

PFP FORUM 2012

“TOWARDS NEW REQUIREMENTS ON COUNTRY-OF-ORIGIN LABELLING: WHAT CONSEQUENCES FOR THE EU FOOD CHAIN?”

On 15 November 2012 at 15:00-17:00 and followed by a cocktail
Stanhope Hotel Brussels

Programme

The afternoon will be moderated by Bruce Ross (Ross Gordon Consultants)

15:00-15:15 **Introduction**

15:15-15:30 **The view of the European Commission**

“From the current voluntary rules to the extension of mandatory origin labelling to primary ingredients, single-ingredient products, and ingredients representing more than 50% of a food?”

by **Alexandra Nikolakopoulou, Deputy Head of Unit at European Commission, DG SANCO**

15:30-15:45 **The view of a food lawyer**

“The legal context and rationale”

by **Alberto Alemanno, Associate Professor of Law - HEC Paris**

15:45-16:00 **The view of the consumers**

“The perspective of consumers: what do they really expect?”

by **Camille Perrin, Food Policy Officer - BEUC**

16:00-16:15 **The view of the primary food industry**

“What consequences for the EU Primary Food Processors?”

by **Johann Marihart, PFP President**

16:15-17:00 **Debate & conclusion**

Followed by a cocktail (17:00 – 19:00)



The EU Primary Food Processors Cannot Support New/Additional Requirements on Origin Labelling

Primary Food Processors represent single-ingredient foods, ingredients representing more than 50% of a food as well as 'primary ingredients'.

PFP is against any requirements regarding a mandatory indication of the country of origin or place of provenance labelling under Regulation (EU) No 1169/2011 on the Provision of Food Information to Consumers, as these new provisions will severely affect current production and marketing practices for our sectors as well as international trade.

- Mandatory origin labelling would take away the flexibility for PFP members to deviate and/or differentiate sourcing;
- Processing agricultural commodities is a continuous production process. Mandatory origin labelling will significantly impact the current functioning of the supply chain with respect to storage, processing, blending, and labelling;
- The interruption of the continuous production is hardly feasible, and if at all possible, will have a high economic cost;
- The need of constantly adapting the labels would jeopardize the security of supplies;
- Mandatory origin labelling for our products would be of little informative value, as "country of origin" may cover different concepts in consumers' mind when it comes to PFP products.

Hence, PFP will contribute to the impact assessment (as outlined in art 26(5) and 26(8)) and will advocate for the current EU voluntary origin labelling rules to be maintained.



The Vital Link in the Food Chain

I. PFP is much concerned with the implementation of Art 26 of Regulation (EU) 1169/2011

The Primary Food Processors of the EU (PFP) represent the interests of the EU starch, sugar, flour, cocoa products, vegetable oils and vegetable protein industries. Our sectors deliver single-ingredient products to consumers and supply food ingredients to second-processing industries. Our food business operators follow measures to ensure the traceability and safety of their food products, pursuant to the procedure laid out in the General Food Law legislation. This principle should not be confused with the requirements on origin labelling.

Following the publication of EU Regulation 1169/2011 on the provision of food information to consumers and in particular Article 26, **PFP is very much concerned with:**

- **the contemplated extension of mandatory origin labelling** to a number of food categories, in particular:
 - **single-ingredient foods** (e.g., flour, oil, sugar, cocoa, etc.) and
 - **foods containing an ingredient representing more than 50% of the content** (e.g., vegetable oils in margarine, sugars in confectionery, cocoa in chocolate, flour in bakery products, vegetable proteins in meat analogues)
- **the voluntary origin labelling provisions set in the context of the “primary ingredients”** as our ingredients can either represent more than 50% of a food (as stated above) or have a characterising effect (e.g., soy drinks).

Such a move denies the reality of today’s food production systems and the realities of international trade, and would severely affect our sectors. Existing EU labelling rules already guarantee that consumers receive relevant and truthful information as to the origin of the food they purchase. Where abuses are observed, current law provides a sufficient legal framework for tackling these.

For both the mandatory origin labelling provisions (whether our products are impacted by them as single-ingredient products or as ingredients that represent more than 50% of a food) and the voluntary origin labelling provisions (i.e., the “primary ingredients” provisions), our members will be impacted the same way, and for some, more extensively.

Hence, the issues pertaining to the PFP product range should be addressed by both the reports to be submitted to the European Parliament by the Commission envisioned in the context of mandatory origin labelling in article 26(5)(e) and 26(5)(f) and by the impact assessments foreseen in the context of voluntary origin labelling in article 26(8).

Thus, PFP will contribute to the impact assessment/reports as outlined in Article 26(5) and Article 26(8) and will advocate for the current EU voluntary origin labelling rules to be maintained for PFP products.

II. New/additional requirements on Origin Labelling will severely impact our sectors

Our main concerns can be summarised as follows:

- **Mandatory origin labelling would take away the flexibility for PFP members to deviate and/or differentiate sourcing (seasonal availability, weather/climate variation, raw material quality).** For instance, blending is essential to the milling process: the miller buys, blends and mills different types of traced wheat from different origins (mainly from intra- but also from extra-EU) to produce a mix capable of yielding the required quality of flour. Other examples are cocoa butter or vegetable oils and fats, which are blended at varying ratios to achieve a specific functional property and quality, and for which it will be difficult to accommodate the contemplated extension of mandatory origin labelling. Moreover, sugar refineries refine raw sugar from multiple origins as the origins of the raw sugar vary according to availability.
- **Primary food processing is in most cases a high volume, capital intensive industry.** Given the continuous production processes a mandatory indication of the origin would require changes as to bulk handling, storage and the partition of the production according to the origin of the raw material. This would require tremendous adaptations which would not be economically viable.
 - Indeed, heavy investments would be needed to build additional silos and ensure new solutions as regards storage of raw materials, production lines, packaging and logistics. Hence, one more reason to explain the difficulty in adapting production.
 - The requirement of having to constantly tailor packaging labels to the origin would interfere with the production line in such a way that the production process would lose its continuous nature, thereby reducing productivity to a great extent.
- **The need of constantly adapting the labels would also, amongst others, jeopardize security of supplies:** it would be practically impossible for the industry to maintain the current practice of having multiple suppliers. Currently, such practice significantly contributes to reducing risks due to shortage even not related to seasonal availability.
- **Mandatory origin labelling for our products would be of little informative value** since in a majority of cases, it will not provide any particular characteristics to the product. Some of our products are standardised. Sugar is a standardized product in the EU (Directive 2001/111/EC relating to certain sugars intended for human consumption). The Codex Alimentarius standardises wheat flour in CX-STAN152-1985, vegetable proteins in CX-STAN174-1989 and vegetable oils in CX-STAN210-1999. Thus, it does not matter in which country the product was produced or in which country the material was harvested.
- **Lastly, “country of origin” may cover different concepts in consumers’ mind when it comes to PFP products.** It is unclear whether consumers would expect the country of origin to be the country where a single-ingredient food was produced or the harvesting place of the agricultural raw materials from which this product is derived (e.g., sugar beet or cane, wheat, soya, cocoa etc.).

The Vital Link in the Food Chain

The **Primary Food Processors of the EU (PFP)** is composed by:

European Starch Industry Association ([AAE](#))

European Committee of Sugar Manufacturers ([CEFS](#))

European Cocoa Association ([ECA](#))

European Flour Milling Association ([European Flour Millers](#))

European Vegetable Protein Federation ([EUVEPRO](#))

European Oil and Proteinmeal Industry ([FEDIOL](#))

PFP members process approximately 220 Mio tons of raw materials (cereals, sugar beet, rapeseeds, soybeans, sunflower seeds, crude vegetable oil, cocoa products, starch potatoes...) employing over 120 000 people in the European Union.

