

# What's cooking in the EU?

Current and upcoming trends in food policy



# What's cooking in the EU?

Current and upcoming trends in food policy

---

# General introduction

---

# Introduction

akkanto, College Public Policy, Kohl PR and Schuttelaar Partners have come together to prepare this report, which gives an overview of developing food policy in Europe. We believe it to be unique insofar as it is not just a retrospective analysis: rather we have aimed to give a view of developing trends in food policy. And we have done so at the European Union level, but also at national level in those Member States that have had the most influence in policy development in the field.

We have done this to give clients and others a more broadly based view than might otherwise be achieved by focusing on narrow issues of importance. We aim to give context and insight; to shine light on the shifting tectonic plates of food policy and its development; to allow our readers to reach their own conclusions about future developments, based on our narrative. We have felt able to do this as four leading consultancies expert in food issues and food policy, and in public affairs and political engagement. Thus, the report is based not only on publicly available information and desk research, but also on our own understanding and appreciation of the politics and pressures at work in policy development. We have done it now because the recent European Parliament elections herald a period of change in the development of food policy at the EU level. Of course, any report such as this, needs to be a snapshot in time, however forward looking it might be. We could have waited for the new Commission to be appointed, and reflected on the Parliamentary hearings with new Commissioners. There's always a good reason to wait a little longer.

But we felt that the changes in the European Parliament give the best insight into the general direction of political, policy and legislative thinking and orthodoxy in Europe. Clearly, the European Parliamentary election results have their own impact on the Brussels machine, both in the Parliament itself, but also on the Commission, which needs more and more to be sensitive to Parliamentary opinion. And the election results themselves will reflect shifting national opinion. So this is a good time to assess the direction of change. We have a new European Parliament in more ways than one: 40% of MEPs are new. Some come from high profile and senior positions in their Member States' political infrastructure and will have to acclimatise to a new role and new procedures. Some will be aiming to make a mark, and will be looking for causes to champion. Frustration, ambition and jealousy will march alongside commitment, skill and effort to determine the character of the new Parliament. But some things we know. We know that there has been a further move to the right. We know that the British Conservatives (centre right, Eurosceptic) have left the EPP to form a new grouping (the ECR), and will thus lose influence. Some commentators argue that the EPP gave their British members undue influence to keep them quiet, rather like giving

the most petulant child in the nursery the biggest toy to ensure that peace reigned. So their influence may wane on two counts: though they are committed to working harder to make up for this, internal divisions are already apparent. It is difficult to see how a weakened PES will be able to muster a coalition that would allow a serious challenge to the EPP's powerbase in the Parliament. Conventional wisdom is that we may expect to see working coalitions of the EPP, ALDE and perhaps the ECR driving a more pro-business approach in the Parliament, supporting less invasive environmental legislation. But there are some potential wild cards to be played. First, some members of the ECR are well versed at exercising minority power when it comes to forging coalitions. Though there will be tensions between the ECR and most of the other groups, it is by no means certain that they will go the way of other earlier artificially formed minority groups and disappear from the scene. They could, just, find ways to exert power beyond their weight via hard work and clever manoeuvring. Secondly, all parties will need to be sensitive to growing environmental, health and safety concerns across Europe. Though it has disappeared from the advertising hoardings of late, even the UK Conservatives have campaigned under the slogan "vote blue, go green". All of the mainstream groups will wish to burnish their green credentials. "Pro business" no longer means blind to legitimate public concerns. We have seen over recent years the growing power of the consumer lobby in Brussels, and this will not decline in this Parliament.

So we can expect to see shifting coalitions, depending on the issue. It is difficult to envisage an effective coalition that does not have the EPP at its heart. But ALDE in particular can be expected to be a questioning and sometimes confrontational partner, with the balance of power shifting according to positions taken by them and smaller groups. So, yes, expect to see an EPP dominated agenda. Yes, expect to see a more pro-business Parliament, with lighter touch regulation. Yes, expect a more positive approach to self regulation or implementation through codes of practice. But don't expect to see a Parliament supine in the face of the demands of business. Business will need to make its case, but the balance of the parties is such that the policy playing field is full of opportunity, if you know the rules of the game.

We have seen over recent years the growing power of the consumer lobby in Brussels, and this will not decline in this Parliament

Frustration, ambition and jealousy will march alongside commitment, skill and effort to determine the character of the new Parliament

# 1 Food Safety

---

# 1.1 Introduction

Achieving the highest standards of food safety has been confirmed as one of the European Union's key policy priorities in the European Commission's White Paper on Food Safety in 2000. Published in response to the food crises and scandals in the 1990s, the White Paper presented the starting point for a radical reform plan that should provide the basis of European Food Policy as we know it today. Proposing a number of measures, the White Paper has laid the foundation for the three pillars of the EU's food safety and consumer protection framework that are set to become ever more relevant in the context of ongoing national and international developments.

The adoption of the "farm to fork" approach drew together the various aspects of food safety along the food chain and signalled a new regulatory approach to restore public confidence and boost the competitiveness of the European food industry.

The European Food Safety Authority (EFSA) has been an independent source of scientific advice and risk assessment for all aspects associated with the food chain since its establishment in 2002.

The year 2005 saw the enforcement of the General Food Law that has since embodied the principles of food safety in the European Union:

- the responsibility of feed manufacturers, farmers and food operators;
- the traceability of feed, food and its ingredients;
- the risk analysis through assessment, management and communication and
- the application of the precautionary principle if appropriate.

Built on this post-2000 approach, the European Union has been able to meet its

citizens' expectations and demands of the highest level of safety when it comes to the food that they eat.

The globalisation trends of recent years, however, have not gone by without leaving their mark on the current state of European food safety. The significant increase in cross-border trading, the rising share that third world and developing countries hold in global trade volumes, the advent of new food products from new regions and the resultant intensified world-wide competition have put the European Union's present food safety regime under pressure. The future will have to see the non-negotiable requirements of hygiene and food safety safeguarded against attacks seeking to undermine the rules currently in place.

Technological developments and innovative scientific findings, moreover, present challenges to existing food safety rules in the European Union. New insights have led to a re-assessment of safety risks and standards taking place and will likely continue doing so. In this regard it is highly likely that there will be a number of new and revised regulations in the near future.

Increasingly tough international competition should be seen as an incentive to enhance the competitive edge of EU products by ensuring high safety levels of European foodstuffs

Food safety regulations do require re-evaluations against new scientific findings and developments

## National Perspective

### UK

Recognising the serious issues around food safety, the British Government's think tank, Foresight, launched the Food and Farming Futures project that is examining how science and technology can meet future demands of food safety and security. Its findings will be reported in an action plan in autumn 2009.

In recent years, food safety policy in the UK has largely been developed in response to crisis management in an attempt to restore consumer confidence following a number of high profile food safety scares. Food safety has become a concern for the entire food industry. Private sector initiatives such as

vertical alliances in the beef industry as well as British Retail Consortium (BRC) activities including standards monitoring on food material contaminants and best practice codes on "farm to shop" traceability systems have evolved. The Food Standards Agency, in collaboration with Improve, the Skills Sector Council for the food and drink industry, has published guidelines offering clarity on food safety legislation and training in 2008. Against the background of increasing food imports and consumers' concerns about their safety and production standards, Government is under pressure to enforce strict controls in line with highest international standards on imported food. At the beginning of 2009, the

In recent years, food safety policy in the UK has largely been developed in response to crisis management.

# 1.2 Current state of play

Over the past number of years, the European Union has developed a wide range of measures and instruments to help provide consumers with the high hygiene and food safety standards they demand. The following section gives an outline of the status of those aspects of the EU's framework that are deemed to undergo potentially significant changes in the future.

Another great success story of the European Union's integrated approach to food safety is its Rapid Alert System for Food and Feed

One of the fundamental principles of the EU's General Food Law is that food products that are exported to the European Union must comply with EU safety standards or be equivalent to those applied for the Internal/Single Market. This principle was avidly applied in a number of recent episodes, including the suspension of Brazilian beef imports in 2008 following inadequate foot-and-mouth and a refusal to lift the ban on chlorine-washed poultry carcasses from the US.

Another great success story of the European Union's integrated approach to food safety is its Rapid Alert System for Food and Feed (RASFF), which enables the quick exchange of information between Member States whenever human health risks are detected in the food and feed chain. The importance of RASFF's food safety controls has been demonstrated by the large percentage of notifications concerning third world country products being blocked at European borders. The European Commission is engaging in Better Training initiatives for third world country officials, to ensure that EU rules are fully understood and imports compliant with EU safety rules.

The European Parliament furthermore called on the Commission to put forward a new proposal on cloned animals and their descendants

On the issue of food innovation, in January 2008 the European Commission adopted a proposal to revise the 1997 Novel Foods Regulation. Taking on board industry criticism about stalling innovation, it aimed to improve market access of new and innovative foods

by simplifying many of the authorisation procedures and encouraging companies to invest in the development of new foodstuffs and production techniques. The subject of considerable controversy, a draft report on the proposal was agreed in the European Parliament in April 2009.

The European Parliament furthermore called on the Commission to put forward a new proposal on cloned animals and their descendants. Despite Parliament's support for an all-out ban, however, during a meeting in June 2009, EU agriculture ministers, agreed on a new set of rules that retain the possibility of food products derived from cloned animals to be sold on European markets. In January 2009, the European Parliament approved a new pesticide legislation package. The regulation on plant protection products bans the use of toxic chemicals, but facilitates cross-border selling in a bid for internal market harmonisation. The directive on the sustainable use of pesticides further aims to reduce the use of pesticides while fostering their right application in terms of timing and dosage.

In March 2009, the Commission also completed its pesticide review programme that involved a detailed risk evaluation of more than 1,000 pre-1993 substances to assess their effects on safety and human health. As a result, more than two thirds of the reviewed products were removed from the market.

At the beginning of 2009, the Conservative Party, likely to be the next elected administration, launched their 'Honest Food' labelling campaign

Conservative Party, likely to be the next elected administration, launched their 'Honest Food' labelling campaign. The campaign aims to get compulsory "country of origin" labelling introduced, so that consumers would know that meat products labelled "British" could only have come from animals born and bred in Britain. The Conservatives have tabled a 10-minute rule bill on this issue, which will have its second reading in October 2009, and if successful will have an industry-wide effect on the way food is labelled.

## Germany

Germany's food safety debate is characterised by a general call for greater transparency.

- Industry and public stakeholders continue to clash over the current obligations outlined in the law on consumer information

(Verbraucherschutzgesetz) that came into effect more than a year ago – many stakeholders are unsatisfied with the law as it stands. Generally speaking, the food industry would like to limit the obligation to inform the public about food security issues while many other stakeholders would like more insight. The Federal Ministry for Food is currently evaluating the law and its effect.

- There is currently a major debate about the issue of consumer deception rather than food safety. There is a strong call for a better labeling of so called ESL-milk (extended shelf life milk that is hard to distinguish from regular milk) and "fake cheese" (a product containing only a small amount of cheese used for convenience food).
- Another major issue concerning the food and hospitality sector is that several

# 1.3 Positioning of relevant stakeholders

The European Commission has argued that a favourable scientific risk assessment should provide sufficient legitimisation for food products to enter the European Union despite failing to live up to the Union's food safety standards. European environmental and consumer groups, including Greenpeace Europe and BEUC, have stressed the superiority of the EU's zero tolerance approach towards food safety, and called upon political institutions to withstand the pressure from industry and governments of third world countries to relax its food hygiene, environment or consumer protection standards.

There is a clash between consumer and business opinions regarding the future evolution of the European Union's RASFF. CIAA, the Confederation of Food and Drink Industries in the EU, suggests that food business operators are included into the alert system at the earliest possible stage as companies can both provide key information to the alert system as well as benefit from RASFF information for their own supply chain checks. BEUC, on the other hand is set on maintaining the independence of the RASFF system from any industry influence. Consumer organisations, such as BEUC and Test Achats, have demanded that more practical information on food safety risks be made available to consumers. With regard to food products from cloned animals, MEPs and EU agriculture ministers have strongly opposing positions. MEPs are strongly in favour of banning such products whereas ministers approved their market access. The EFSA, which has the final word on the matter, has warned that the lack of research in this area has impeded any stringent risk assessments to be undertaken. Nevertheless, the Authority is expected to endorse the sale of dairy and meat from progeny of cloned animals on

the European market, resulting in an outcry from green groups. The new European pesticides legislation has been opposed by the UK, Ireland, Spain and Hungary. They have repeatedly demanded evaluation of the legislation's impact on agricultural production and food prices. The Conservative MEPs criticised the rules stating they would reduce the yields of a number of foods and increase prices for consumers. The majority of Parliamentarians, however, supported the legislation as a move in the right direction of protecting consumers and the environment. The European Commission has expressed its approval and commented on the improved protection of human health and agricultural production as well as the deepened single market for plant protection products. While the European Crop Protection Association (ECPA) welcomed the rules as a formalisation of its existing commitment to sustainability, the industry generally seemed to be concerned about the adoption of cut-off criteria that could lead to the removal/ban of active substances used in pesticides. Meanwhile, Greenpeace Europe felt the legislation did not go far enough and left European citizens exposed to dangerous pesticides.

The new European pesticides legislation has been opposed by the UK, Ireland, Spain and Hungary

Greenpeace Europe felt the legislation did not go far enough and left European citizens exposed to dangerous pesticides

organisations would like a smiley-labelling system for restaurants, similar to the one used in Denmark, introduced in Germany: Restaurants where for example the hygiene has been criticised by the authorities are labeled with a sad smiley visible for all clients. One of Berlin's districts has decided to run a similar project that has been discussed vividly.

The issue of pesticide residues in Germany is one that has been pushed fervently by Greenpeace Germany over the last number of years. The pressure has led the German retail industry to start their own programmes and initiatives aiming for lower residue levels. However, the Greens have stated that the current risk assessments are insufficient to quantify multiple residues. As other

stakeholders are increasingly taking up the issue, the discussion is likely to continue.

## Belgium

Since the 'Dioxine Crisis' in 1999, whereby dioxines entered the food chain through contaminated animal food, food safety has been high on the Belgian political agenda. The Federal Agency for the Safety of the Food Chain – created in the aftermath of this crisis – received significant resources to fulfil its mission. As a result, the Agency is today widely considered as a leading control mechanism throughout Europe. However, there is growing concern about the financial viability of the control system which, is to a large extent, financed by the food sector itself. Industry federations have highlighted that the cost of guaranteeing food safety and the

The Belgium Federal Agency is today widely considered as a leading control mechanism throughout Europe

# 1.4 Upcoming trends

The global nature of food risks is demonstrated by the rising number of notifications from the EU's Rapid Alert System for Food and Feed (RASFF). The increase in international trade comes with the acknowledgement that previously regional or national problems may easily become Europe-wide or even global issues or hazards. As a result, the future scope of the RASFF will see it having to move into new regions of the world. International cooperation, regional network integration and third world country collaboration are becoming priority areas in the EFSA's quest to prepare for the global nature of food safety risks. Therefore, further agreement is required about responsibility for issuing alerts, at which level events should be reported and through which mechanisms information should be exchanged and action taken.

The European Union can no longer ignore the imminent threat of international trade disputes

The growth of international trade as well as the increasing market participation of the so-called BRIC countries (Brazil, Russia, India and China), further underpins the risk of increasing international trade disputes. In this regard, the greatest challenge is expected to be presented by the United States. Following longstanding complaints about the limited export of its agricultural products, the US government has announced it will aggressively pursue trading partners that are in breach of agreements to reduce technical and hygiene rules as an excuse to raise protectionist barriers. In this context, the European Union can no longer ignore the imminent threat of international trade disputes - especially as it had to bow down once before, being forced to relax previously stringent rules in light of a WTO conflict relating to the EU blocking the market authorisation of biotech foods.

There is a growing drive to embrace modern communication technologies to improve the transparency and functioning of systems

The launch of the RASFF public portal and its window that grants access to risk notifications and alerts for both citizens and third world countries, demonstrates the growing drive to embrace modern communication technologies to improve the transparency and functioning of systems. The next phase of the RASFF will seek to improve the system's outward

communications and involve stakeholders by improving information links to both consumers and businesses and facilitating their input into the system.

Similar undertakings can be expected for food chain traceability mechanisms, as research is currently being undertaken by the Institute for the Protection and the Security of the Citizen (IPSC) to explore the contribution of modern technologies towards the safe traceability of livestock and products. The increasing complexity and length of the food chain and the sheer number of those involved in the food production process, are deemed to increase consumer risk and require communication about risk management strategies in the future.

Furthermore, the current use of the Threshold of Toxicological Concern (TTC) approach is likely to be expanded in the future - an EFSA Scientific Committee Working Group will explore its application in areas such as food contact materials, food additives, contaminants or pesticides. The regulation of pesticides and the impact on agricultural production will vary depending on what measures national governments take. However, it is likely that the issue will remain highly controversial.

The industry favours an extension of self control by the sector itself

financial contributions required by industry in Belgium, is significantly higher than the EU average, thereby seriously jeopardising the competitive position of the Belgian food industry. The industry favours an extension of self control by the sector itself, compensated by a reduction of government controls and a lowering of financial contributions imposed on the industry. Political parties are divided on the subject. Recently the ecologist parties have been on the rise again and it is likely that industry will have some challenges ahead to convince public opinion that 'less (controls) can be more (effective)'.  
**Netherlands**  
In the Netherlands food safety has not been high on the public or political agenda, although occasionally an issue arises, mostly around

certain food imports. As a consequence, the Dutch Food and Product Safety Authority (VWA) has had to face a number of budget cuts, forcing it to reconsider its strategy.

An interesting new development is "méta-inspection" which advocates the direct control of food safety standards could be left to certified private control systems. Several product boards as well as sectoral organisations have private systems in place. (An internationally well-known example is the British Retail Consortium system). The role of the Authority would then be to check whether such systems are applied, if they are well executed and what data they deliver. Together with the product board and with certifying companies and the Dutch Food and Product Safety Authority, the bakery industry has

# 1.5 Perspectives

The rapidly changing environment will clearly impact on business in the food sector. It is vital, therefore, to understand potential future developments early on, to assess their potential effects and take a position that will enable the exertion of influence in the process.

We believe that some of the future public policy issues relevant to the food sector include:

Embracing new technological and scientific developments

- The agri-foods sector is encouraged to step up investments into research, development and innovation
- Technology opportunities may provide opportunities for a number of businesses –our advice is to “get in there early” and actively engage in the debate
- Opportunities around food traceability mechanisms, given the increasing length of the food chain (globalisation)

Coping with the implications of international trade conflicts

- The potential relaxation of import rules may put European food manufacturers under competitive pressures from possibly cheaper third world country producers. However, the strong stakeholder opposition towards weakening EU rules may, in fact, shield the European industry from third world country competition along the idea of “increasing competitiveness through better quality products”
- Depending on its current position, industry could be advised to either go for the “avoid liberalisation and safeguard standards” option against the background of investments that have been undertaken to fulfil European food safety criteria or to employ third world country competition as a hook to reduce existing standards in

an attempt to create conditions in which production methods can be cheaper, and less complicated, regulated and bureaucratic

Future debate on pesticides rules and regulations

- The directive on the sustainable use of pesticides is to be transposed into national law by early 2011. It contains a number of implementing measures, which require further specification. This in turn gives stakeholders and affected parties the opportunity to exert relevant influence that may potentially delay or dilute the current rules.
- The planned mid-term review of the pesticides regulation should be viewed by farmers and agricultural producers as a chance to reopen the issue - particularly in the context of a new Commission and a new Parliament. Stakeholders should prepare by gathering evidence to support their case, e.g. by monitoring price developments and undertaking studies on production return.
- As national governments are not given the right to take local authorisation decisions, industry may have the possibility to use legal means against national decisions deemed inappropriate.
- On a different note, the pesticides regulation is expected to create relevant incentives for innovation in the European economy that industry could be advised to use.

The potential relaxation of import rules may put European food manufacturers under competitive pressures from possibly cheaper third world country producers

Novel Foods

- Threat of increasing regulation and opportunity of more relaxed legislation.

developed a food safety system, recognised by the VWA. In other words: the private sector will be responsible for ensuring food safety standards are maintained and the Authority will shift its focus to reviewing whether the private sector effectively assumes this responsibility. With this approach, the Netherlands are ahead of most European Member States. The Food Safety Authority is also experimenting with disclosure of the results of inspections. Pilots are being conducted in a number of sectors, e.g. pesticide residues in vegetables and fruits, with disclosure of the names of the shop where legal levels were exceeded. The general expectation is that, over time, this transparency will be applied in more areas, in spite of opposition by the retail sector.

The Ministry of Agriculture is currently conducting a study into the adoption of additional aspects in food safety standards, like occupational health and safety and animal welfare. A special area of attention is the potential barrier that food safety requirements could create to food imports from developing countries. For the time being this remains a theoretical debate, but it may enter the political arena in the near future.

# 2 Food labelling

---

## 2.1 Introduction

Adequate food labelling has always been an essential theme and a great concern within EU food policy. While initially it was mainly intended as an instrument/tool for facilitating the free movement of goods within the EU market, it has gradually evolved into an instrument designed to attain new objectives such as providing consumers with more information, particularly around nutrition and educating consumers about making healthier food choices.

In addition, there have also been a number of new developments regarding the environmental NGO and animal welfare NGO food labelling lobby, to reflect the carbon footprint and animal welfare respectively. Obviously this evolution does not make efficient and comprehensible food labelling easier. On the contrary it has become a highly complex issue, which explains why current attempts to modernise and amend the existing EU regulation on food labelling, is proving to

be an extremely difficult task. Adding to the complexity is that in response to growing concerns about unhealthy food habits of their population, national governments develop their own policies and guidelines in addition to currently existing EU regulations. Furthermore, industry players also develop their own initiatives thereby showing their willingness for self regulation in response to political and societal concerns and trying to distinguish themselves from their competitors.

industry players also develop their own initiatives thereby showing their willingness for self regulation

## National Perspective

### UK

A major survey commissioned by the Food Standards Agency (FSA), has revealed that the most effective front-of-pack food label is a hybrid scheme combining “traffic light” colours with the words: high, medium and low and the percentage of the guideline daily amount (GDA) ingredients such as fat, salt and sugar. Recommendations of a hybrid scheme, introduced as a standard two years ago by the supermarket group Asda, are shortly to be considered by the FSA Board. The introduction of a single label being introduced, however, is unlikely unless the food industry agrees to move towards a common system. The British Government supports a single

labelling approach to be used by the entire food industry. Meanwhile, leading retailers have opposed suggestions of a traffic light scheme. The food industry, however, opts for a voluntary approach based on GDAs.

The British Government is undertaking major rethink on its food labelling policy. In August 2009, as part of a wider public consultation on how Britain should protect and promote its own food supplies over the next two decades, it unveiled plans proposing a labelling system to indicate whether food is environmentally friendly. Alongside the traffic light health labels, green credentials would inform the consumer about criteria such as the distance the food

The British Government is undertaking major rethink on its food labelling policy

## 2.2 Current state of play

The current debate on food labelling is shaped by a proposal adopted by the EU Commission in January 2008. The proposal intends to modernise existing regulations taking into account evolutions in the food industry itself and evolving consumer expectations.

Key elements in the proposal are:

- Uniformity in presentation;
- Minimum information to display on the front of the packet include: energy, fat, saturated fat, carbohydrates with specific reference to sugar and salt content per 100ml/g and indication of the proportion of these elements to the Recommended Daily Allowance;
- Legibility of the information (e.g. minimum font size);
- More protection against allergens and the extension of existing regulations to unpacked food and food served by restaurants or catering services; and
- Clarification of the responsibilities regarding food labelling for the different food business operators along the supply chain.

The arrival of the new European Commission and new European Parliament is likely to cause additional delays

Since the launch of the proposal in January 2008 all stakeholders concerned have engaged in an often difficult debate, which until now has not been concluded. The initial intention was for the proposal to be adopted by the EU Parliament before elections on June 2009, which has proven to be overly optimistic. Some of the key highlights of the debate include:

- Discussions about the number of nutrition elements to include : 6 as proposed by Commission or 8 as proposed by health lobby groups;
- Introduction of a traffic light colour coding. This was asked by health lobby groups but

seen as unworkable and misleading by the industry, which proposes to use the GDA (guideline daily amount) as the only workable solution for itself;

- Introduction of a positive nutrition logo (on a voluntary basis), helping the consumer to make healthy choices;
- Country of origin labelling;
- Labelling of unpacked food;
- Concerns, mainly from industry, about the co-existence of national labelling schemes; and
- Concerns about overly intrusive regulation.

The arrival of the new European Commission and new European Parliament is likely to cause additional delays and according to stakeholders close to the dossier, the adoption of a new regulation is unlikely to happen before the end of 2010.

In the meanwhile national authorities, pushed by the need to cut costs in healthcare budgets by educating consumers towards healthier food choices, will continue to launch and implement their own policy plans, which the industry will respond to at national level. In addition, pressure from environmental, health and animal welfare NGO's might also lead to national authorities imposing specific labelling requirements in national markets. It is therefore highly probable that food labelling requirements will evolve at separate speeds throughout the European Union.

UK environment minister Jim Fitzpatrick commented that any future labelling must be easily understandable for consumers

has travelled from "farm to fork" (so-called food miles), the amount and type of chemicals and pollutants used in the production process, products' packaging and animal welfare. With a General Election taking place within a year and the increasing likelihood of a change in Administration, it is also useful to focus on the Conservative Party actions. At the beginning of 2009, the Conservatives launched their "Honest Food" labelling campaign, which aims to get compulsory "country of origin" labelling introduced. The Conservatives have tabled a 10-minute rule bill on this issue, which will have its second reading in October 2009, and if successful will have an industry-wide effect on the way food is labelled.

UK environment minister Jim Fitzpatrick commented that any future labelling must be easily understandable for consumers

while at the same time should not create extra packaging or unrealistic costs for producers. Environmental campaigners have welcomed the move, stating it would heighten consumer information about product choices therefore enabling them to use their buying power to encourage supermarkets to supply more environmentally friendly food. The British Retail Consortium, however, expressed fears that consumers would become overwhelmed and confused by competing demands for information thus rendering a simple system unworkable. Other stakeholders commented that labelling must focus not only on domestically produced foods, but also on imports.

### Germany

The GDA and traffic light labelling have received mixed reviews. The main lobbying organisations



of the food and the retail industry are clearly in favour of the GDA-system, arguing that traffic light labelling over-simplifies the complexity of nutrition and that it can undermine certain products by classifying them either as “good” or “bad” food. However, the alliance of GDA-opponents campaigning for a mandatory traffic light labelling is growing. In June, “Frosta” was the first German food company to announce that its most popular products were to be labelled accordingly. The company made this announcement in alliance with the AOK, one of Germany’s major compulsory health insurance funds, as well as the Federal Alliance of Consumer Advice Centres (vzbv) and the German NGO Foodwatch.

In August 2009, the alliance of GDA-opponents grew even stronger, as other

leading compulsory health insurance funds of Germany joined the AOK’s position. In an open letter, they called on the federal government, members of parliament and governments of the federal states to introduce the traffic lights labelling.

Among the political parties, the conservative CDU/ CSU and the liberal FDP are against the traffic lights labelling. The responsible Federal Minister, Ilse Aigner, being a conservative, is advocating the GDA labelling system. The social democratic SPD, the Greens and the socialist Left are all against the GDA-approach. The future German minister will come from the new conservative-liberal coalition. Major changes of German consumer policy are therefore not expected.

The main lobbying organisations of the food and the retail industry are clearly in favour of the GDA-system

## 2.3 Main Political streams

From a right wing perspective the European People's Party advocates that food labelling should not lead to over-regulation, but should rather provide simplified and manageable legislation. A system of labelling with understandable information through comparable and readable data is essential. They remain highly sceptical about traffic light labelling, which could even mislead consumers. Similarly, ALDE states that clearer food labelling is an important step towards better consumer choices and healthier diets, but it will be necessary to complement it with comprehensive national nutritional awareness campaigns that demystify and simplify much of the information currently displayed on food packaging.

The European Parliament must ensure that the new measures will provide added benefits to EU consumers without posing unnecessary burdens for food product manufacturers

Both parties concur that the European Parliament must ensure that the new food labelling measures agreed to, provide added benefits to EU consumers without posing unnecessary burdens for food product manufacturers or undermining differing eating habits in different regions, as these are an important part of European culture.

On the left wing, the Social Democrats are in favour of the measures to strengthen rules on food labelling proposed by the European Commission. They are pro the introduction of colour coded nutritional labelling (traffic light type) as it will serve as an important tool in combating obesity and other health conditions that might be linked to the consumption of trans fats such as infertility in women and heart disease. The Greens/EFA argues along similar lines and is strongly in favour of food labelling, particularly for GMO products and the labelling

for animal products containing GM feed. Importantly, the Swedish Presidency of the Council of the European Union will continue working on the proposal for a regulation on the provision of information to consumers. The aim is to reach a general approach in the Council by the end of the presidency. Interestingly Sweden, as an individual country, is developing standards to introduce climate labelling for food. This is a joint initiative by the Federation of Swedish Farmers, two food labelling organisations and various dairy and meat co-operatives. Products with at least 25% greenhouse gas savings will be marked in each food category, starting with plant production, dairy and fish products. The Presidency will also host a conference in November on "Climate Smart Food", which will focus on climate change impacts on the whole food chain - from production to consumption.

While the majority of German consumers are highly sceptical of GMOs in the food chain, the use of the voluntary GMO-labelling by companies in the food industry is yet to gain momentum

The issue of GMO-labelling has been fervently debated over the last few months. In May 2008, the voluntary German "GMO-free" label was introduced, which covers products like eggs, milk and meat, signifying that the animals from which the labelled products are derived have not been fed with genetically modified crops. While the majority of German consumers are highly sceptical of GMOs in the food chain, the use of the voluntary GMO-labelling by companies in the food industry is yet to gain momentum. The German Farmers' Association DBV criticised the voluntary labelling, saying that it was misleading consumers. They argue that the label does not cover genetically modified enzymes or additives derived from GMOs. and call for a mandatory labelling of meat from GMO-fed animals instead of leaving it at the Minister's

voluntary approach. The social democratic SPD agrees with the DBV and moreover demands mandatory labelling of dairy products and eggs.

### Belgium

Food labelling is strongly evident in the National Food and Health Plan 2005-2010. The federal government considers food labelling (next to advertising) to play an important role in the spreading of information and the education of consumers regarding the nutritional value and role of certain foods in a healthy and balanced diet. It is, however, not mandatory unless a nutritional claim is made.

The findings of a recent audit conducted by the consumer organisation CRIOC-OIVO confirmed that labels are often too complex to be properly understood. Consumers

## 2.4 Positioning of relevant stakeholders

BEUC (European consumer organisation) sees the Commission's proposal as a much-needed simplification and agrees with the traffic light system of nutritional information.

The CIAA (Confederation of the food and drink industries of the EU) on the other hand doubts that the Commission's proposal will achieve its stated goal of simplification. Instead, the CIAA favours the deletion of national schemes and is in favour of full harmonisation. They believe that the co-existence of national schemes will substantially weaken the Single Market and consequently the competitiveness of the food and drink industry.

The CIAA also argues that the existing requirement for mandatory indication of origin should remain unchanged as it currently fulfils its purpose and avoids that consumers are misled. The CIAA recommends that it is only linked to last place of processing and that adding the country of origin or place of provenance of ingredient(s) as per the European Commission's proposal, is unmanageable. Similarly, EuroCommerce, which represents the retail, wholesale and international trade

sectors in Europe, are particularly critical of the European Commission's proposal, claiming that "it does not simplify the labelling information on food packets". They are concerned that while the main purpose of the European food labelling legislation was to ensure the smooth functioning of the internal market, the proposed new rules may seriously threaten the Single Market.

EuroCommerce states that the voluntary commitments on nutrition labelling made by its members should be given more time to work before the EU legislates.

The UEAPME, which represents the EU's small and medium-sized companies are concerned with the cost implications of this legislation. They believe that the proposal is a complication, not a simplification for small business particularly as it is a highly costly exercise that could potentially cost SME's Eur 6 billion per year.

EuroCommerce states that the voluntary commitments on nutrition labelling made by its members should be given more time to work before the EU legislates

also tend to prefer a single indicator for the nutritional quality of a product. The workgroup of the national plan will now discuss with industry what can be done to improve labelling practices in line with these findings. The same findings will also feed into an awareness campaign that will be launched in 2010 by the Health administration to raise awareness on the need to consciously consult food labels.

The concerns on food labelling on a political level are shared across the aisle with green, social-democrat and Christian-Democrat parties which are all in favour of clearer, more understandable information on nutrition.

Test-Aankoop/ Test-Achats, an independent consumer organisation (and the Belgian member of BEUC) is among the interest

groups in favour of more stringent rules on labelling. The food industry on the other hand is more in favour of simplification and denounces how current proposals tend to micro-manage the way information is displayed on labels (through the minimal size of the characters, indication of origin etc).

Looking forward, there are no societal or political signs that the public policy makers' interest for labelling practices, which support public health targets, will diminish anytime soon. The situation which led to the National Food and Health Plan i.e. an increase in obesity and some chronic diseases due to imbalanced diets and an increasingly sedentary lifestyle – has not altered since 2005. The government aims to solicit the goodwill from industry partners and use its influence in EU

The government aims to solicit the goodwill from industry partners and use its influence in EU

## 2.5 Upcoming trends

Food labels are quickly turning into an instrument for consumer information and education. There is also a growing awareness amongst consumers who will more than ever expect to be informed, not only on ingredients and on their impact on personal health (which is today more or less established), but also on a broader range of issues e.g. Does the food I'm buying positively or negatively impact climate change? animal welfare? local agriculture? employment? humanitarian development?

Food labels will increasingly act as a means to differentiate food products

As a result, food labels will increasingly act as a means to differentiate food products from one another and therefore also as a leverage for food manufacturers to differentiate themselves from competitors. Today we

already see manufacturers competing on the basis of health claims. Tomorrow they could also be competing on the basis of 'food miles' or similar. Either way the consumer can only benefit from this evolution.

## 2.6 Perspectives

As food labels become an increasingly important source of information, consumer expectations will also continue to increase. The key challenge is therefore to prevent consumers from having unrealistic expectations. It is vital that there is shared responsibility and input from the authorities, industry, consumer organisations and NGOs in determining the outcome of the new legislation.

The food label can become a valuable corporate signature

Another major challenge, especially from a legislator's point of view, is to guarantee the accuracy of information provided through labels as well as the accessibility / transparency for the consumer. The system will "stand" or "fall" depending on the success of this.

A third major challenge is assuring that compliance with food labelling regulations is within reach of all food industry actors, from SMEs to multinationals. Compliance should not be so onerous that it remains

uneconomical to produce competitive products. All stakeholders should be able to compete with the same weapons and on a level playing field.

If these challenges can be reasonably met, food companies will discover new opportunities for engaging in a constructive dialogue with the consumers of their products. The labels on their products will more than ever reflect what the company stands for and what its values are. In other words the food label can become a valuable corporate signature.

policymaking where regulatory initiatives are deemed necessary.

The industry, which considers its voluntary introduction of the CIAA GDA labelling scheme in 2008 already a considerable investment, will not be eager to buy-in to regulations that it perceives as being too intrusive or burdensome.

### Netherlands

In the Netherlands the discussion around food labelling focuses on making healthier choices easier with the help of logo's or GDAs. The Dutch food industry, retail and food service is divided on the subject. Some are in favour of the use of GDAs and others want to use a simple front of pack logo. In line with this, three large private initiatives have been established in the Netherlands.

In the Netherlands the discussion around food labelling focuses on making healthier choices easier with the help of logo's or GDAs

- A private initiative involving more than a 100 parties has been using a healthy choice logo, called: The Ik Kies Bewust-logo (I choose consciously logo). This initiative includes large and small retailers, food producers (including Unilever) and caterers. The logo is allocated using a nutritional scheme that was developed by national (independent) food scientists.
- The largest retailer in The Netherlands: Albert Heijn has developed its own front of pack-logo: the healthy choice clover. Albert Heijn uses criteria which are adapted from The Netherlands Nutrition Centre (government funded centre for food education).
- The third initiative was launched by the Dutch Federation of the Food Industry (FNLI). It comprises a GDA scheme in



line with the CIAA proposal. Large food companies like Coca Cola and Pepsico have adapted this scheme.

Political parties do not actively mingle in the discussion around labelling particularly as the Dutch government still promotes self regulation. However, following the advice of the Dutch Health Council, the government has recently advocated the integration of different logo's and there has been some pressure to integrate the nutritional criteria and logo on the Albert Heijn-logo and Ik Kies Bewust-logo. Recently a motion was introduced by Dutch parliament members asking to launch one logo for food stuffs. This would also incorporate other values next to the healthiness of foods, like sustainability and animal welfare.

The Dutch NGOs, mainly the Dutch Consumer Association ('de Consumentenbond') support a traffic light system, but are not very actively lobbying to promote this scheme. In addition, Dutch NGOs have been focusing strongly focusing on salt content and subsequently the labelling of salt in 2008-9.

The more general view on food labelling is to strive for less bureaucracy for the industry. The Netherlands is very much in favor of less information on labels instead of more, such as the origin of labelling. The Government also supports alternative ways to communicate about food information besides the regular food label and they usually join forces with the UK on this matter.

The Netherlands is very much in favor of less information on labels instead of more, such as the origin of labelling

# 3 Sustainability

---

## 3.1 Introduction

Sustainability is a highly topical issue and is being actively addressed in a variety of policies and initiatives. The importance of sustainability is closely linked to the increased public concern regarding the issue of climate change and the greater demand for more responsible consumption and nutrition. As such, the climate change debate has reached new heights and now includes the principles of farming, the mechanisms and logistics of the food and retail industry and even consumers' food choices.

Sustainability has come to play a key role in the campaigns of NGOs as well as in many CSR activities of the food and retail industry. This has been largely fuelled by consumers being receptive towards the issue. The trend described as LOHAS ("Lifestyle of Health and Sustainability") characterises the preference of well educated and relatively wealthy consumers for goods that have responsible and sustainable production processes. The wish to buy ecologically more justifiable goods has become evident in the increased demand for organic products and in the stronger preference of regional produce. However, this new pattern in consumer behaviour also needs to be seen within the context of the food safety scandals that occurred during the last two decades e.g. pesticide residues in food products and meat safety scares. These incidents undermined the consumers' confidence in conventional food production considerably. It has become clear that this need for more transparency in the food chain goes hand-in-hand with the increased focus

on the environmental and social implications of production. Other key stakeholders include the retail industry which has significant influence on the debate given its pivotal role in the life cycle of consumer products. In addition, media coverage and prominent NGO campaigns have contributed to increased demands for "more natural" food. The result is a very powerful yet generalized claim for a more sustainable consumption that is based on palpable criteria in some cases but also includes a great deal of emotional perceptions.

In summary: When it comes to sustainability issues and promoting "greening" of the supply chain, there are a large number of stakeholders who are very powerful in influencing the legislative process. Given the complexity of the sustainability debate it has the potential of evolving in a variety of new directions. Looking forward, sustainability issues concerning food production and consumption will remain high on the political agenda and should therefore be watched very carefully.

"As the world's population increases and developing countries see a rapidly growing middle class, the demand for food is skyrocketing. We need to find a way to double global food production. At the same time the production systems are under pressure from climate change and water shortages. The sustainability challenge is huge". Esther de Lange (MEP, EPP).

## National Perspective

### UK

While the UK has not yet experienced the worst effects of a globally imbalanced food system, food security and sustainability are again an issue of public concern. The Conservative Party, in 2007, examined issues around food and farming in the UK in their Quality of Life Report. Their vision is framed by a number of key principles, such as the need to value British farmers and British food; the need to secure domestic food production and to re-localise food systems and empower local communities. It also highlighted that the UK needed to create a sustainable, low carbon food system and recognise the impact of food choices on international development.

On becoming Prime Minister, one of the first reviews Gordon Brown commissioned was an analysis of food issues. The resulting report, published in July 2008, concluded that "existing patterns of food production are not fit for a low-carbon, more resource-constrained future", and "existing patterns of food consumption will result in our society being loaded with a heavy burden of obesity and diet-related ill health."

Commenting on the launch of the Government's future food security consultation package, Environment Secretary Hilary Benn MP, warned that a radical rethink was needed in the way the UK produces and consumes food to ensure an affordable and sustainable

While the UK has not yet experienced the worst effects of a globally imbalanced food system, food security and sustainability are again an issue of public concern

## 3.2 Current state of play

In recent years, the EU has mainstreamed sustainability issues into a wide range of policies. In response to issues such as climate change and lifecycle assessment gaining more and more attention, the EU adopted the Renewed EU Sustainable Development Strategy (SDS) in 2006. The SDS aims at providing an overarching strategy for all EU policies and lists sustainable consumption and production as one of the key challenges. Based on this strategy, the European Commission presented its Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) Action Plan last summer. It was endorsed by the European Council in December 2008 and includes a series of proposals to improve the environmental performance of products and increase the demand for more sustainable goods and production technologies.

Acknowledging the key role of the retail industry, the European Commission also called for the establishment of a Retail Forum within the framework of the SCP/SIP Action Plan

Acknowledging the key role of the retail industry, the European Commission also called for the establishment of a Retail Forum within the framework of the SCP/SIP Action Plan. Accordingly in March 2009, EuroCommerce and the European Retail Roundtable, representing the European retail sector, presented REAP, the Retailers Environmental Action Program. It aims at a voluntary reduction of the environmental footprint of the retail sector and its supply chain, promoting more sustainable products and a better communication towards consumers. The European consumers' organization BEUC and the European Environmental Bureau have both welcomed REAP, agreeing that retailers have a strong influence on production and consumption patterns.

In July, three years after the implementation of the SDS, the Commission authorised a report that reflects how the SDS could evolve in the future

Also in accordance with the SCP/SIP Action Plan, leading representatives from the European food chain launched the European Food Sustainable Consumption and Production (SCP) Round Table together with the European Commission. Copa and Cogeca Secretary-General Pekka Pesonen stated that "a global holistic approach for sustainable consumption and production is necessary.

European legislation alone cannot address this challenge."

In July, three years after the implementation of the SDS, the Commission authorised a report that reflects how the SDS could evolve in the future. It takes stock of EU policy measures in the SDS areas and will allow the European Council to review priorities and to provide orientations for the future of the Strategy at its next meeting in December. The report is also to be complemented by Eurostat's bi-annual monitoring report on sustainable development and an exploratory opinion on the future of EU SDS. by the European Economic and Social Committee.

Commission President José Manuel Barroso emphasized that the economic crisis provided a unique opportunity to create a new sustainable economy through smart green growth; however, he also stated that unsustainable trends persist and that the EU still needed to intensify its efforts.

In the report the Commission concludes that there are newly emerging challenges to sustainable development, which are either

the British Food and Drink Federation (FDF) stressed that food manufacturers should play a leading role in developing any future food strategy

future supply, while reducing greenhouse gas emissions and adapting to climate change. Pointing to the 70 per cent increase in global food production needed by 2050, Benn said the UK needed to become more self-sufficient and expressed his hope for consumers to buy seasonal British produce.

Commenting on the Food Security Assessment, the British Food and Drink Federation (FDF) stressed that food manufacturers should play a leading role in developing any future food strategy and called upon Government to accelerate its efforts to work with the food chain and secure a competitive food manufacturing base.

Jonathan Porritt, Chair of the UK Sustainable Development Commission (SDC) has attacked the Government's framework "Sustainable Farming and Food Strategy". Considering

it no longer "fit for purpose" as it had been overtaken by new policy developments, particularly on climate change, energy prices and vulnerable supply chains. In addition, Porritt has called for a complete rethink on farming policy, stating that the food sector needed to undertake a dramatic decarbonisation of every aspect of its supply chain, from on-farm production through to point of sale. He continued by saying that DEFRA still has no clear idea about what needs to happen in farming and food retail to make it possible to meet the Government's 2020 and 2050 targets to reduce carbon emission.

### Germany

In Germany, the President of the German Federal Environment Agency (UBA) criticised



not included or covered only marginally in the EU SDS such as the adaptation to climate change and food security. It is important to note that – apart from the EU institutions mentioned above – the Commission is also counting on the active contribution of stakeholders. The input received will influence the EU’s decision on whether to launch a comprehensive review of the SDS to ensure that it focuses on the most urgent areas and improves its governance.

At the same time, the Swedish Presidency has named sustainability particularly in relation to climate change, as one of its priorities. It will focus on the impact of agriculture on climate change as well as the challenge to secure global food supply.

During September 2009, the agriculture ministers held an informal meeting in Växjö on agriculture and climate change. The general view was that agriculture could play a key role

in mitigating the effects of climate change. Mariann Fischer Boel, EU Commissioner for Agriculture and Rural Development emphasised that “Agriculture is not part of the problem but rather a part of the solution.” The Swedish Minister for Agriculture Eskil Erlandsson said the role of agriculture in mitigating climate change will form a key part of the discussion at the Climate Change Conference in Copenhagen in December.

Industrial and non-governmental stakeholders do not stand back when it comes to sustainability. For example, the retail company Wal-Mart announced the development of a worldwide sustainable product index. There are a number of vivid debates on the national level between the respective governments, political parties and industrial associations. The various approaches and initiatives reflect the complexity of the food chain itself and highlight that sustainability will remain a major area of discussion in the future.

The general view was that agriculture could play a key role in mitigating the effects of climate change

that the agricultural sector was responsible for more than 13% of the greenhouse gas emissions of Germany earlier this year, while the influential Federal Farmers’ Association (DBV) stuck to its position that the farming sector was merely responsible for 7%. The DBV’s view is also challenged by the NGO Foodwatch that criticised the German government for not including the farming sector in its climate protection policy. For example, the paper on “Ecological Industrial Policy” published in 2008 by the Federal Minister for the Environment, Nature Conservation and Nuclear Safety Sigmar Gabriel focuses on climate change and energy efficiency, but it does not foresee specific national policies for the agricultural sector. At the same time, other examples show that the idea of greenhouse gas emissions

is recognised as highly relevant by other stakeholders: In 2008, ten business companies - among them two major retail groups - joined to measure the emissions of CO2 and other greenhouse gases related to selected products and services within the “Product Carbon Foot Print (PCF)” project.

The campaigning of Greenpeace against pesticides residues in fresh produce over the past years has led to various initiatives by the German retail industry to introduce their own system of threshold values, mostly undercutting the limits recommended by German authorities. In 2009, an according initiative of the German retail group “Edeka” led to open criticism: it had published a blacklist of certain pesticides and demanded from its fresh produce suppliers to abstain from using them.

The DBV’s view is also challenged by the NGO Foodwatch that criticised the German government for not including the farming sector in its climate protection policy

## 3.3 Main political streams

Consumer awareness of sustainable consumption is particularly strong when it comes to food products. Due to the lack of a well-established sustainability label, consumers make their choices with the help of other labelling schemes or criteria associated with sustainable production. This trend is reflected by many European retail groups adding organic, regional or Fair Trade products to their ranges.

Current Fair Trade standards not only include the social criteria of production but also ecological criteria like the protection of local water supplies

The Fair Trade standards have been established as an important criterion when it comes to shopping sustainably – especially in markets where the consumers are known to be receptive towards it, for example in Germany. Current Fair Trade standards not only include the social criteria of production but also ecological criteria like the protection of local water supplies, a limited use of pesticides and a ban on GMOs. This example demonstrates that the wish for sustainable consumption is at least partly entwined with safety and transparency issues.

This mainstream opinion is often contested by scientists who argue that the assessment of the so-called carbon footprint is a much more complex exercise

There is a broad consensus that local production helps to minimise the emission of greenhouse gases – the EU itself advocates this position. This mainstream opinion is often contested by scientists who argue that the assessment of the so-called carbon footprint is a much more complex exercise. However, despite the lack of a standardised environmental measurement, the public generally views regional production positively. As a result, attempts to quantify the level of sustainability of products and practices often conflicts with the emotional perception of regionally sold food.

Organic products are perceived not just as being more sustainable but also as the safer choice by many consumers today. They appeal to a similar target group as the

products bearing the Fair Trade seal - which is why more and more products display both labels. The meteoric rise of organic production that has taken place during the last decade is partly linked to food safety aspects e.g. pesticide residues. Similarly, alleged benefits such as a better quality of taste or a higher amount of plant secondary metabolites has been discussed repeatedly over the past years.

In terms of safety, however, this year's EFSA report on pesticide residues in Europe might have some repercussions on the future debate, particularly as it provided data on residues in organic food for the first time. Although conventionally grown fresh produce still exceeds pesticide limits more frequently than organic food, the very presence of pesticide residues in products labelled as organic questions the standards of organic agriculture. The EFSA itself underlined that at this stage no specific pesticide residue limits for organic products have been established at EU level.

The European Crop Protection Association (ECPA) reacted by emphasizing that all forms of agriculture – including organic – used pesticides, while the Research Institute of Organic Agriculture (FiBL) based in Switzerland argued that pesticides used in organic farming were not synthetic but from natural origins.

It is likely that the discussion regarding residues and the role of retail's various initiatives will continue

The list had been developed by the Institute for Applied Ecology (Öko-Institut) and divided pesticides into the three categories "critical", "very critical" and "less dangerous". However, the publication of this list caused harsh criticism not only by the German Farmers' Union, but also by the German Federal Institute for Risks Assessment (BfR) and the Federal Office of Consumer Protection and Food Safety (BVL), which is responsible for the approval of pesticides in Germany. Both claimed that the list lacked scientific evidence. The retail group has meanwhile conceded and has commissioned the Institute for Applied Ecology to revise the blacklist. It is likely that the discussion regarding residues and the role of retail's various initiatives will continue.

### Netherlands

The Netherlands chose an approach that strongly focuses on campaigning and on addressing relevant industrial stakeholders as well as consumers: The Minister of Agriculture stressed that she would like the Netherlands to be at the forefront of sustainable food production and introduced a climate scale to evaluate food products. The idea was to boost the production and consumption of sustainable products in restaurants and supermarkets.

Furthermore, a sustainable procurement for the ministries, provinces and municipalities will soon be put in place, representing an important catalyst for the production of sustainable products. Due to the large

## 3.4 Upcoming trends

Calls for more sustainability with clearly defined quality standards and criteria will continue to play a role in shaping the political agenda.

The growing support for sustainably produced food will continue to benefit the producers of organic and Fair Trade-labelled goods. However, as mentioned previously the positive image of organic food is likely to be challenged. The latest EFSA-report might be the starting point of a more careful observation of the organic industry, undermining the promise to provide consumers with the “safer choice” that is “free from pesticide residues”. The issue of quality standards for organic produce is likely to become more prominent in the debate. Given the growing importance of climate protection policies and the need to include

more sectors into the lifecycle assessment, it is likely that the “carbon footprint” will remain important for the food and retail sector. In addition, there are similar discussions evolving around natural resources such as the water footprint, which will become highly relevant for the food industry.

No matter which aspect of the lifecycle assessment is considered top of the sustainability agenda, a claim for standardised labelling will be implied, if consumers are expected to compare the environmental footprint of different products and make more sustainable choices.

The growing support for sustainably produced food will continue to benefit the producers of organic and Fair Trade-labelled goods

## 3.5 Perspectives

Given the very complex nature of the sustainability related issues, the next major development in the debate could emerge in a number of ways – for instance a retail group introducing yet another labelling scheme, a new quality standard or an NGO accusing a food company of perceived flaws in the production cycles.

While sustainability initiatives provide the opportunity of gaining a reputation as a responsible corporate stakeholder they also increase the already very sensitive public awareness, particularly in relation to food safety and ethical practices. Interestingly, stakeholders including NGOs, the food industry as well as the EU and national authorities compete on the assessment of risks and benefits for the environment and the

consumer which partly led to cases of “green-washing” against companies. Stakeholders wishing to distinguish themselves by taking the next big step on the sustainability playing field should be sufficiently prepared. They must plan each move carefully and be ready to support their initiatives by transparent communication if they wish to benefit from the sustainability trend and present themselves as responsible and innovative stakeholders.

Stakeholders wishing to distinguish themselves by taking the next big step on the sustainability playing field should be sufficiently prepared

amount of greenhouse gases emitted by the agricultural sector, a promotion campaign encouraging people to eat less animal protein is being discussed.

Among Dutch NGOs, however, there is currently some controversy concerning the involvement in industry initiatives. Indeed, as some NGOs sit together with industry to try and develop sustainable initiatives, particularly related to commodities production, others are strongly reacting against this approach and are putting pressure on the concerned NGOs to quit negotiations.

# 4 New technologies

---

# 4.1 Introduction

Today, there is wide-spread concern about the competitiveness of the European food industry as well as major challenges in the areas of health and sustainability. Against this backdrop there is general consensus that innovation is an important solution needed to tackle these issues. There is, however, much less consensus as to the type of innovation that is required. New technologies like bio- and nanotechnology are controversial and continue to fuel the political and societal debate. Stakeholders are divided between the potential benefits and deep concern over the risks for the environment and human health.

The European Food Safety Authority (EFSA) in its Strategic Plan 2009-2013, outlines new technologies and innovation as an important challenge. The growing number of innovative types of food and feeds from European industries and imports are expected to challenge existing risk assessment technologies to keep up to date with cutting-edge scientific developments.

## Biotechnology

Biotech is a “hot” topic. In addition to a growing number of GMO applications that industry wants to bring to the market, new technologies like cisgenesis and targeted gene repair are rapidly developing. However, bringing these innovations to the European market, has been a difficult process from the beginning. Given the concern around potential harm to the environment and, in the case of food crops, human health, the authorisation procedure is highly complex.

More importantly, the authorisation procedure is unsatisfactory. For example when there is a positive risk assessment by the EFSA, in most dossiers the Council does not show a qualified majority for or against any decision; the Commission then usually refers the issue

back to the EFSA for additional advice. This obviously does not solve the problem, which is of a political nature rather than a technical or scientific one. Political resistance is enhanced by the lack of clear consumer benefits and discussions over patents on life forms. Civic groups picking up on these concerns use every legal and communicative opportunity to oppose the authorization of GMO crops, thereby putting pressure on the politicians to take a restrictive position.

## Nanotechnology

Nanotechnology is beginning to find its way into the food system, from coatings on production equipment via high-performance packaging material to ingredients. Compared to the speed of developments in e.g. the car, textile and cosmetics industry, advances in food applications are still very moderate. Nevertheless, this new frontier of technological innovation is of potentially significant importance for both the competitiveness and the sustainability of the food industry.

At the same time it runs the risk of becoming a similar political battle-field as biotechnology if communication practices and stakeholder engagement does not improve.

The growing number of innovative types of food and feeds from European industries and imports are expected to challenge existing risk assessment technologies

## National Perspective

### UK

There has been considerable controversy around genetically modified (GM) foods in the UK, with public backlash and high profile campaigns around these so-called “Frankenstein” foods. As a consequence, no GM crops are currently grown commercially in the UK and no major British supermarket stocks “own-brand” products with GM ingredients. The Government remains officially neutral on the issue of GM, saying that they will be “guided by the science”. Part of the ‘Food and Farming Futures’ project is to look into the issue of GM food and whether it will help address food security issues whilst delivering safe food.

Recent developments in the British political sphere have given rise to a more positive attitude towards GM foods and new technologies. Ministers’ responses following a recent DEFRA publication on food security in the context of climate change and resource scarcity may mean that the door for the introduction of GM crops will be open in the future. Alongside the appointment of former Labour minister and GM supporter Lord Rooker as chairman of the Food Standards Agency (FSA), and in the strongest sign yet that the Government is to lend its backing to greater production of GM foods, Environment Secretary Hilary Benn MP confirmed that serious consideration was being given to the

Part of the ‘Food and Farming Futures’ project is to look into the issue of GM food and whether it will help address food security issues whilst delivering safe food

## 4.2 Current state of play

### Biotechnology

As noted in the introduction to this chapter, the market authorisation of new GMO crops is a tedious process, which often ends in a stalemate as Member States consistently disagree. Even if a crop occasionally gets the green light, such as Monsanto's recent MON810 maize, some Member States introduce a national ban on its cultivation.

The inability of the European Union to decide on the authorization of new GMO crops is leading to a notable "brain drain" in the industry. Most industry players have already relocated a large part of their R&D to other continents where it is easier to execute the necessary field trials. In addition, the industry is considering the withdrawal of its more fundamental R&D capacity from Europe.

EFSA is currently reviewing its procedures and guidelines on environmental risk assessments of GMOs, with the objective to make them more transparent and to speed up the evaluation process. However, as noted previously, this does not address the fundamental differences in political positions between Member States, and will therefore not be the key to breaking the deadlock in authorization procedures for GMO crops.

At the end of 2008, the French presidency proposed to introduce the impact on socio-economic factors into the assessment of GMO crops. This is unlikely to facilitate any further agreement, as stakeholders in favour of GMO-technology expect this to highlight

benefits (e.g. the potential contribution to sustainable development), whereas those opposing GMOs expect this to generate criteria to restrict cultivation of authorized GMO crops (e.g. preventing contamination of vineyards that could influence the taste and value of wine).

A growing number of Member States now advocate an approach, separating the market authorisation of GMOs from their cultivation i.e. selling GMOs versus cultivating them. It would then be left up to Member States whether or not to put restrictions on the cultivation of GMOs based on expected socio-economic impacts. This could ease the resistance against market authorisation as certain countries or regions that prefer GMO-free agriculture would not feel forced to defend their case. This issue will be on the agenda of the Council in 2010.

### Nanotechnology

The public and political debate on nanotechnology so far has not been extensive to date, and there is still room for a much more constructive and transparent dialogue than that Europe witnessed on the biotech issue. It is important to note that many nano-applications have, unlike most GMO crops, clear consumer benefits. In terms of the application of nanotechnology in food ingredients, the relevant legal framework is set by the Novel Food Directive and is currently being evaluated. During its previous term, the European Parliament had a first plenary reading, but the topic will be on the agenda again.

The inability of the European Union to decide on the authorization of new GMO crops is leading to a notable "brain drain" in the industry

The public and political debate on nanotechnology so far has not been extensive to date

extent to which farmers should be allowed to use new technology to increase yields, helping address food security issues.

The Government has also signalled its cautious support for nanotechnologies, with Benn saying that microscopic nanotechnologies have "real potential" to meet soaring demand for food in the coming years.

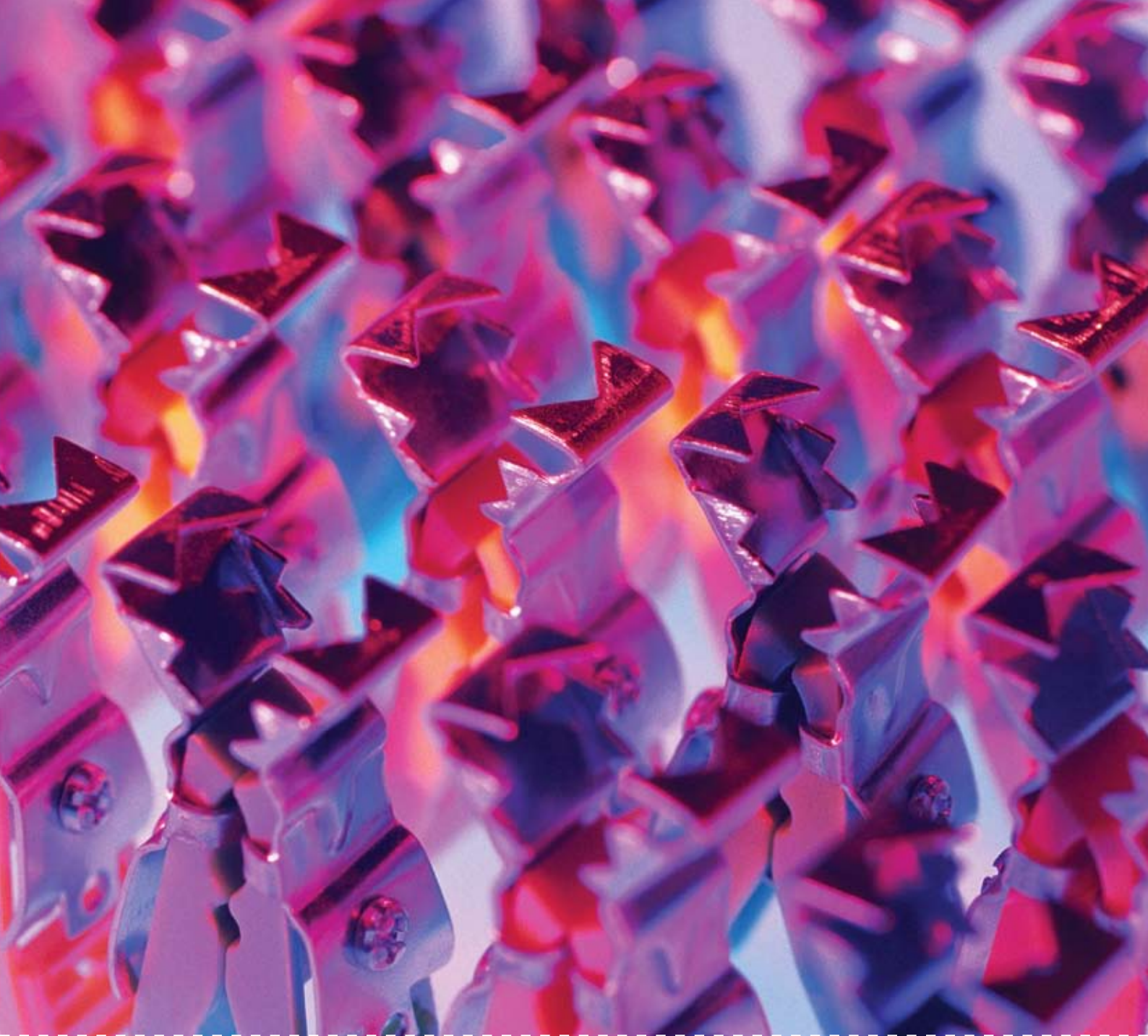
DEFRA and FSA will take forward a programme of consumer engagements on genetic modification over the next 12 months. It is expected to conclude that GM crops will be needed on a case by case basis. The Conservatives recognise the important role of new technologies in food security, but are equally aware of the public concern that exists around GM foods. They agree that trials

should go ahead, but commercial planting of genetically modified crops should only be considered if it is safe for human health and the environment, and a framework is in place to prevent unwanted mixing of GM and non-GM material. Consumers have the right to choose non-GM foods, therefore it is essential that all foods containing GM material, should be clearly labelled as such.

### Germany, Biotechnology

There are strong opposing political views on biotechnology in Germany. The Bavarian party CSU - to which conservative Federal Minister Aigner belongs - has campaigned against the use of GMOs in agriculture during the European elections. The SPD similarly underlined its will to protect consumers from 'unwanted biotechnology'. To guarantee

The Government has signalled its cautious support for nanotechnologies



transparency within the European market, the social democrats would like to see the German 'biotechnology-free'-label (introduced by the grand coalition of conservatives and social democrats) implemented in all other member states. The liberal FDP disapproves of the 'biotechnology-free' label, saying that it is deceptive for consumers because products bearing this label may contain a limited amount of GMOs. The FDP is also against any ban on the cultivation of GMOs and argue that it is contrary to European law and limits the freedom of choice.

#### Nanotechnology

In general, the evaluation of the Novel Food Regulation has not yet reached the agenda of German stakeholders. It is only referred to in the context of nanotechnology. For example,

the Greens have called on Federal Minister Ilse Aigner to argue in favour of an immediate risk assessment of nanotechnology at the European level. They are against the use of nanotechnology without this assessment, claiming that the consumers are being used as guinea pigs.

From a consumer perspective, the vzbv published the results of a consumer survey conducted last year: According to the survey, the majority of German (64 %) consumers view nanotechnology positively. However, this perception depends largely on the type of product it is used for. Nanotechnology is viewed much more critically when it is related to food, cosmetics and textiles. In these cases, 87% said they were afraid of health risks. Politically, nanotechnology is seen as an

The Greens have called on Federal Minister Ilse Aigner to argue in favour of an immediate risk assessment of nanotechnology at the European level

## 4.3 Positioning of relevant stakeholders

### Biotechnology

The well-known positions of stakeholders regarding GMOs remain firm. Environmental NGOs and left-wing political groups stress the potential harm to the environment, often referring to the unknown risks to human health to underpin their point.

Consumer organisations demand clear information and freedom of choice for the consumer. Whereas, the food industry claims that GMOs can contribute to sustainable food production. This view is supported by mostly right-wing political groups.

However, the left-right division in politics is not always that clear. Recently the British minister of environment, Hilary Benn, stated that GMOs could be part of the answer to the question of how to produce more food locally to secure national food supply. And some right-wing politicians in countries like Germany and Austria fear the negative impact on traditional and/or organic crops and food.

### Nanotechnology

For Kartika Liotard, the Dutch left-wing MEP who was rapporteur on the Novel Food Directive in the previous term, consumer protection is her first and foremost concern. In this regard, right-wing parties tend to warn for 'safety hysteria', however without offering clear arguments why the safety concerns would be over-estimated.

NGOs have begun to express their concerns and call for the "precautionary" principle to prevail. In line with this perspective, in July 2009 the European Environmental Bureau and the International POPs Elimination Network (representing over 700 organisations) published an article arguing against the claims about nanotechnology's potential to enhance economic growth while at the same time reducing environmental impact. According to these groups, the production of nanomaterials is often associated with the high use of energy and water, and the materials are often highly toxic. They object to the 'exaggerated claims' currently being made and call for proper governance including societal groups in guiding the development of these technologies.

Consumers generally have limited awareness and understanding of the developments of nanotechnology. When informed, however, most indicate they would endorse nanotechnology in production systems, appliances and medicines.

Applications 'closer to the body' are met with more concern, especially food and cosmetics. These concerns regard health and safety issues, but sometimes the more general perception of food getting less and less natural - 'natural' being an important factor for many consumers.

Environmental NGOs and left-wing political groups stress the potential harm to the environment

Consumers generally have limited awareness and understanding of the developments of nanotechnology

upcoming key technology by the conservative CDU, particularly regarding issues like solar energy and heat insulation. Interestingly there is no mention of food.

Similarly, the social democrats of the SPD mention nanotechnology in their manifesto for the federal elections as a promising sector that might help to strengthen the economy of the Eastern federal states. Ironically, the Greens have also identified nanotechnology as one of the potential drivers for the Eastern economy of Germany- while at the same time claiming to be against the use of nanotechnology in the food sector without strict risk assessments, licensing procedures, labelling and notification requirements.

### Belgium, Biotechnology

The Belgian authorities have an ambiguous attitude towards GMOs. To date they have transposed the European directives but have adopted, at a regional level, a somewhat conflicting approach. For example Flanders voted a decree which regulates the coexistence of traditional cultures and GMOs and the Walloon region (and Brussels) is opposed to the use of GMOs in agriculture, while the Federal government authorised a non-food GMO project.

Accordingly, from a left wing perspective Vera Dua the Flemish MP for the Green party stated that "the decree voted by the Flemish Parliament has insufficient guarantees to avoid the mingling of GMO and non-GMO cultures and to avoid contamination of our food chain with GMOs."

Most German political parties have identified nanotechnology as a promising sector

## 4.4 Upcoming trends

Germany is witnessing an intensive debate on 'fake products'. Replacing cheese in ready-made meals with product that looks like cheese, but actually consists of industrially processed non-dairy fats, has raised furious reactions. In the UK the labelling of country or region of origin is a major issue. Politicians have denounced the fact that British pork pies were made with Danish pork, and the application for a protected status of e.g. Cornish pasty, was announced with pride.

These examples are linked to a general trend that Europe has been experiencing for some time i.e. the desire by a growing number of consumers to be able to buy natural, authentic and traditional food products. At times this overrides health concerns, as in the case of full-fat dairy and meat products. This means that the presence of new-tech ingredients is often perceived as a threat to the quality of food, if not the quality of life. It will probably not affect the application of nanotechnology in production or packaging, or the use of GMO crops in feed to the same extent.

On the other hand, the awareness of the sustainability challenge will continue to grow as evidence of its severity continues to climb. Finding alternatives to animal protein and resilience against food price fluctuations are well understood by the general public and therefore popular with politicians and administrators.

Some of these issues are also linked to other public concerns, e.g. reducing dependence on animal protein is linked to animal welfare, food price volatility is linked to the emotional preference for locally produced food. These two trends - "natural/authentic/traditional" and "sustainable/autonomous" - have antagonistic effects on the perception of new food technology.

### Biotechnology

Modern biotechnology has now evolved into something much greater than the original definition of GMOs. Cisgenesis e.g. may be more easily accepted by both consumers and NGOs as it manipulates genes that go with the species anyway. The technique can enhance or dampen the expression of a specific gene while not interfering with the genome itself, thus addressing a major part of the argument against biological manipulation. Several players have placed their bets on this type of technology and it is likely we will see many results entering the stage over the next few years. In a completely different sphere, the debate on intellectual ownership is likely to be reanimated. For crops, the issue is whether this should be regulated through patent rights or breeder's rights? Which approach would fit the need of (open?) innovation better? This will almost certainly reach the European political agenda in the near future.

The presence of new-tech ingredients is often perceived as a threat to the quality of food

For crops, the issue is whether this should be regulated through patent rights or breeder's rights?

### Nanotechnology

As innovative applications reach the market - in food technology, but also in computers, car coatings, cosmetics, etc. - the consumer media will increasingly pay attention to the achievements of nanotechnology. This will also obviously bring about more public debate on the implications for sustainable development, health and consumer benefits.

Similarly, Benoit Lutgen, Walloon minister of agriculture, believes that quality agriculture products cannot be genetically modified. He believes that an indispensable condition of sustainable agriculture is a strong trust relationship between the producers and the population. Interestingly the consumers association and the National Food Council observed that consumers are often suspicious of new technologies when used in food production, and recommends better information on the benefits of these techniques.

Despite strong opposition there are a number of scientific GMO research projects being carried out in Belgium such as the projects of the Institute for Agricultural and Fisheries Research (ILVO), and the Unit of Technology and Food Science. This type of research

is regulated by the Federal Agency for the Safety of the Food Chain (FASFC), which promotes traditional 'quality agriculture' versus technological development (GMO in particular).

### Nano- technologies

Public debate on nanotechnology in Belgium is still in an embryonic phase. In May 2009, certain MPs organised a parliamentary debate on nano-technology, which resulted in submitting a resolution to the government.

Public debate on nanotechnology in Belgium is still in an embryonic phase

The resolution is in line with evolving societal expectations, which is in favour of reasonable and sustainable development of nanotechnology. However, there is a need for an ethical framework and risk analysis. Basically the resolution calls upon the government to:

# 4.5 Perspectives

When it comes to the application of new technologies in food, there are a few constants:

- European markets will always be wary of new technologies in food from the perspective of consumer protection.
- In the late nineties, triggered by a number of food safety and zoonose scandals, the gap between food industry practice and consumer expectations became evident. Continuous consumer education on food and nutrition is essential to prevent new shocks in consumer trust.
- European NGOs remain very critical about the food industry. Whereas at the national level a constructive dialogue is often possible, positions at the European level are usually antagonistic.

## Biotechnology

New techniques like cisgenesis or targeted mutagenesis bring about less fundamental doubts around environmental safety than the transgenic crops that have thus far reached the market. There is currently discussion about whether or not they could be excluded from the scope of the European market authorisation procedure. This would provide the opportunity to bring new products to the market much faster.

A uniform approach of GMO crops in Europe is unlikely. The differences in interests and perceptions are simply too big. It can be expected that European market authorisation of GMO crops will be decoupled from the permission of growing those crops – which would then become a national competence. Different Member States will apply different,

political criteria for such permission. Market players will need to accept this approach and learn to play on an uneven field.

## Nanotechnology

So far, the food industry has kept a low profile in the public debate, possibly fearing a backlash in the consumer market comparable to what happened with biotechnological applications in the food chain. However, there is a strong rationale for why it is time to start an honest dialogue with civil society. In the first place, not having a dialogue is not an option. This will only lead to activist groups starting emotionally driven campaigns that could easily cloud any factual debate over the impact of nanotechnology. As the biotech debate has shown, the situation becomes very difficult to manage when misconceptions dominate. Fair public education is a pre-condition for building support for sensible innovations in this area.

Nanotechnology actually offers several solutions with clear consumer benefits. Examples include more reliable information relating to the shelf life of products via intelligent packaging, reduction of salt content without loss of taste by using nano-sized salt particles, or high-performance outdoor clothes. These benefits offer great opportunities for a constructive public and stakeholder dialogue.

The dialogue needs to be balanced. It is clear that, especially regarding food, consumer protection is a societal and political priority and plays a crucial role in the debate on the Novel Food Directive. One should therefore be careful not to overstate the potential upside of nanotechnology.

New techniques like cisgenesis or targeted mutagenesis bring about less fundamental doubts around environmental safety than the transgenic crops that have thus far reached the market

- Further invest in research on potential societal benefits and risks related to nanotechnology
- Prioritise research with real societal and/or ecological added value.

The ongoing debate on nanotechnology is mainly focused on innovation in biomedical science and energy, rather than its applications in the food industry.

## Netherlands, Biotechnology

The Netherlands have taken up the debate on the socio-economic impact of GMOs. Together with the Nordic Member States, Germany, Austria and the UK, the government supports the approach to separate market authorisation from the permission to grow a GMO crop. GMO is seen as a potential contribution to sustainability and food security.

The Netherlands have taken up the debate on the socio-economic impact of GMOs

In June 2009, the Ministry of Agriculture organised a stakeholder seminar on this issue. Many stakeholders expressed concern that the approach was a means to evade the fundamental questions on GMOs. Consumer organisations, in particular, stressed the need for freedom of choice of the consumer. The process was criticised for its lack of room to discuss fundamental points, and many participants questioned the real motives. Nevertheless, the Ministry has committed itself to organising a similar meeting at the European level.

## Nanotechnology

In general, nanotechnology is getting increased attention from politics and stakeholders, although the public debate remains limited. Consumer awareness is low. A recent consumer survey undertaken by Schuttelaar & Partners showed:

- The knowledge about nanotechnology was very limited. Only after giving information and explanation did consumers grasp the concept.
- Even then, nanotechnology remained an abstract term for most consumers and it proved hard to form an opinion.
- The overall attitude was positive, especially for “high-tech” areas: computers, cars, textiles. Application in cosmetics and food was met with more caution.
- As for food application, consumers perceive a major risk in the increasing dependence on technology as well as food becoming “less natural”.

The uncertainty about the potential health risks of nano-particles on the work place was reason for the Ministry of Social Affairs to

ask the Socio-Economic Council for advice. This body, in which employer organisations, trade unions and independent experts are represented, observed that there are currently no reliable models for the risk assessment of nano-substances. The Council was unanimous regarding the need to apply the precautionary principle. This means that employers should take all feasible measures to prevent exposure of workers to nano-particles and should monitor all exposure. It was suggested to implement a system of obligatory notification for companies applying nano-materials, and recommended that government should start public communication. The proposed régime resembles that of carcinogens. As a result, the employers show concern about potential health and safety issues.

The uncertainty about the potential health risks of nano-particles on the work place was reason for the Ministry of Social Affairs to ask the Socio-Economic Council for advice

# a joint collaboration by

akkanto, College Public Policy, Kohl PR & Partner, Schuttelaar & Partners

---



**akkanto**

Chaussée de la Hulpe 189  
1170 Brussels  
Belgium  
T +32 2 610 10 10  
[www.akkanto.com](http://www.akkanto.com)

**College Public Policy**

Royal Mint Court  
EC3N 4QN, London  
England  
T +44 20 745 720 20  
[www.collegepublicpolicy.com](http://www.collegepublicpolicy.com)

**Razor Public Relations**

6 & 7 Bignell Park Barns  
Chesterton, Bicester  
Oxfordshire, OX26 1TD  
England  
T +44 186 932 41 88  
[www.razor-pr.com](http://www.razor-pr.com)

**Kohl PR & Partner**

Schiffbauerdamm 40/4108  
10117 Berlin  
Germany  
T +49 30 226 67 90  
[www.kohl-pr.de](http://www.kohl-pr.de)

**S&P The Hague**

Zeestraat 84  
2518 AD The Hague  
The Netherlands  
T +31 70 318 44 44  
[www.schuttelaar.nl](http://www.schuttelaar.nl)

**S&P Brussels**

Wetstraat 28  
1040 Brussels  
Belgium  
T +32 2 502 20 08  
[www.schuttelaar-partners.com](http://www.schuttelaar-partners.com)