small and medium-sized companies (**SMEs**). The EU agri-food industry also purchases and processes some **70% of EU agricultural production** and employs **4.4 million people**.

CIAA is the body representing Europe's diverse food and drink sector, protecting and promoting the interests of the largest multinational to the smallest producer, as well as sectors, all of which form the building blocks of the industry.

CIAA's mission is to facilitate the development of an environment in which all European food and drink companies, whatever their size, can meet the needs of consumers and society, while competing effectively for sustainable growth.

CIAA contributes to the development of an appropriate framework in which issues such as competitiveness, affordability of high-quality food, consumer trust, food safety, informed consumer choice, responsible business practices and the environment are dealt with in a holistic manner, underpinned by sound science, robust data management and effective communication.

In delivering this mission, the CIAA will, in close cooperation with its members, operate as an active, committed and responsible stakeholder, and, as the representative of the whole food and drink industry in the EU, increase the visibility of the European industry, enhance and promote its cultural and social values, its richness and variety, tradition and culture. 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.

Membership of CIAA¹ is made up of:

- 26 national federations, including 3 observers;
- 26 EU sector associations; and
- 20 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:

1.  **Competitiveness**
2.  **Food and Consumer Policy**
3.  **Environmental Sustainability**

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.

SOME FACTS AND FIGURES ABOUT THE EU FOOD AND DRINK INDUSTRY

- Largest manufacturing sector in Europe, with an annual **turnover of € 965 billion**;
- Purchases and processes **70% of EU agricultural production**;
- **Exports some € 58 billion** in food and drink products to third countries;
- Contributes to a **positive trade balance of around € 1.1 billion**;
- Offers **over 500 million consumers** a wide range of safe, wholesome, nutritious and affordable food and drink products; and
- **Employs 4.4 million people.**

¹ As of January 2010



The Competitiveness of the European Agri-food industry

The overall objective of Europe's food and drink manufacturers is to provide consumers with a wide range of safe, nutritious, sustainable and affordable food and drink products, while remaining a competitive industry.

Requirements to sustain the competitiveness of Europe's food and drink manufacturers include:

- **The ability to produce and market products without undue constraints.** This is essential to achieve the industry's overall objective and is possible in two ways: (i) by reaching out to rapidly expanding markets and (ii) by developing products with a higher value through R&D innovation;
- **A sufficiently flexible and business-friendly framework** in which to operate, calling not only for better regulation, but also a better process through which to create that 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; and
- **An integrated food policy** that focuses on the needs and role of the sector as a whole.



In the European Union, the food industry is a significant economic sector whose competitive position has been challenged of late. The sector has flourished over the years, but is constantly facing new threats and demands.

In this context, the EU High Level Group (HLG) on the Competitiveness of the Agri-food industry was officially established and launched in June 2008. Since then, it has:

- Identified the factors that influence the competitive position and sustainability of the food and drink industry, including future challenges and trends likely to impact on its competitiveness; and
- Formulated a set of 30 sector-specific Recommendations addressed to policy-makers at the Community level, all of which aim at boosting the performance of Europe's food and drink industry.

Under the Belgian Presidency of the EU, CIAA calls for the continuous and swift implementation of the HLG Recommendations and a number of key EU policies, most notably:

- Adoption of a more 'holistic' approach to policy at the Community and local level;
- Food supply chain issues;
- Creation of the food chain Forum;
- Reform of the CAP post-2013;
- Completion of the EC study on private labels;

- Adoption of the EC proposal on food information to consumers;
- Agricultural product quality; and
- Late payments and promotion.

Europe's food and drink industry is confident that the competitiveness of the sector will be high on the agenda of the Belgian Presidency of the EU and that there will be a special focus on assessing the status of implementation on the HLG Recommendations.



European Commission Proposal on the Provision of Food Information to Consumers

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

In January 2008, the European Commission adopted a proposal revising existing EU labelling rules, including nutrition labelling. CIAA welcomed the proposal, which follows in the spirit of better regulation and focuses on simplifying existing legislative measures and cutting administrative red tape.

The food and drink industry is committed to providing consumers with science-based, clear and non-judgemental information from which they can make informed food choices enabling them to evaluate a product's place in the daily diet. CIAA believes that consumer education also plays a key role in the area of food labelling.

In 2006, CIAA made a commitment to implement a voluntary nutrition labelling scheme for the entire European food and drink industry. The CIAA scheme is based on internationally accepted, scientifically-

derived 'Guideline Daily Amounts' (GDAs), the values for which were confirmed by the EFSA Opinion of 13 March 2009¹.

GDAs have since gained critical mass across Europe, demonstrated by the many manufacturers, major retailers, and, increasingly, SMEs who have implemented the scheme. GDAs are now the most widely used voluntary nutrition labelling scheme 'on pack' for European consumers. Reaching an average of 25% rollout on all products across the EU today, this extends to 70% application in some European markets (the UK for example) and on 100% of the products of at least a dozen large companies. The success of the scheme stems from the ease with which it can be applied across Europe's highly diverse food and drink industry and its effectiveness at increasing consumer awareness of nutrition information.

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

- **The development of national schemes would substantially weaken the Single Market** and could lead to consumer confusion. Thus, CIAA is in favour of a Regulation which foresees full harmonisation at EU level, while providing flexibility for manufacturers to include additional, voluntary information as appropriate.
- **CIAA fully supports the provision of mandatory nutrition information on 'Big 8 nutrients' per 100g/ml on the back-of-pack** in accordance with current labelling rules. This allows for full comparability between products. However, consumers also want simple, 'at-a-glance' information. **CIAA, thus, supports the GDA icon for energy on the front-of-pack (i.e. values for energy are expressed in the absolute amount per portion and its percentage of the GDAs)**, in line with the CIAA 'GDA Style Guide'³. CIAA also supports the provision of

additional GDAs on a voluntary basis for key nutrients on the either the front or back-of-pack.

- **The current guiding principle for the proposed origin labelling provisions should be maintained so as not to mislead consumers to the true origin of the product.** CIAA calls for a pragmatic approach, without adding further legal requirements. The same rules apply for the provision of information regarding origin on a voluntary basis.
- **Legibility is a complex issue dependant on a number of inter-related factors that extend beyond font size.** CIAA considers the 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, etc.

CIAA looks forward to discussing its position on the food information proposal with the members of the Belgian Presidency over the coming months.

¹ http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_1211902511922.htm

² FLABEL (Food Labelling to Advance Better Education for Life) 1st Work Package research, April 2009, <http://www.focusbiz.co.uk/webinars/flabel/wp1>

³ http://gda.ciaa.eu/asp2/gdas_style_guide.asp



R&D and Innovation

European Technology Platform (ETP) Food for Life

The European Technology Platform (ETP) *Food for Life* was created under the auspices of CIAA in 2005, as a tool to facilitate increased focus on strategic areas in which the future achievement of European growth, competitiveness and sustainability depend upon major technological advances. The Platform brings together various stakeholders, led by industry, to define medium to long-term research and technological objectives and lay down benchmarks for their achievement.

The vision of the ETP *Food for Life* is to create the effective integration of strategically focused, transnational research in the nutritional, food and consumer sciences and food chain management.

The aim is to deliver innovative, novel and improved food products for national, regional and global markets in line with consumer needs and expectations, most notably, in the context of the Recommendations of the High Level Group (HLG) on Competitiveness of the Agri-food industry. To do so, CIAA seeks to:

- Generate recognition of the ETP *Food for Life* and its vision 2020 document as the way forward to deliver innovative food products;
- Stimulate technology transfer in the food and drink industry in general and SMEs in particular, effectively translating research efforts into increased competitiveness, particularly in the area of new technologies; and
- Insist on the provision of research facilities and capacity building both at the EU and national level.

CIAA looks forward to the conference being hosted by the Belgian Presidency in September, 'The Knowledge Based Bio-Economy towards 2020 – Turning Challenges into Opportunities'. This event will provide an opportunity to express our expectations and discuss the possible establishment of public-private partnerships or joint programming initiatives in order to:

- Develop concepts for sustainable food production;
- Design 'food you can trust';
- Explore the linkage between food and health; and
- Promote the use of modern technologies in order to develop innovative food products.



Novel Foods

The Novel Food 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.

CIAA welcomed the Commission's revised proposal on Novel Foods. CIAA maintains that some key areas still need to be addressed more carefully. The CIAA would favour the following:

- An operable relationship between the Novel Foods and Health Claims Regulations;
- The introduction of 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; and
- There should be a clear procedure for dealing with pending applications submitted under the old Regulation when the new Regulation comes into force, thereby avoiding unnecessary delays in the approval procedures.

CIAA is confident that the Belgian Presidency will reach a conclusion and finalise the proposal.



Nanotechnology

Nanotechnology refers to technologies in which matter is manipulated on the atomic and molecular scale to create novel materials and processes. It has great potential for translating research within the food and drink industry into successful innovations, thus boosting the industry's competitiveness.

CIAA supports the use of nanotechnology, which has potential widespread industrial applications, including in food and drink products, processing and packaging. Its application within the food industry is still currently in the early stages.

As an innovative and progressive industry, the food and drink sector is interested in science-based R&D, including the application of nanotechnologies. CIAA is actively involved in national, EU and international discussions concerning nanotechnology and is closely following its implications for the industry. To contribute to the European debate, CIAA holds an annual 'Nanotechnology Dialogue', which gathers together policy-makers, industry representatives, scientists and consumer organisations.

A number of potential uses of nanotechnology are of interest to the food and drink industry in the coming years, outlined in the ETP *Food for Life* Strategic Research Agenda:

- Tailor-made food products, with a particular focus on the relationship between physical/chemical properties and structure;
- Improving process and packaging design as well as process control; and
- Improving the understanding of process-structure-property relationships.



There are also a number of key benefits of nanotechnology for the consumer, including:

- longer shelf life of fresh and processed foods;
- better quality at end of shelf life;
- knowledge of potential safety issues (sensors); and
- knowledge of storage history.

CIAA welcomes the invitation to participate directly in the International Symposium, '**Nanotechnology in the Food Chain: opportunities & risks**', organised in the framework of the Belgian EU Presidency in November. This will provide an opportunity to further increase the level of transparency and openness between food chain partners and the European and national institutions.

CIAA welcomes this move from the Belgian Presidency and looks forward to an open dialogue in November.



Environmental Sustainability

The food and drink industry proactively delivers continuous environmental improvement of its products and processes, both independently and with its food chain partners at national, EU and global level. The sector also operates under increasingly stringent EU legislation in areas like climate change, industrial emissions and waste. EU policies must support continuous environmental improvement in the sector by considering the interactions at all stages of the food chain and by promoting scientifically reliable and coherent methodologies for environmental assessment.

1. Voluntary initiatives:

The industry is playing a leading role in a series of environmental sustainability initiatives together with its food chain partners.

Food Sustainable Consumption and Production (SCP) Round Table:

The food industry supports the voluntary provision of reliable and understandable environmental product information to consumers, based on a robust EU-wide assessment methodology. Incoherent approaches across the EU can only confuse consumers, raise unnecessary costs along the supply chain and undermine real environmental improvement.

To this end, in 2009, CIAA, together with its food chain partners and the European Commission launched the European Food SCP Round Table. Its aim is to establish scientifically reliable, EU-wide environmental assessment methods for food and drink products, to identify suitable tools for the communication of voluntary information to consumers and to promote continuous environmental improvement across the food chain.

2. EU legislation on environmental issues :

The industry also operates in an increasingly stringent EU regulatory framework on the environment.

Climate Change (EU ETS): The food manufacturing industry accounts for about 1.5% of EU 27 greenhouse gas (GHG) emissions. About 900 food processing installations are covered by the EU Emissions Trading Scheme (ETS) and deliver continuous cuts in CO₂ emissions.

Industrial Emissions (IPPC): CIAA is concerned about a possible move towards the rigid implementation of Best Available Techniques (BAT) reference documents (BREFs).

Food Waste: The food industry aims to use 100% of purchased agricultural resources wherever possible and, in doing so, to reduce waste to the absolute minimum. However, in other parts of the food chain, particularly in households, food waste can reach up to 20-30%, which is particularly worrying from an environmental perspective as it results in the loss of all resources invested in the product over its entire life cycle.

Key issues to be addressed under the Belgian Presidency for Europe's food and drink manufacturers are:

- CIAA invites the Belgian Presidency to play an active role in gathering all EU Member States behind the Food SCP Round Table's objectives in order to create a science-based and consistent European framework for voluntary action on sustainable food and drink production and consumption.
- In implementing the revised ETS Directive, it is crucial to safeguard the competitiveness of internationally exposed food sub-sectors. The design of CO₂ benchmarks must respect the immense

diversity of food and drink products. CIAA calls upon governments to undertake all efforts to ensure a legally binding, environmentally effective and globally equitable global agreement on Climate Change.

- No two industrial installations in the EU are identical, thus, the flexibility principle in the current IPPC Directive must be safeguarded to ensure both environmental effectiveness and economic efficiency.
- Efforts should be taken to minimise food waste along the food chain, with a particular focus on households where most of it is generated.



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