



Primary
Food
Processors



The Vital Link in the Food Chain

Mandatory Origin Labelling: Not as COOL as you may think!

The view of the EU Primary Food Processors

PFP President

4 November 2014

The EU Primary Food Processors (PFP)

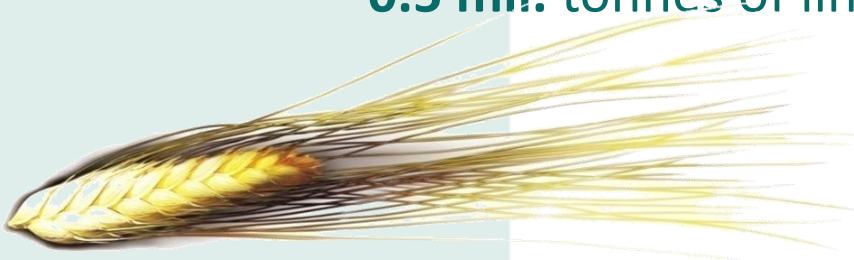
- 3 130 companies in 26 EU Member States
- 123 500 persons employed
- Over 60 billion euro turnover
- Supplying sugar, flour, vegetable oil, starch products, vegetable protein, cocoa-based products & other food ingredients like lecithin, protein meals, feed materials to variety of industries



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:

- Unprocessed products
- Single-ingredient foods
- Ingredients representing more than 50% of a food



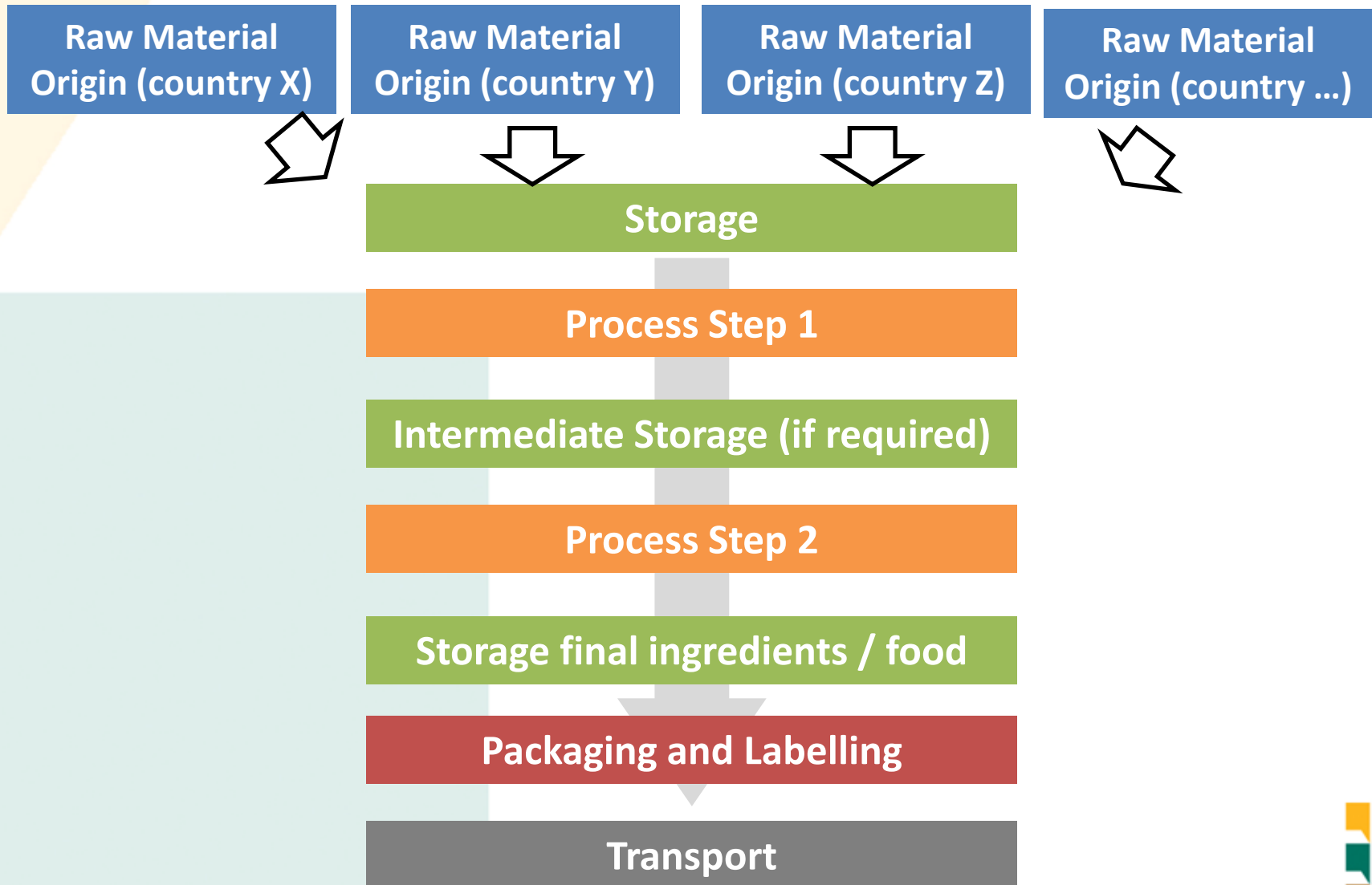
Why is PFP impacted ?



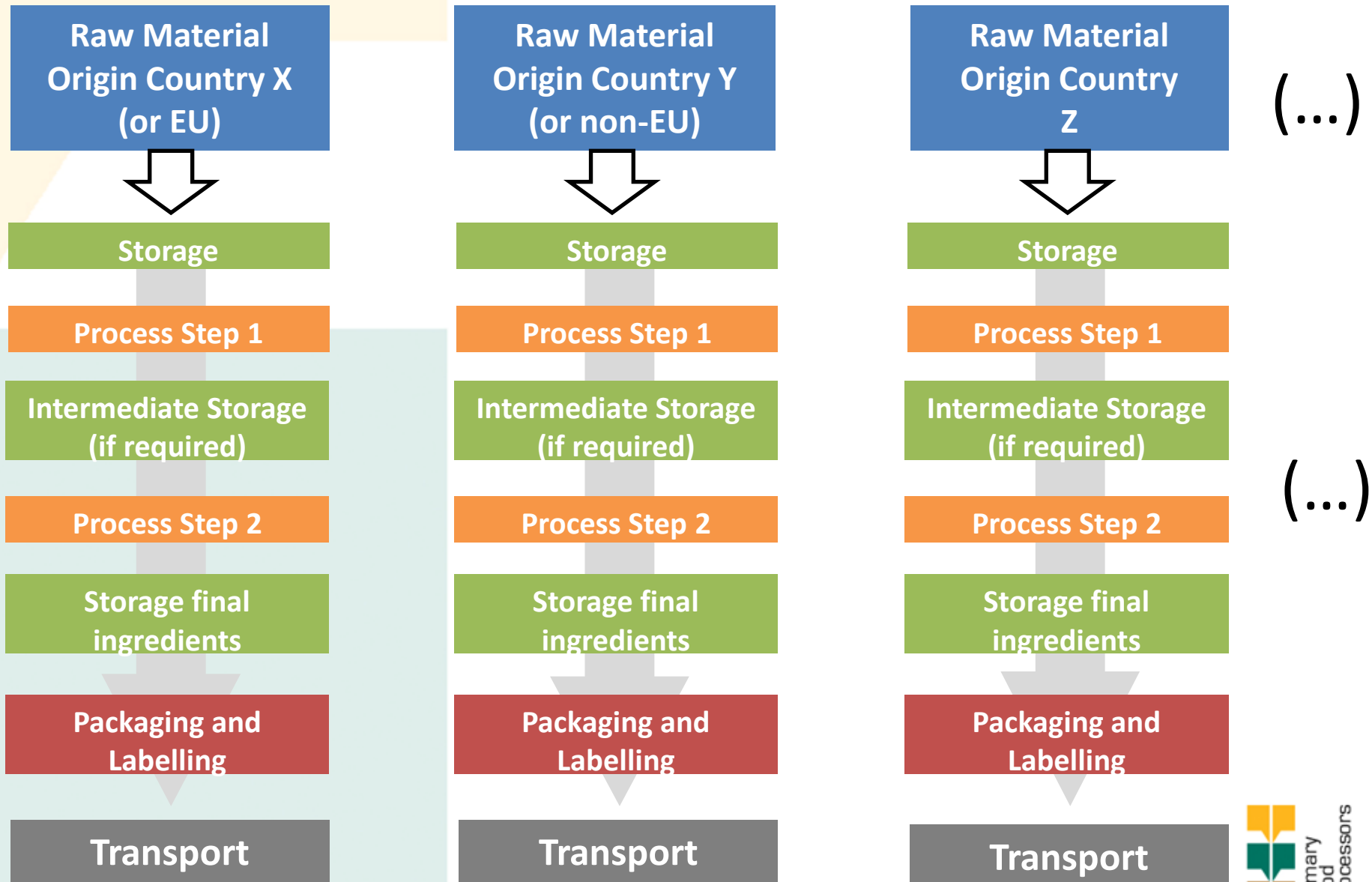
Mandatory origin labelling for unprocessed foods, single ingredient products and ingredients representing more than 50% of a food is **not economically viable for EU Primary Food Processors**



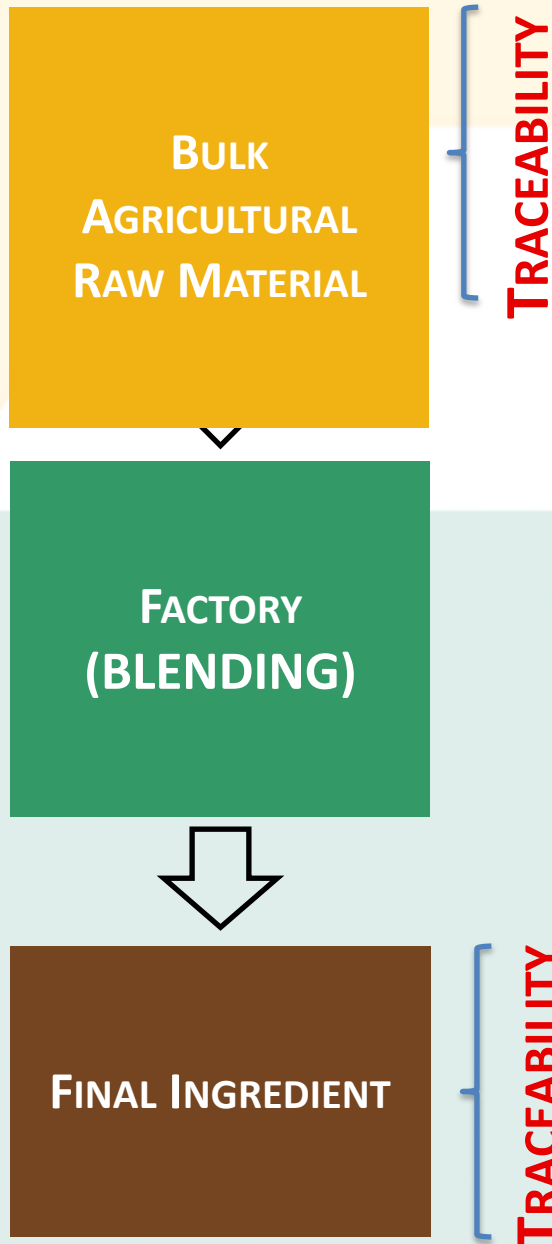
From raw material to food - TODAY



From raw material to food - TOMORROW



Origin labelling goes beyond traceability



→ EU Primary Food Processors ensure traceability for incoming raw material and outgoing foods (General Food Law 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

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 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
- Disruption of market and impact on raw material prices
- increased uncertainty in security of supplies

Impact on environment

Will increase the environmental footprint of PFP foodstuffs:

- Additional transport
- Additional waste
- Increased energy use (process)
- Additional cleaning



Impact on consumers



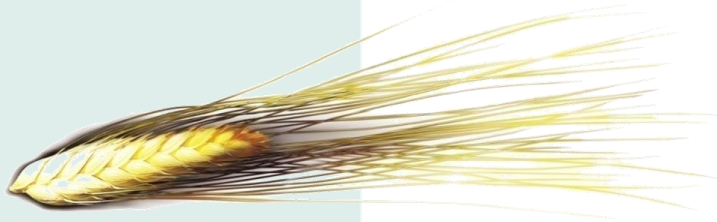
Origin indication on PFP foodstuffs could be misleading consumers, by **wrongly suggesting** that they possess special characteristics / quality

Conclusion

Mandatory COOL regulatory burden for bulk commodities outweighs the benefits to consumers



The EU Primary Food Processors call for keeping the current EU voluntary origin labelling practices



Thank You!

www.pfp-eu.org