FOOD DRINK EUROPE

Let's step up to the plate

Europe's Food and Drink Industry Priorities for the EU Institutions

2019 ⚬ 2024

We're putting food on the table

Europe's food and drink industry:

↗ **Is the largest manufacturing sector** in the EU

↗ **Has a turnover** of over **€ 1 trillion**

↗ **Employs 4.6 million people directly** across the EU

↗ **Provides at least 1.5 billion meals** every day

FoodDrinkEurope is the organisation of Europe's food and drink industry

26 National Associations

27 European Sector Associations

21 Food & Drink Companies

Food and drinks represent some of our society's greatest traditions. Europeans take pride that our wonderful and diverse cuisine is enjoyed by millions all over the world.

Food and drink brings joy to our families every day, is part of every celebration, and acts as the thread throughout many of our warmest memories. Our food culture is one of the EU's greatest success stories.

However, it is only when we move forward together, that success takes care of itself.

We're ready to step up to the plate

We need your help to:

- ↗ **Recognise the importance of food in EU policies**

- ↗ **Enable a better dialogue amongst industry, citizens and law-makers**

- ↗ **Ensure better regulation with less fragmentation of our Single Market**

- ↗ **Invest in food education**

- ↗ **Set a strong food trade agenda in the current global context**

- ↗ **Implement an ambitious food research and innovation policy**

- ↗ **Guarantee a fair and strong agri-food supply chain**

Introduction

**Mella Frewen,
FoodDrinkEurope
Director General**

Over the past five years, political and legislative developments demonstrated very clearly that the EU Institutions have played a crucial role in drawing up, finalising, and delivering on a host of important dossiers. The work of the EU Institutions has a direct influence on all key issues affecting Europe's food and drink industry, from food safety to the Single Market, and from innovation to trade, to name but a few.

FoodDrinkEurope has worked successfully with policy makers on several topics during this past mandate. We have seen legislation for novel foods, trans-fats and acrylamide introduced, maintaining our high standards for food safety and health. We have advocated for trade deals with Canada and Japan, amongst others, improving market access conditions and breaking down barriers to trade for Europe's food and drink industries in foreign markets - today's leading exporter of food and drinks in the world, with exports of €110 billion and a surplus of €35 billion in 2017.

We were pleased to participate in trade missions with the European Commission to Canada, to Iran and to China. We have fought to combat

> Our industry has remained resilient throughout challenging times. In order to continue to grow, innovate and create new jobs, we need the right business environment in which to operate.

unfair trading practices for all operators across the food chain, and sought to keep our sector competitive, to the benefit of consumers. We have also welcomed legislation to make our industry more sustainable, working to reduce food waste with the waste framework directive, and to harmonise national measures concerning the management of packaging and packaging waste with the packaging waste directive.

There remains much to do, and we are determined to continue our successes over the next institutional mandate. As the European Union enters a new and challenging period, EU policy makers will play a decisive role in laying the foundations of stability and prosperity for years to come. This is an important responsibility that will necessitate positive engagement with all stakeholders concerned.

In this short document we outline the views and concerns of the food and drink industry on matters which will be debated by policy makers in the EU Institutions during their next mandate.

We look forward to engaging with you.

4.6 million people are employed by Europe's food and drink industry across the EU

€1.1 trillion turnover which makes it the largest manufacturing industry in the EU

The EU is the largest exporter of food and drink products in the world

€230 billion added value

For a Single Market with a purpose:

Champion the most significant achievement of the European Union

Thanks to the Single Market, consumers have access to diverse food and drink products which they can enjoy every day, whilst food and drink manufacturers enjoy healthy competition, offering products of high quality to the benefit of consumers.

Strengthening and completing the Single Market for food and drinks is an absolute necessity to uphold the competitiveness, quality and sustainability

As the largest manufacturing sector in Europe in terms of turnover, value added and jobs, we ask policy-makers to champion and defend the EU Single Market for food and drinks, and counter recent trends towards renationalisation, protectionism and fragmentation.

of the food and drink sector in Europe and its position as a leader in global trade. The Single Market for food and drinks deserves more recognition in the European Commission, Parliament and Council.

For instance, the creation of a Directorate for Food (not limited to agriculture) could be envisaged in the European Commission, as well as a dedicated European Parliament Intergroup on Food.

75%
food and drink products traded in the EU are destined for the Single Market
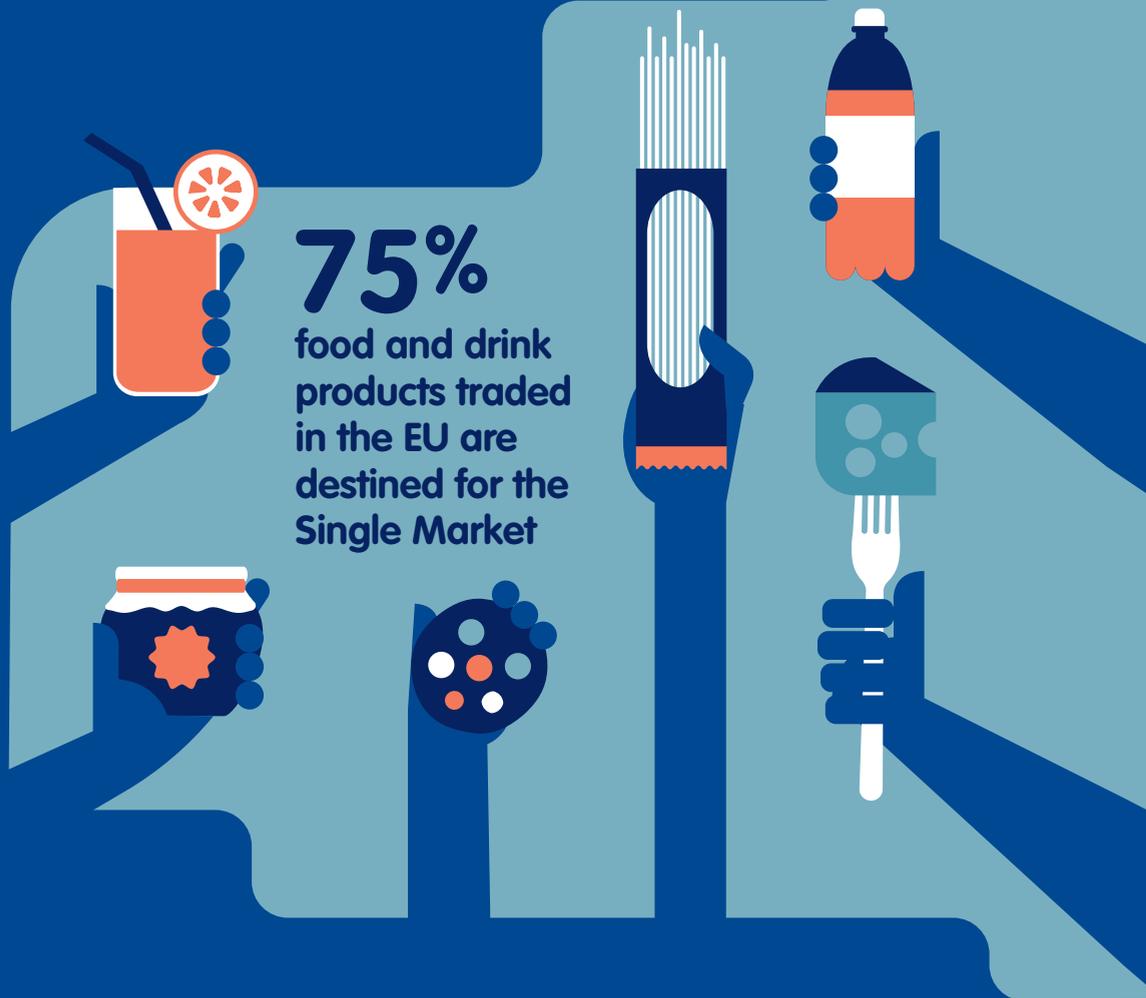
EU27-UK relationship

Given the highly integrated supply chains in the food and drink sector, Brexit will have an enormous impact on our industry.

We ask Brexit negotiators to put in place an adequately long transition period, as any future relationship post-Brexit will require considerable forward planning and is likely to take time for operators to fully integrate.
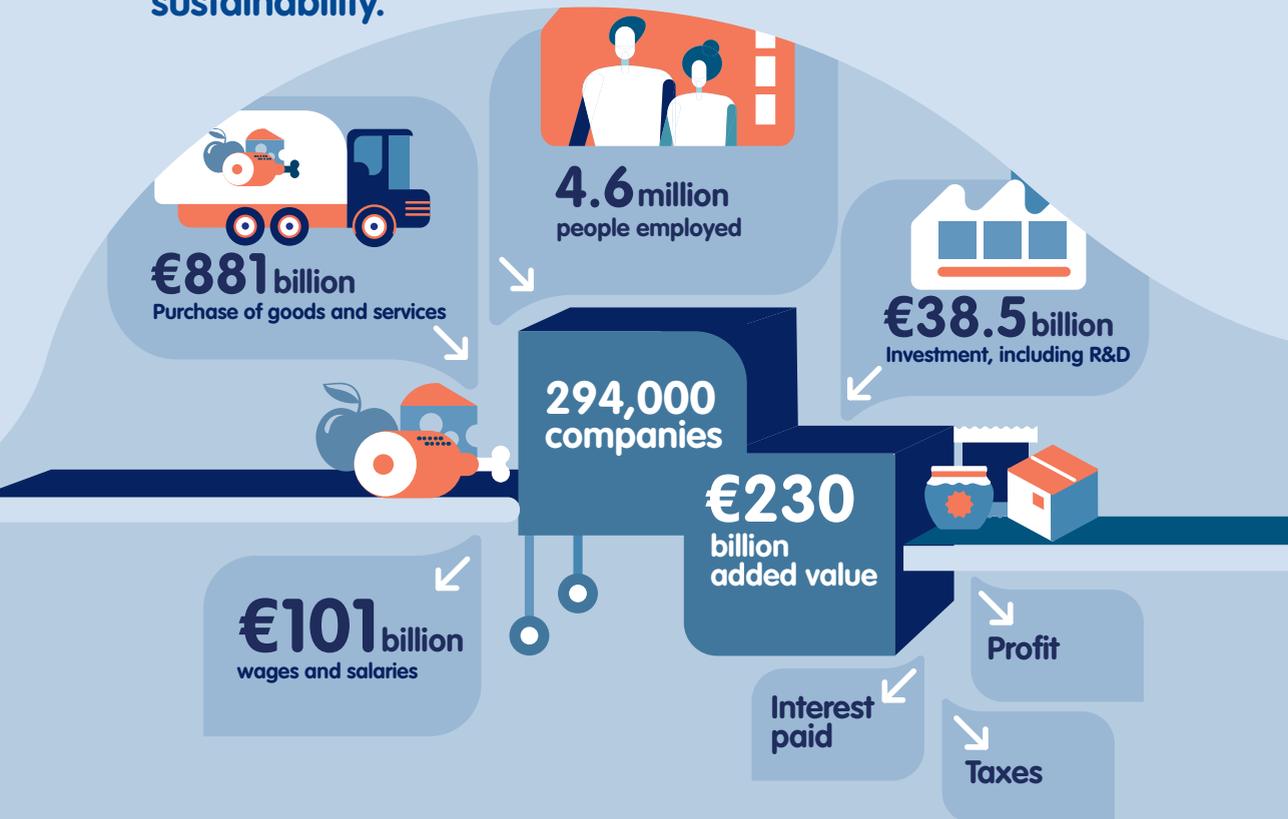
The objective must be a fruitful and positive relationship between the EU and the UK post-Brexit; this may take longer than expected and, therefore, the industry recommends that the envisaged negotiation or transition period be extended, if necessary.

Feeding Europe's Economy

The food and drink industry is Europe's leading manufacturing sector, with a turnover of €1,109 billion, and is a key job provider, with 4.57 million persons employed. The sector is also a global champion, as the largest exporter of food and drink products in the world.
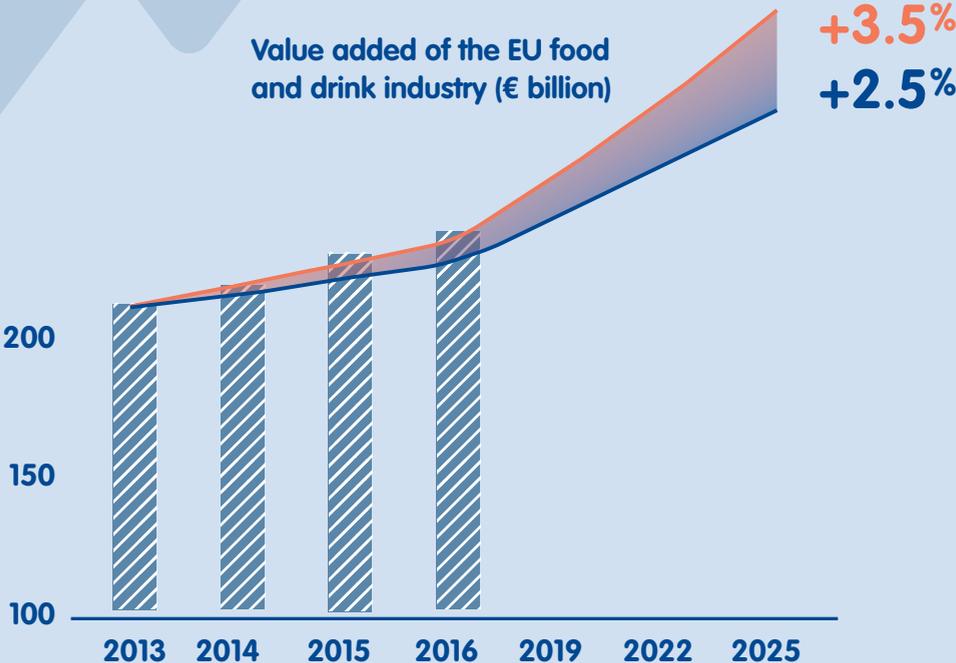
The industry continues to provide economic growth and jobs for EU citizens, ensure the satisfaction and well-being of consumers and secure environmental sustainability.

4.6 million
people employed

€881 billion
Purchase of goods and services

€38.5 billion
Investment, including R&D

294,000 companies

€230 billion added value

€101 billion
wages and salaries

Profit

Interest paid

Taxes

Implementing the EU food and drink industry's growth ambition

The industry has committed to increase value added by

2.5-3.5% per year by **2025**

Value added of the EU food and drink industry (€ billion)

+3.5%
+2.5%

200							
150							
100							
	2013	2014	2015	2016	2019	2022	2025

Since the industry has established its growth commitment, it is firmly on track with its ambition. We ask the EU Institutions to facilitate an enabling policy framework so that the food and drink industry can continue on this path to 2025 and beyond.

Industrial Policy

Together with numerous other European industry sectors, we ask policy-makers to:

✓ **Put industry at the top of the political agenda of the European Union during the next institutional cycle (2019-2024).**

✓ **Select industry as a top priority for the Commission's 5-year Work Programme and appoint a dedicated Vice-President for Industry.**

✓ **Swiftly prepare and present an ambitious long-term EU industrial strategy that aims at safeguarding the world leadership of the European industry and manufacturing jobs in Europe.**

International Trade

Considering the important role that trade plays for the international competitiveness and continued success of the industry, we encourage EU policy-makers to support:

- An ambitious EU trade agenda which promotes trade both at multilateral and bilateral levels, reduces trade barriers, creates new export opportunities and facilitates security of supply of some raw materials, while providing fair terms of competition and a level playing field for domestic EU producers.
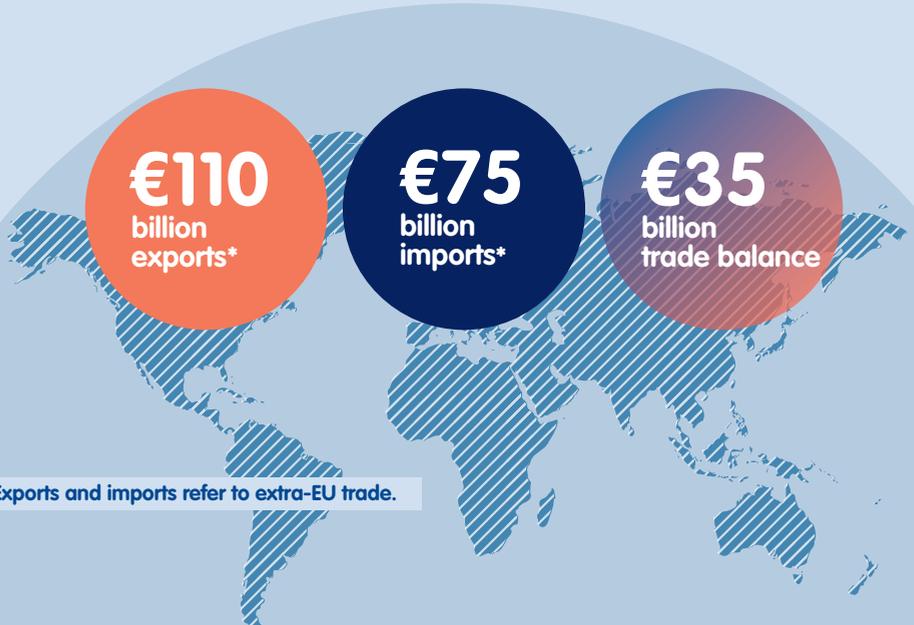
- A rules-based multilateral trading system administered by a strong and effective World Trade Organization.

- EU FTAs and cooperation with third countries to strengthen bilateral trade relations.

- Timely ratification, implementation and robust enforcement of EU FTAs.

€110 billion exports*

€75 billion imports*

€35 billion trade balance

*Exports and imports refer to extra-EU trade.

The Common Agricultural Policy (CAP)

The EU food and drink industry buys some 70% of all EU agricultural raw materials. Hence the CAP is one of the key policies for the sustainable growth of the EU food and drink industry. It should enable food and drink companies to access adequate supplies of safe and sustainably-produced agricultural raw materials. These materials should match the quality and quantity needs of the industry and of consumers, as well as be competitively priced.

In view of the post-2020 CAP reform, we ask policy-makers to:

✓ Support the CAP objective to increase competitiveness and ensure that the policy continues to evolve towards more market orientation. This will help increase the competitiveness of EU producers and manufacturers at home and abroad.

✓ Ensure that EU and Member State legislation safeguards against re-nationalisation of the CAP, especially of Pillar 1.
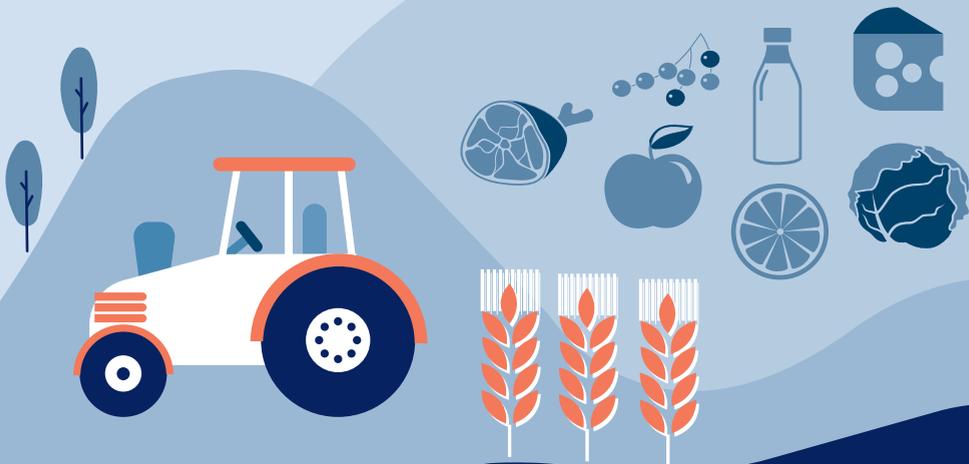
Fairness throughout the food supply chain

On 19 December 2018, the European Commission, Parliament and Member States agreed on a Directive to combat unfair trading practices in the food supply chain. This is the first time that an EU-level legislation will be implemented in this area. The Directive will complement the rules currently in place across over 20 Member States, reinforcing the Single Market and serving the EU's 500 million consumers.

The debate on this Directive revealed that unfair trading practices are imposed, regardless of the size of the producer. In addition, the principle that "unfair is unfair" was widely recognised by all parties. The agreed Directive is a first step in the right direction.

We call on Member States to fully and swiftly implement the Directive and ask the European Institutions to continue their efforts to build on the foundations for a fairer and more sustainable EU agricultural and food supply chain.

Serving Consumers' Needs

In order to be able to provide consumers with safe, high-quality food and drinks that fit within a balanced diet, the food and drink industry relies on policies that are based on science and evidence.

Thanks to innovation and digitalisation, our industry can bring to the market a wide range of products that serve consumers' ever-evolving needs and preferences. A policy environment conducive to innovation and informed choice will benefit both consumers and manufacturers.

I. Ensuring a science- and evidence-based approach to food safety and innovation

✔ Investing in research and innovation

Sustaining innovation within the food and drink industry does not only require co-funding but also a regulatory framework that stimulates research and innovation. We strongly encourage the European Institutions to continue supporting the food industry's research and innovation activities, thus making the sector more productive, more resilient and better equipped to satisfy the evolving demands of consumers.
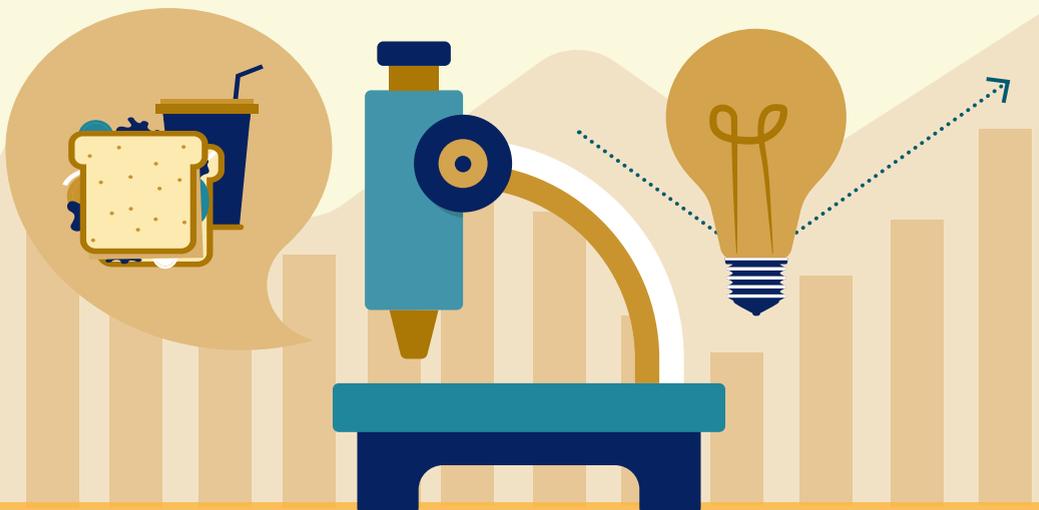
Better Regulation

We ask policy-makers to:

↗ **Step up efforts to ensure that the implementation of EU food legislation by Member States is as uniform as possible across the EU and to continue reducing administrative burdens for food and drink companies, especially SMEs.**

↗ **Review progress of the REFIT platform's collected suggestions and recommendations on how to simplify laws in relation to food; this is particularly important for multiple source substances.**

↗ **Facilitate the uptake of innovation by adapting legislation to stakeholder needs and therefore continue building trust among consumers.**

Transparency and sustainability of EU risk assessment in the food chain

The General Food Law Regulation [(EC) No 178/2002] provides a comprehensive harmonised legal framework and its implementation has raised the level of protection against eventual food safety risks.

In view of the Commission's proposal for a revision of the risk assessment and risk communication procedures, we ask policy-makers to avoid threats to innovation by supporting a risk assessment model where an adequate level of protection is afforded to regulated products in the food and feed sector, thus creating an EU business environment promoting research and innovation.

Application of the new Regulation on Official Food and Feed Controls

The scope of the Regulation on Official Food and Feed Controls [EU 2017/625] has been substantially broadened to include rules on animal health and welfare, plant health and plant protection products. New emphasis has been given to the fight against food fraud, prevention of unreasonable disruption of businesses and control of e-commerce. This Regulation will be enforced as of December 2019.

85 empowerment measures will need to be issued, several of which will be delegated acts. These delegated acts supplement or amend non-essential elements of the basic Regulation. We ask policy-makers to scrutinise these delegated acts to prevent any derogation from the initial intention of the legislation.

from **farm** to **fork**

II. Empowering consumers to eat and live well

An EU nutrition and health policy

We encourage policy-makers to promote an environment in which food and drink companies are incentivised and truly supported to continue providing a wide range of choices to consumers and to develop and bring to market new product innovations which contribute to a balanced diet and people's health overall, based on scientific/technical capabilities and consumer acceptance.

FoodDrinkEurope supports a comprehensive, co-ordinated and inclusive EU nutrition and health policy, based on solid science and evidence, which respects individual foods and ingredients.

Consumer information and claims

In an effort to further improve clear, understandable and evidence-based food information which empowers consumers across Europe to make informed choices based on their individual needs, we ask policy-makers to:

↗ **Resolve the remaining/outstanding issues of the Food Information to Consumers Regulation (e.g. rules on precautionary allergen labelling) and the Nutrition and Health Claims Regulation.**

↗ **Prevent further disruption to the Single Market by avoiding proliferation of national measures that are not justified under EU law.**

↗ **Evaluate the effectiveness of the above-mentioned Regulations in reaching their original objectives.**

↗ **Consider (further) opportunities for digital means to provide consumer information.**

Growing Sustainably

Sustainability does not only have a positive impact on people and planet, it also makes good business sense. Food and drink companies can play a major role in ensuring the sustainability of the food supply chain.

FoodDrinkEurope is committed to supporting sustainable practices to protect and promote natural resources, in line with the United Nations Sustainable Development Goals (SDGs), strengthening the links between food, people and the planet. Industry cannot do this on its own and therefore asks policy-makers to support its efforts.

I. Circular Economy

✓ Implementation of the Plastics Strategy

One of the main measures contained in the Circular Economy Action Plan is the 2018 European Commission Plastics Strategy and legislative proposal on the reduction of the impact of certain plastic products on the environment.

We encourage policy-makers to recognise the shared responsibility of all relevant actors with regards to littering, prioritise safety and quality for food and drink packaging products, and support increased funding for innovation in packaging.

✓ Food Waste

We strongly encourage policy-makers to continue supporting the European food and drink industry in its efforts to promote the reduction and prevention of food waste, thus contributing to the implementation of SDG target 12.3.

II. Sustainable Development Goals (SDGs)

We ask policy-makers to continue supporting long term ambitions (beyond 2019) on the implementation of the SDGs, as well as ensuring a high level of policy coherence and coordination with other relevant EU platforms, as appropriate.

III. Climate and Energy

Climate change already has far-reaching implications for the sustainability and competitiveness of all food and drink manufacturers.

In view of the European Commission's publication in 2018 of the EU's long term climate change strategy for 2050, implementing the UNFCCC 2015 Paris Agreement, we ask policy-makers to drive forward an ambitious political framework for climate, based on evidence, economic impact, best practices, and effective and inclusive solutions.

FOOD DRINK EUROPE

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