



Primary
Food
Processors



The Vital Link in the Food Chain

Towards new requirements on Country of Origin Labelling: Consequences for the food chain

The view of the EU Primary Food Processors

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From farmer's gates to shelves

PFP is the vital link in the EU food chain

**Producing high-quality and safe
primary food to European
Consumers**

**Liaising with the chain partners
sharing best practices developing
a sustainable and competitive EU
industry**



The EU Primary Food Processors (PFP)

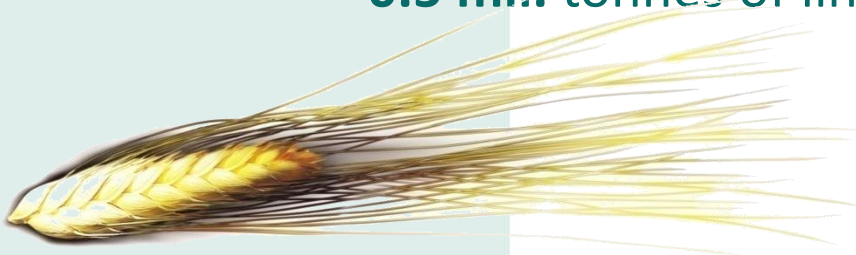
- 3 130 companies in 26 EU Member States
- 123 500 persons employed
- Over 60 billion euro turnover
- Supplying sugar, flour, vegetable oil, starch products, vegetable protein, cocoa-based products & other food ingredients like lecithin, protein meals, feed materials to variety of industries



Everything starts with the raw materials...

Over **220 m tonnes** of **agricultural raw materials** processed per year, mainly from EU domestic production, of which:

- 100 mil.** tonnes of sugar beets
- 52 mil.** tonnes of wheat and rye
- 22 mil.** tonnes of rapeseeds
- 14 mil.** tonnes of soybeans
- 7.5 mil.** tonnes of starch potatoes
- 7.1 mil.** tonnes of maize
- 6 mil.** tonnes of sunflower seed
- 1 mil.** tonnes of cocoa beans
- 0.5 mil.** tonnes of linseed

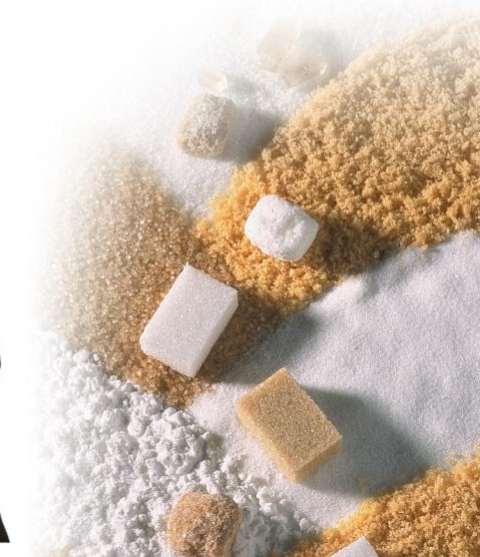
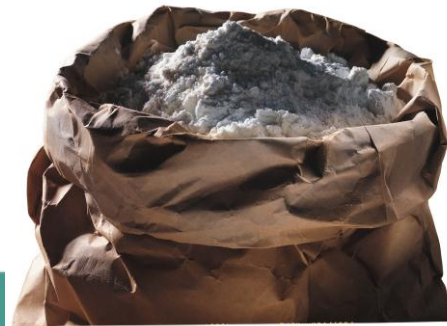


Why is PFP impacted ?



EU Primary Food Processors manufacture:

- **Primary ingredients** (Art. 26.3)
- **Single-ingredient foods** (Art. 26.5 e)
- **Ingredients representing more than 50% of a food** (Art. 26.5.f)



Why is PFP impacted ?

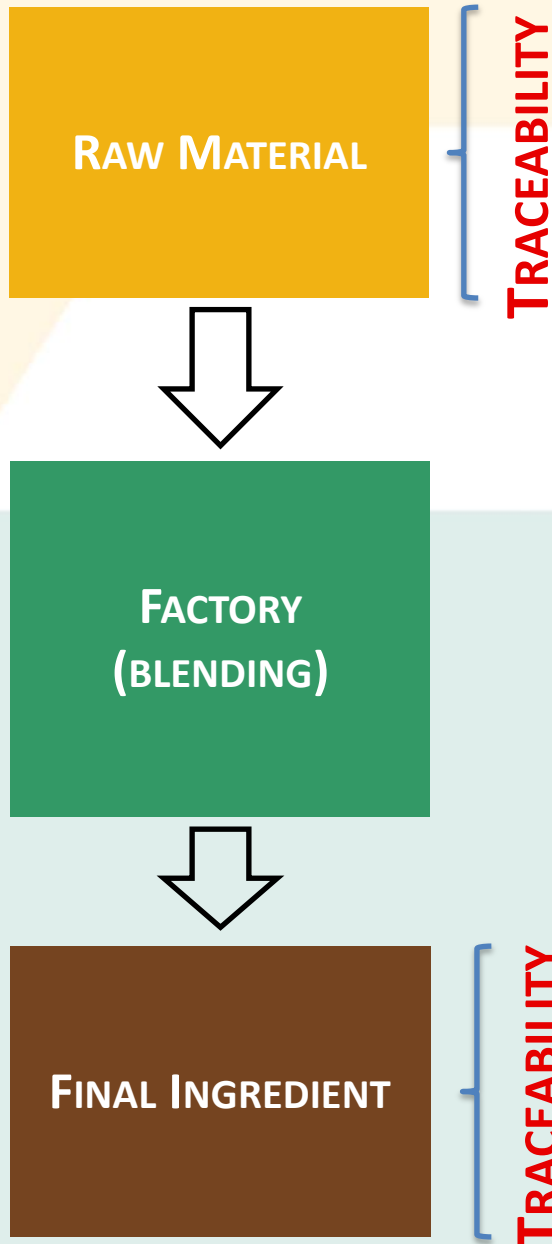


1- Voluntary origin labelling by food companies or retailers implies mandatory origin labelling for primary ingredients

2- *Mandatory origin labelling* for primary ingredients, single ingredient products and ingredients representing more than 50% of a food is not economically viable for EU Primary Food Processors



Origin Labelling and Traceability

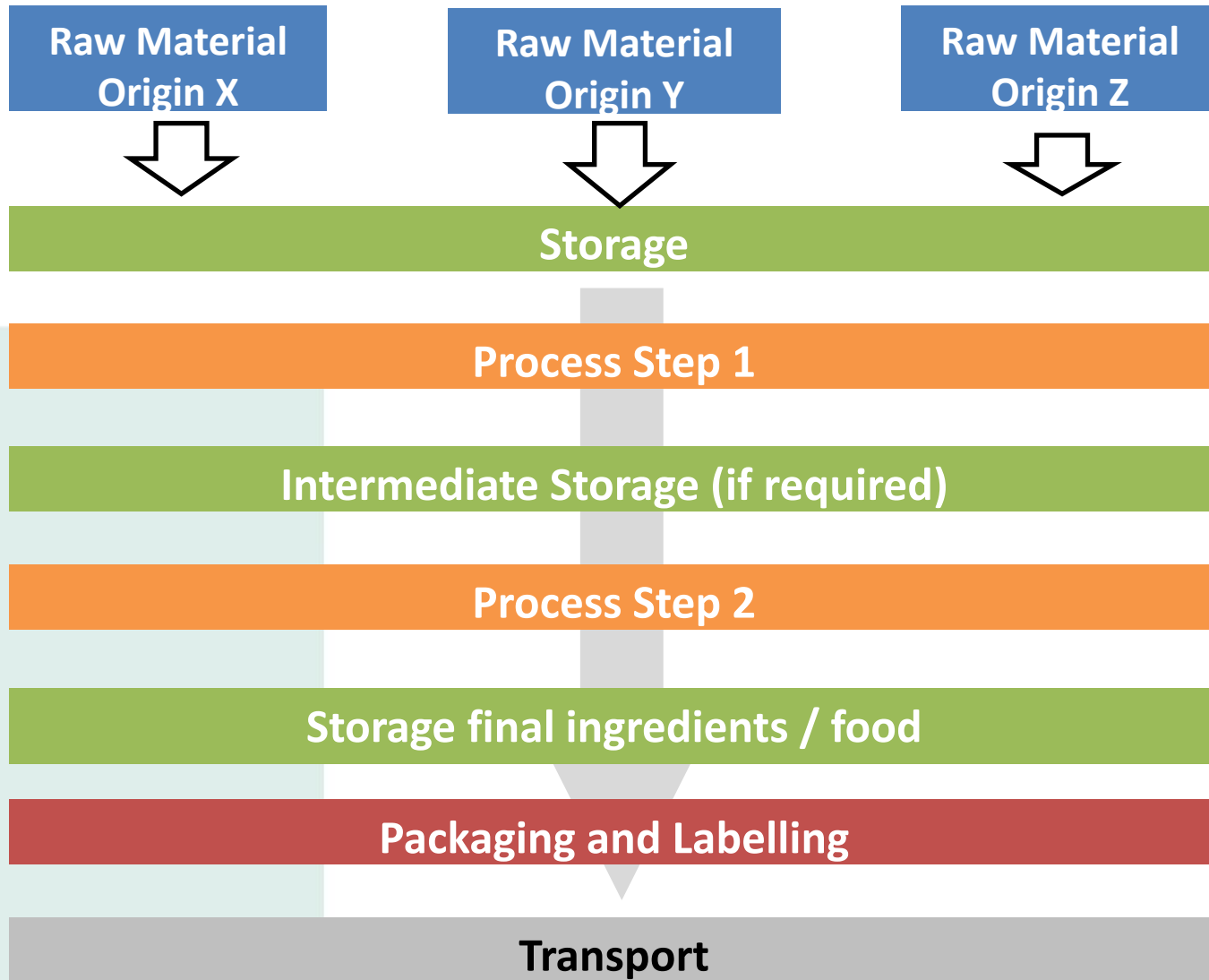


→ EU Primary Food Processors ensure traceability for incoming raw material and outgoing foods (GFL principle)

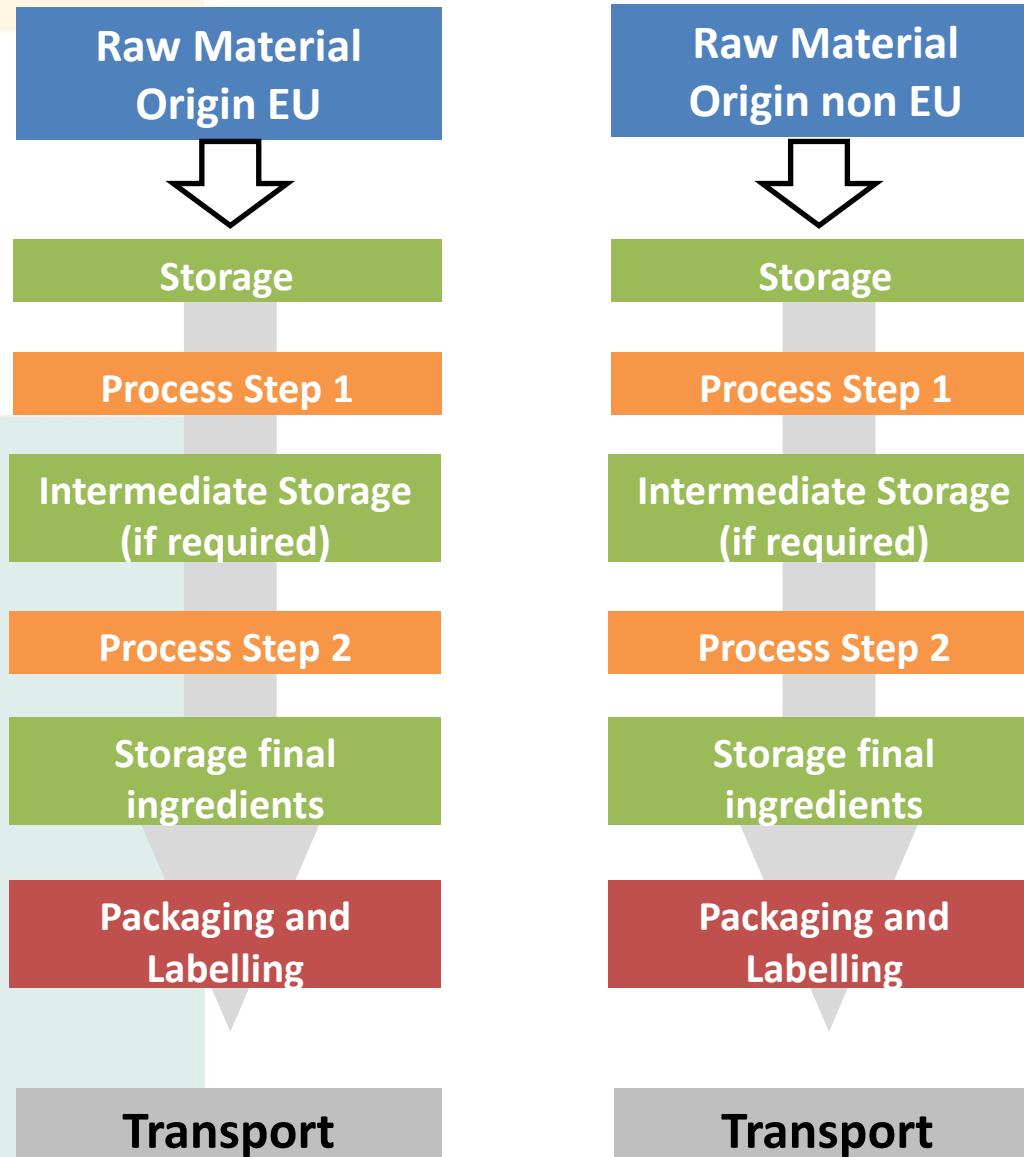
→ For bulk commodity businesses, blending is a key step in the process

→ Traceability of incoming raw material does not require segregation of raw material per origin throughout the process

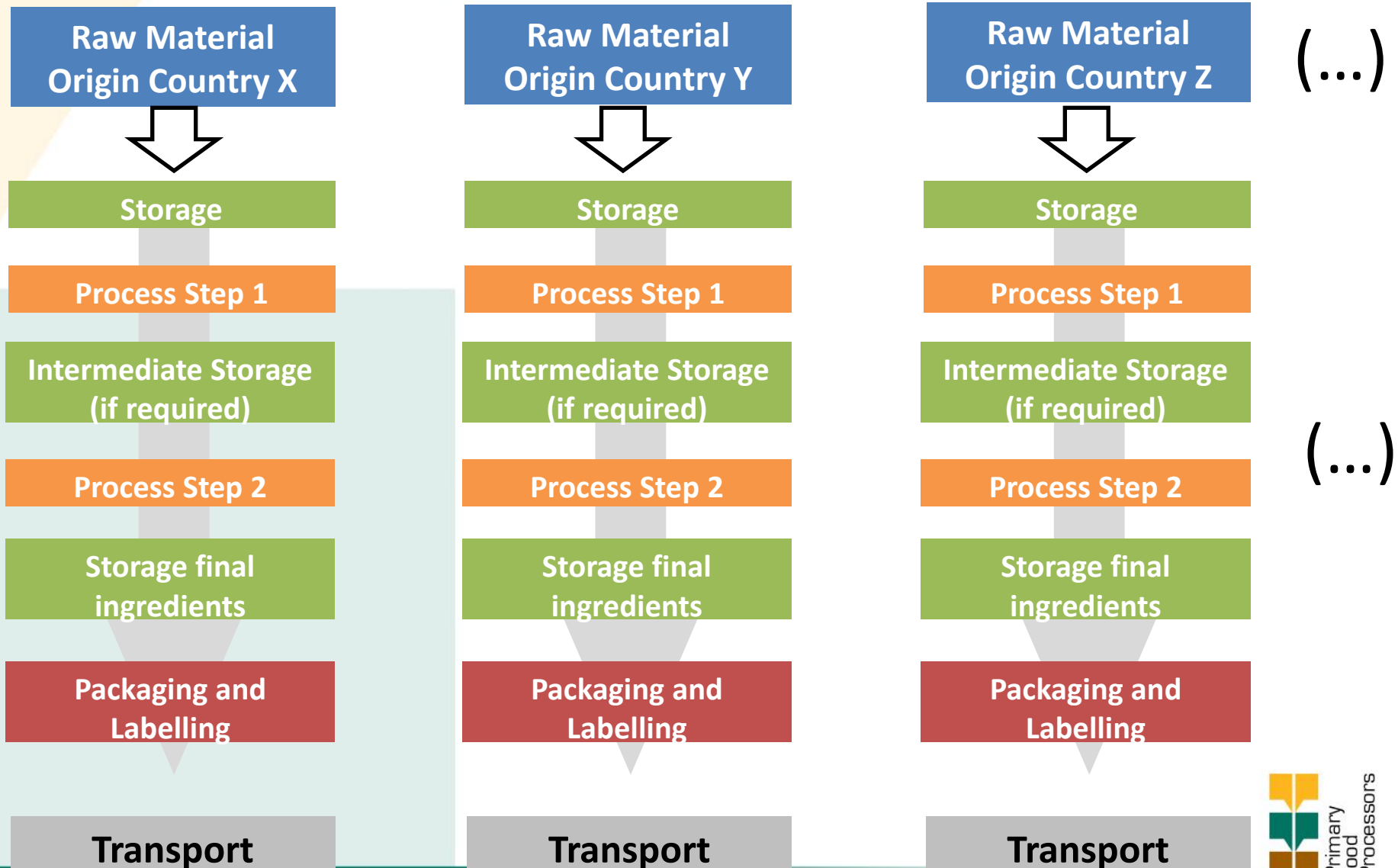
From raw material to food - TODAY



From raw material to food - TOMORROW (EU origin)



From raw material to food - TOMORROW (by country)



Impact on sourcing

Will take away the flexibility to deviate and/or differentiate sourcing:

- Seasonal variability
- Weather/climate variation
- Raw material quality
- Raw material price



Impact on storage

Will impact the functioning of the current supply chain for storage:

- Additional silos, tanks,...
- Separate transport logistics
- Additional handling and administration



Impact on processing

Processing bulk agricultural commodities is a **continuous** production process

- Hence, it will impact the functioning of current processing by either:
 - Requiring additional process lines per origin
 - Requiring dedicated single origin production line / plant
 - Interruption of process (batch)
- Loss of productivity and competitiveness



Impact on environment

Will increase the environmental footprint of PFP foodstuffs:

- Additional transport
- Additional waste
- Additional packaging and label
- Increased energy use (process)
- Additional cleaning



Impact on labelling

Will impact the functioning of the current supply chain for labelling:

- require constantly adapting labels
- Increased complexity for second processing



Impact on internal and international markets

Customers may request a “preferred” sourcing leading to:

- segmentation of the market
- change of trade flows
- raw material prices and potential market disruptions
- increased uncertainty in security of supplies

Impact on consumers



Origin indication on PFP foodstuffs could be misleading consumers, by **wrongly suggesting** that they possess special characteristics / quality

Conclusion

**Raw Material
Origin X**



**Raw Material
Origin Y**



**Raw Material
Origin Z**



Storage

Process Step 1

Intermediate Storage (if required)

Process Step 2

Storage final ingredients / food

Packaging

Labelling (EU and/or non EU)

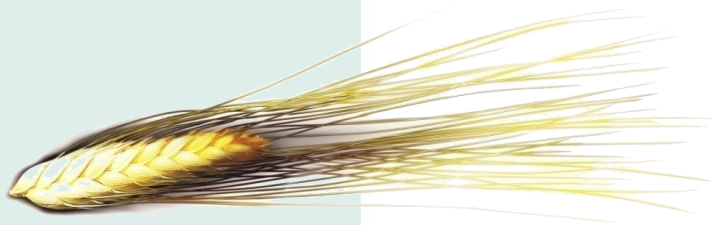
Transport

For the EU Primary Food Processors, should there be origin labelling, the only economically viable option would be:

“EU and/or non-EU”

or an equivalent wording such as:

“Made in X from local and/or imported Ingredients”



Thank You!

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