

High Level Forum for a Better Functioning Food Supply Chain

Report

5 December 2012

Disclaimer

This report reflects the deliberations, opinions and agreements within the High Level Forum for a Better Functioning Food Supply Chain, which was established by the European Commission in July 2010.

Neither the European Commission nor any person acting on its behalf may be held responsible for the use to which information contained in this publication may be put, nor for any errors which may appear despite careful preparation and checking. This publication does not necessarily reflect the view or the position of the European Commission.

TABLE OF CONTENTS

List of Acronyms.....	4
1. INTRODUCTION	6
1.1. The food supply chain, a strategic sector for the Europe 2020 strategy	6
1.2. Mandate of the Forum.....	6
1.3. Indicators of achievement	7
2. VERTICAL BUSINESS-TO-BUSINESS CONTRACTUAL RELATIONSHIPS	8
2.1. Mandate and political context.....	8
2.2. Activities and achievements of the Expert platform	9
2.2.1. Main facts identified and discussed	9
2.2.2. Principles of good practice, implementation and enforcement options	11
2.3. Conclusions and recommendations	13
3. COMPETITIVENESS IN THE AGRI-FOOD INDUSTRY.....	14
3.1. Political context and mandate	14
3.2. Competitiveness on the internal and external markets for smart growth.....	14
3.2.1. Internal market.....	15
3.2.2. Non-harmonised taxes on food and beverages	15
3.2.3. Regulation of the financial markets.....	16
3.2.4. Boosting external trade.....	17
3.2.5. Promotion and information measures for agri-food products	18
3.2.6. Access to finance	18
3.3. Responsible innovation for sustainable growth	18
3.3.1. Innovation in the food supply chain	18
3.3.2. Agro-logistics and ICT.....	20
3.3.3. Legislative actions	21
3.3.4. Towards more sustainable growth in the food supply chain.....	21
3.3.5. Social dialogue committee for the food and drink industry	22
3.3.6. Corporate social responsibility	23
3.3.7. The Common Agricultural Policy	24
3.4. Transparency and consumer empowerment for inclusive growth	25
3.5. Conclusions and recommendations	26
4. FOOD PRICE MONITORING	28
4.1. Developments of the European Food Prices Monitoring Tool	28
4.2. National price observatories — methodologies and conclusions	29
4.3. Link with the FP7-funded Transfop project and other initiatives	30
4.4. Conclusions and recommendations	31
5. CONCLUSION.....	32
5.1. Value-added of the Forum	32
5.2. Proposals for a continued multistakeholder dialogue	32
Annex I	35
Annex II.....	39
Annex III.....	110

LIST OF ACRONYMS

Acronyms and abbreviations

ACP	African, Caribbean and Pacific
ANR	National Agency for Research
BTSF	Better Training for Safer Food
CAP	Common Agricultural Policy
CIR	Research Tax Credit
COSME	Programme for the Competitiveness of Enterprises and SMEs
DDA	Doha Development Agenda
EBAN	European Business Angels Network
ECN	European Competition Network
EEN	Enterprise Europe Network
EIP	Entrepreneurship and Innovation Programme
ETP	European Technology Platform
ETS	Emissions Trading Scheme
FI-PPP	Future Internet Public-Private Partnership
FP7	Seventh Framework Programme for Research and Technological Development
FTA	Free Trade Agreement
GMO	Genetically Modified Organism
GSCOP	Groceries Supply Code of Practice
HLG	High Level Group on the Competitiveness of the Agro-Food Industry
ICT	Information and Communication Technologies
IPPC	International Plant Protection Convention
IPPC Directive	Integrated Pollution Prevention and Control Directive
IPR	Intellectual Property Rights
JMC	Joint Management Committee
KIC	Knowledge and Innovation Community
MAAC	Market Access Advisory Committee
MADB	Market Access Database
MiFID	Markets in Financial Instruments Directive
NCA	National Competition Authority
NTB	Non-Tariff Barrier to trade
OIE	World Organisation for Animal Health
PDO	Protected Denomination of Origin
PGI	Protected Geographical Indication
PNNS	National Programme for Nutrition and Health
PTFP	Polish Technology Food Platform
RASFF	Rapid Alert System for Food and Feed
RSFF	Risk Sharing Finance Facility
SBA	Small Business Act for Europe
SCP	Sustainable Consumption and Production
SME	Small and Medium-Sized Enterprise
SPS	Sanitary and Phytosanitary
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBT	Technical Barrier to Trade
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UTP	Unfair Trading Practice
WTO	World Trade Organisation

EU bodies and agencies

EACEA	Education, Audiovisual and Culture Executive Agency
EACI	European Agency for Competitiveness and Innovation
EFSA	European Food Safety Agency
EIB	European Investment Bank
EIT	European Institute for Innovation and Technology

European Commission departments

AGRI	Directorate General Agriculture and Rural Development
CLIMA	Directorate General Climate Action
COMP	Directorate General Competition
CONNECT	Directorate General Communication Networks, Content and Technology
EAC	Directorate General Education and Culture
ECFIN	Directorate General Economic and Financial Affairs
EMPL	Directorate General Employment, Social Affairs and Inclusion
ENTR	Directorate General Enterprise and Industry
ENV	Directorate General Environment
ESTAT	Eurostat
FVO	Food and Veterinary Office
JUST	Directorate General Justice
MARKT	Directorate General Internal Market and Services
RTD	Directorate General Research and Innovation
SANCO	Directorate General Health and Consumers
TRADE	Directorate General Trade

1. INTRODUCTION

1.1. The food supply chain, a strategic sector for the Europe 2020 strategy

The agri-food sector plays a central role in the Union economy, society and environment. It is a complex supply chain, which encompasses agriculture, the food processing industry and related services. Taken as a whole, it generates value added of € 715 billion per year — almost 6 % of the EU Gross Domestic Product. Around 17 million holdings and enterprises (82 % of them agricultural holdings), many of them small, are involved, providing jobs to over 48 million Europeans.

Every day, the EU food supply chain – including non-EU suppliers – delivers an enormous variety of safe foodstuffs and beverages to over 500 million European consumers. On average, 15 % of household expenditure is on food and drink. The sector not only feeds people, it also responds to cultural, health, ethical demands and many other qualities that consumers demand from their food, including convenience. Supplying this market involves using and managing the EU's natural resources to a significant extent.

The EU is the world's biggest exporter and importer of agricultural and food products, and accounts for about 19 % of total global export flows. However, the EU food sector's competitive leadership is increasingly being challenged by established trade partners (USA, Australia, New Zealand) and by emerging economies (Brazil, China).

In 2009, the High Level Group on the Competitiveness of the Agro-Food Industry identified these challenges and proposed key initiatives to boost the industry's competitiveness. Its recommendations are fully in line with the Europe 2020 Strategy for smart, sustainable and inclusive growth¹, the scope and depth of which is even more comprehensive. The flagship initiatives which have been put forward to implement it should and can help the food supply chain to deliver sustainable growth, jobs and food in the EU, provided they respond to the sector's specificities.

The current economic context makes it even more important to improve the functioning and competitiveness of the food supply chain. Prices for agricultural commodities have become more volatile, both within the EU and internationally, both on physical markets and in futures. This exposes all businesses in the food supply chain to more risk, which may add to pressure on weaker parties. This could ultimately be detrimental to producers, distributors, those with jobs in the sector and consumers.

1.2. Mandate of the Forum

In 2010, the Commission set up the High Level Forum² to assist the Commission with the development of industrial policy in the agri-food sector by following the implementation of the Communication 'A better functioning food supply chain in Europe'³ and of the recommendations of the High Level Group on the Competitiveness of the Agro-Food Industry.⁴

¹ For more information on the Europe 2020 Strategy, see <http://ec.europa.eu/europe2020/>.

² See Annex I for the composition of the Forum and its expert platforms.

³ COM (2009) 591 final, 28.10.2009.

⁴ http://ec.europa.eu/enterprise/sectors/food/files/high_level_group_2008/documents_hlg/final_report_hlg_17_03_09_en.pdf.

The Forum drew up a roadmap encompassing all the initiatives included in its mandate, and regularly updated this roadmap. It also identified priority issues to which it contributed more specifically. This work was organised around three working groups (expert platforms) dedicated to:

- Business-to-business contractual practices in the food supply chain;
- Competitiveness in the agri-food industry;
- The European Food Prices Monitoring Tool.

Chapters 2 to 4 provide an in-depth report, and the Forum's conclusions on the activities carried out by its three expert platforms.

1.3. Indicators of achievement

Overall, the implementation of the Forum's roadmap, which is made of 32 broad initiatives, is very well on track⁵.

- **12 initiatives are either fully achieved or being implemented on an ongoing basis.** This category includes the adoption and implementation of EU legislative acts (e.g. the directive on industrial emissions); the launch of initiatives now following their own work programme (e.g. the EU Social Dialogue Committee); the inclusion of the recommendations of the High Level Group into working procedures (competitiveness proofing) and into regular calls for proposals for research and innovation projects; regular exchanges of information and good practice in European fora (e.g. the European Competition Network, the High Level Group on Logistics); ongoing actions in international fora (e.g. actions to promote the uptake of international standards); etc.
- **For 14 initiatives there have been major advances,** but more needs to be done to reap their benefits. This category includes, for instance, legislative acts the Commission has proposed and which are currently under legislative procedure (e.g. the review of the Markets in Financial Instruments Directive); legislative acts that have been adopted but need implementing or delegated acts to become fully operational (e.g. food information to consumers); significant progress made in some, but not all Member States (e.g. on the development of food price observatories); projects launched, the results of which are expected to deliver key aspects of an initiative; etc.
- **For the remaining six initiatives, significant progress is still needed.** In most cases, work is ongoing, but significant further actions still need to be taken either by EU institutions (e.g. on novel foods) or by national authorities and private stakeholders (e.g. on national organisations to report on geographical indication counterfeiting). Progress may reasonably be expected soon on several initiatives, though there is one exception: the stalemate in the Doha Development Agenda makes it unlikely that an ambitious global trade agreement will be reached any time soon.

⁵ See Annex II for the state of play on the 32 initiatives covered by the roadmap.

2. VERTICAL BUSINESS-TO-BUSINESS CONTRACTUAL RELATIONSHIPS

2.1. Mandate and political context

In its communication 'A better functioning food supply chain in Europe'³, the Commission stated its intention to work with Member States and stakeholders to eliminate unfair practices in business-to-business settings. In 2010, it created an Expert Platform within the Forum to consider the issue and put forward recommendations.

The Expert Platform was mandated to:

- Agree on a list of practices which can be deemed unfair;
- Identify relevant best practices in commercial relations;
- Propose action where necessary (regulatory or non-regulatory instruments).

The Expert Platform delivered results on the first two points in 2011. In 2012, it concentrated on identifying possible actions.

The Expert Platform and the Forum have given all due consideration to the positions expressed since 2010 by the European Parliament and by the Council of the European Union. They considered in particular the Council Presidency Conclusions of 29 March 2010,⁶ as well as two initiative reports (the 'Bové Report'⁷ of 7 September 2010 and the 'Corazza-Bildt Report'⁸ of 5 July 2010) and a resolution⁹ of the European Parliament.

- The Presidency Conclusions of 29 March 2010, supported by a vast majority of Member States, welcomed the Commission Communication 'A better functioning food supply chain in Europe'. The Presidency '*actively encourages self-regulation initiatives between stakeholders in the food supply chain*'. It '*encourages the adoption of Codes of Good Commercial Practices for all stakeholders in the food supply chain. Subscription to these codes should be voluntary but Member States could assess compliance with them in accordance with guidelines provided by the Commission.*'
- The Bové Report '*Welcomes the Commission Communication (...) 'A better functioning food supply chain in Europe' (...), since it recognises the existence of major power imbalances among operators*'. The report proposes several initiatives in addition to those put forward by the Commission. It '*welcomes and encourages the establishment of ombudsmen for the food retail sector and other arbitration mechanisms aimed at guaranteeing compliance with contractual agreements; calls on the Commission to examine experiences in this regard with a view to the establishment of an EU-wide food retail ombudsman whose tasks would be to ensure enforcement of codes of conduct, best practices and contracts in transactions among operators from different Member States*'.

⁶ General Secretariat of the Council, 29 March 2010. Presidency Conclusions on the Commission Communication 'A better functioning food supply chain in Europe'. (8124/10)
<http://register.consilium.europa.eu/pdf/en/10/st08/st08124.en10.pdf>.

⁷ European Parliament report on fair revenues for farmers: A better functioning food supply chain in Europe (2009/2237(INI)). <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0302&language=EN&ring=A7-2010-0225>.

⁸ European Parliament report on a more efficient and fairer retail market (2010/2109(INI)).
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2011-0307&language=EN&ring=A7-2011-0217>.

⁹ European Parliament resolution of 19 January 2012 on the imbalances in the food supply chain.
<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0012+0+DOC+XML+V0//EN>.

- The Corazza-Bildt Report *'supports the good work of the Experts Platform on B2B contractual practices (...), in particular to define, list and assess what constitutes a manifestly unfair commercial practice, based on data and concrete examples'. It 'calls for strong support of initiatives for dialogue between parties on this issue'.*
- The resolution of 19 January 2012 reiterates the Parliament's support to the work of the Expert Platform and *'welcomes the fact that stakeholders have agreed on principles to govern good practices, as presented to the High-Level Forum on 29 November 2011, and urges them to take implementing measures'.* Furthermore it *'calls on the Commission to propose robust EU legislation — where necessary and without distorting the proper functioning of the markets — to guarantee fair and transparent relationships between producers, suppliers and distributors of food products, and to properly implement the rules already in force'.* The resolution *'Calls strongly for a clear, rigorous and objective definition of abusive and unfair practices, including tighter definitions of concepts and clearer delimitation, in line with the mandate issued to the Commission by its resolution on a more efficient and fairer retail market, so that such practices are subject to specific regulation, supervision and objective sanctions'.*

2.2. Activities and achievements of the Expert platform

Between 2010 and 2012, the Expert Platform examined national measures in place in Germany, France, Spain, Italy, Hungary, and the United Kingdom. It discussed research on private labels (retailers' own brands),^{10, 11} price transmission¹² and enforcement models¹³ as well as the results of surveys undertaken by trade associations and by the European Business Test Panel¹⁴, and a report on competition law enforcement and monitoring in the food sector by the members of the European Competition Network (ECN Report).¹⁵ Participants in the platform exchanged views on types of unfair practices experienced, their impact on businesses and the reasons why companies say they are unable to challenge such practices. These fact-finding exercises and exchanges of views informed the Expert Platform and contributed to the delivery of Principles of Good Practice by the core group members and the proposal of an implementation framework by eight members.

2.2.1. Main facts identified and discussed

The European Competition Network report

The ECN Report¹⁵ shows that, from 2004 to 2011, European competition authorities investigated more than 180 antitrust cases, took nearly 1 300 merger decisions and over 100 monitoring actions. These cases and actions covered all levels of the supply chain. The largest number of competition law investigations concerned processing and manufacturing, and, to a lesser extent, the retail level. Importantly, the ECN Report

¹⁰ Bunte F. et al., 2011. *The impact of private labels on the competitiveness of the European food supply chain*. Publications Office of the European Union, Luxembourg, 2011. 202 pp.

¹¹ Oxera, 2010. *The economic benefits of retailer own-brands*. Oxera, Oxford, London and Brussels, 2010. 21 pp.

¹² ECORYS Nederlands B.V., 2010. *Study on the Competitiveness of the European Meat Processing Industry*. Publications Office of the European Union, Luxembourg, 2011. 260 pp.

¹³ Stefanelli, J. and Marsden, P., 2012. *Models of Enforcement in Europe for Relations in the Food Supply Chain*. British Institute of International and Comparative Law (BIICL), 2012. 47 pp.

¹⁴ Summary report of the responses received to the Commission's consultation on unfair business-to-business contractual practices. 48 pp. http://ec.europa.eu/yourvoice/ebtp/consultations/2011/unfair_business/report_en.pdf.

¹⁵ European Competition Network Food Subgroup, 2012. *ECN activities in the food sector. Report on competition law enforcement and market monitoring activities by European competition authorities in the food sector*. 150 pp. http://ec.europa.eu/competition/ecn/food_report_en.pdf.

clearly demonstrates that all levels of the chain benefited from the application of competition rules by European competition authorities.

Many national competition authorities (NCAs) have also identified as an issue the existence of certain practices linked to imbalances of bargaining power deemed unfair by many stakeholders.¹⁶ Although this issue has been identified regardless of the level of the chain, particular focus has been devoted to this type of practice in the context of the commercial relations between suppliers and retailers. However, NCAs found that most of these practices do not fall within the scope of competition rules at EU level or in most Member States, as they did not affect consumer welfare.¹⁷ A few NCAs have proposed alternative solutions to tackle them, such as the application of national laws against unfair trading practices, or the adoption of codes of conduct or good practices with effective enforcement mechanisms. A few NCAs have also expressed concerns about the potential anti-competitive effects that some of these practices may have in the long term, should they ultimately negatively affect the competitive process in the supply chain or consumer welfare by reducing investment and innovation or limiting consumer choice.

The European Business Test Panel Survey on Unfair Trading Practices

In 2011, the Commission carried out a survey via the European Business Test Panel (EBTP) to gain a better understanding of the practical experience of businesses with Unfair Trading Practices (UTPs). During the three-month consultation period, the Commission received more than 700 responses from businesses operating in one or more Member States.

The survey offered insights into the way businesses perceived UTPs. It confirmed the existence of trading practices perceived as unfair. Most of the companies that responded did not feel the legal instruments available in Member States gave them enough protection. Although the automotive sector is singled out as being most affected, UTPs are seen as an issue across a wide range of sectors throughout the European economy.

Among the respondents, 76 % had been subjected to such practices (also) during the pre-contractual negotiations, 66 % had had unfair contractual terms imposed on them and experienced unfair practices; 75 % had (also) had such experiences after conclusion of the contract.¹⁸ The types of behaviour which the respondents experienced followed a similar pattern, whatever the jurisdiction and regardless of the respondent's business. This enabled the Commission to identify some unfair practices that appear to be particularly problematic throughout the EU and across different sectors.

The Commission is planning to adopt, in the coming weeks, a green paper on unfair trading practices in the retail supply chain. With a horizontal, cross-sector approach, the green paper will launch a public debate on the impact of UTPs on businesses affected, on the national legislation that seeks to address this problem and on possible avenues of actions.

Furthermore, the Commission is currently contracting a study on legal frameworks in Member States that seek to address UTPs.

¹⁶ For an overview of the monitoring actions by NCAs in this regard, see ECN Report (note 15), para. 254.

¹⁷ For examples of these cases under national law, see e.g. the ECN Report (note 15), at paragraph 190.

¹⁸ See EBTP summary report (footnote 14), at paragraphs 39, 40 and 80.

2.2.2. Principles of good practice, implementation and enforcement options

Principles of Good Practice

In early 2011, the core group of the Expert Platform, composed of associations and federations representing different business interests across the food supply chain, showed willingness to work together towards a common understanding of fairness in business-to-business relations. The Commission invited these organisations to propose a consensual definition of such practices, based on concrete, relevant examples along the chain and highlighting the best experiences. To this end, the organisations jointly established a methodology and engaged in a dialogue (hereafter 'the core group multi-stakeholder dialogue').

The core group multi-stakeholder dialogue resulted in a document enumerating a set of Principles of Good Practice in vertical relationships in the food supply chain. The document, unanimously agreed by the organisations, covers:¹⁹

- General principles of good practice, such as taking consumer interests into account, freedom of contract and fair dealing;
- Specific principles of good practice, such as the importance of written agreements, predictability, compliance, information, confidentiality, responsibility for risk and the need for requests to be justifiable;
- Examples of good and bad practice derived from these general and specific principles linked to various aspects of relationships in the food supply chain.

In September 2011, the Expert Platform welcomed the document as a major step in the implementation of the first two objectives of the Expert Platform's mandate.

In October 2011, the business organisations in the core group issued an updated version of their document. At the request of the Expert Platform, they proposed a methodology for the next steps of their dialogue, with the aim to endeavour to reach broad agreement on a potential implementation and enforcement framework by June 2012.

In November 2011, the Forum warmly welcomed the principles and invited the core group to agree on a solution to implement them with effective, credible, transparent and cost-efficient tools.²⁰ The principles could, it said, provide a good basis for developing a voluntary code of conduct for fair business practices between enterprises in the food sector.

¹⁹ AIM, CEJA, CELCAA, CLITRAVI, Copa Cogeca, ERRT, EuroCommerce, Euro Coop, FoodDrinkEurope, UEAPME and UGAL, 2011. *Vertical relationships in the Food Supply Chain: Principles of Good Practice*. http://ec.europa.eu/enterprise/sectors/food/files/competitiveness/good_practices_en.pdf.

²⁰ High Level Forum for a Better Functioning Food Supply Chain, 2011. *Mid-term report* (HLF.011). http://ec.europa.eu/enterprise/sectors/food/files/competitiveness/midterm_report29112011_en.pdf.

Options for implementation and enforcement

From November 2011 to November 2012, the core group multi-stakeholder dialogue envisaged options (legislative and non-legislative) that would respond to the Forum's call. Although legislative options were discussed, the core group did not propose such approaches. The organisations involved in the core group dialogue discussed the shape of a possible voluntary framework.

On 4 July 2012 AIM, CELCAA, FoodDrinkEurope, ERRT, Euro-Coop, EuroCommerce, and UGAL agreed upon, and proposed, a voluntary framework to implement and enforce the Principles of Good Practice. COPA-COGECA and CLITRAVI did not agree with the proposed framework. The Commission identified a number of issues that needed to be resolved and gave the parties until 16 October 2012 to find consensus. The issues the Commission identified related to dispute settlement, anonymous complaints, sanctions, monitoring, coverage and timing.

On 23 October 2012, UEAPME announced its support for the framework. The parties reported that they were still actively considering all the elements the Commission had identified.

On 15 November 2012, the core group announced that, after intensive discussions, it did not reach an agreement on an amended framework proposal. Several organisations reported however that some progress could still be achieved on issues such as the system of anonymous complaints, sanctions, and performance indicators.

However, different views emerged from the discussions in the core group on the context in which a voluntary agreement could be envisaged.

- Some members of the core group were of the opinion that there is no need for legislation to enforce the principles, an effective voluntary framework is enough.
- Others were of the opinion that there should be either a voluntary framework or legislation, but that it would not make sense to have public regulation and self-regulation at the same time.
- Finally, some organisations argued that there should be both EU legislation and a voluntary framework.

None of the business associations dropped out of the negotiations. All agreed that they could not agree on an amended voluntary framework by the time of adoption of this report, whilst expressing a unanimous wish to continue the discussion to reach an agreement at the earliest.

2.3. Conclusions and recommendations

The Forum acknowledges the significant efforts put in by all parties to reach a consensus on a voluntary system to implement and enforce the Principles of Good Practice and regrets that a full consensus could not be reached at this stage.

The Forum invites the Commission to take into account the achievements of the Expert Platform on Business-to-Business Contractual Practices notably in the context of the preparation of the green paper that it intends to adopt on unfair trading practices in the retail supply chain.

The Forum invites all the parties to continue their efforts to eliminate unfair trading practices in business-to-business relationships and to find an agreement to that purpose.

The Forum encourages the business organisations to improve and implement without delay the proposed voluntary framework to implement and enforce the Principles of Good Practice agreed by 11 organisations in November 2011 in an effective, cost-efficient, credible and transparent way. To this end, the parties should integrate in their work the issues identified by the Commission in July 2012, and in particular the need for an adequate response to the fear of retaliation for instance via a credible system of anonymous complaints, for deterrent sanctions, as well as for ambitious performance indicators. Parties should also guide themselves on the principles of transparency, reduced costs and effectiveness of the implementing mechanism, for which an actual control of commitments has to be put in place.

The Forum invites the Commission, in the light of the present and future progress and achievements made by the partners, to undertake all appropriate steps to ensure fair trading practices in the food supply chain. In this respect, it takes note that the Commission is considering the possibility to launch an impact assessment on different options including a legislative initiative in this field, taking into consideration the advice of national authorities and of all the relevant stakeholders.²¹

²¹ COPA-COGECA does not support this sentence. A statement will be added to the final version.

3. COMPETITIVENESS IN THE AGRI-FOOD INDUSTRY

3.1. Political context and mandate

In 2010, the Commission mandated an Expert platform within the Forum to follow the implementation of the High Level Group's recommendations on the competitiveness of the agri-food Industry in the area of agriculture and environment; the internal market for food; research and innovation; trade and exports, with a view to supporting a holistic approach. A holistic approach to food should encompass all aspects of competitiveness and sustainability. This includes, for instance, competitiveness, job creation and quality of employment, economic growth, environmental concerns, and social issues ranging from food safety and quality to human capital and transparency.

Also in 2010, the Europe 2020 flagship initiative 'An Integrated Industrial Policy for the Globalisation Era'²² set out a fresh approach to industrial policy emphasising the importance of industry for the EU economy. It proposed strengthening industrial competitiveness to create more growth and jobs and enable the transition to a low-carbon, resource-efficient economy.

The Commission Communication 'A Stronger European Industry for Growth and Economic Recovery' of 10 October 2012²³ proposes new actions around four pillars: market conditions, access to finance, innovation, and human capital. The Staff Working Document accompanying the Communication flags several recommendations to re-invigorate the competitiveness of the EU through value chains.²⁴ Among these, the Forum is identified as a tool to ensure the swift implementation of the High Level Group's recommendations.

3.2. Competitiveness on the internal and external markets for smart growth

The Commission Communication 'A Stronger European Industry for Growth and Economic Recovery'²³ proposes new actions to **improve market conditions** both on the internal market and outside the EU. The Commission will concentrate on selected themes where significant improvement can be achieved quickly. These will include boosting the internal market for goods, protecting intellectual property rights and further promoting the internationalisation of EU small and medium-sized enterprises (SMEs), to reach 25 % in the medium term (from 13 % at present).

To improve the framework conditions for industry, the Commission has put forward the smart regulation approach.²⁵ It has developed the concept of **competitiveness proofing** to improve the analysis of impacts on industrial competitiveness ahead of any important policy proposals. The Commission published a guidance document for competitiveness proofing.²⁶ This document is now used as a reference in the impact assessments the Commission carries out ahead of major legislative proposals, including those targeting the food sector.

²² COM(2010) 614.

²³ COM(2012) 582.

²⁴ Commission Staff Working Document SWD(2012) 297 accompanying the Communication 'A stronger European industry for growth and economic recovery' (see footnote 23), p. 54.

²⁵ See the Commission Communication 'Smart Regulation in the EU' of 8.10.2010, COM(2010) 543.

²⁶ SEC(2012) 91. http://ec.europa.eu/governance/impact/key_docs/docs/sec_2012_0091_en.pdf.

The Commission proposed that ex-post evaluations and '**fitness checks**' should assess whether existing EU legislation achieves its objectives — e.g. in terms of public health and consumer protection. They should also focus on industrial competitiveness issues, on compliance with the principles of smart regulation and on the priorities of the Europe 2020 strategy. This was followed up by the launch of a pilot project on a fitness check for the food chain. The results of this pilot project are scheduled for publication in early 2013, possibly in the form of a scoping paper.

3.2.1. Internal market

The EU food sector is characterised by the fact that **legislation** is harmonised at EU level by approximately 98 %.²⁷ According to a research report published in 2009, it is the third most heavily regulated manufacturing sector after the automotive industry and chemicals.²⁸

At the same time, the sector enjoys significant benefits from the opportunities the single market offers. Over the last 20 years, **intra EU trade** in live animals and food (including beverages and tobacco) has increased markedly. Cross-border trade among the 27 EU Member States has risen by 72 % in value over the last decade, and accounts for about 20 % of EU food and beverage production.²⁹

However, there is still market fragmentation in some domains. Further integration of the single market would open up new opportunities for growth.³⁰ The Commission and Member States should keep up efforts to ensure existing EU rules are enforced consistently and to improve implementation.

3.2.2. Non-harmonised taxes on food and beverages

Under EU law, Member States can introduce product-specific national taxes other than VAT, provided these non-harmonised taxes meet certain legal conditions. In particular, they must not: favour domestic products; give rise to cross-border formalities; discriminate on grounds of nationality. Below are some examples of such national taxes.

²⁷ Wijnands J.H.M., van der Meulen B.M.J. and Poppe K.J., 2006. 'Competitiveness of the European Food Industry. An economic and legal assessment 2007'. European Commission, Brussels, 2007

²⁸ Van der Meulen, B.M.J., 2009. Reconciling food law to competitiveness. Wageningen Academic publishers, 2009. ("The food sector is the third most regulated industry in the EU. It is the most important production sector, but its competitiveness and innovativeness are under pressure.")

²⁹ Source: FoodDrinkEurope.

³⁰ See annex III for a non-exhaustive list of barriers that industry stakeholders have identified and which have been discussed in the Expert Platform. Several of the issues identified in annex III are already covered by the specific initiatives of the roadmap of the Forum.

**Non-exhaustive list of examples of non-harmonised taxes
on food and beverages in EU Member States**

(Information provided voluntarily by Member States without external validation.)

Beverage tax (AT)

Excise duty on sugar in non-alcoholic drinks (FI and FR [sweeteners are also taxed])

Excise duty on salt (CY)

Excise duty on coffee (DE, DK, RO) and on tea (DK)

Excise duty on ice cream (DK, FI)

Excise duty on chocolate and sweets (DK, FI)

Special duty on oils intended for human consumption (FR)

Tax on oil from domestic production (RO)

Tax on saturated fat (DK; removed as from 2013)

Tax on certain food categories related to sugar, salt and caffeine content (HU)

Raising tax revenue and addressing public health concerns are the usual aims of such taxes. The Commission has recently been scrutinising complaints against taxes introduced in two Member States. In one of the two cases, the Commission concluded there was no infringement and closed the complaint.

Beyond their necessary compliance with EU law, food taxes can have complex consequences, and should be considered with caution. Their social, economic and environmental impacts should be carefully assessed, as is the case with any major proposal. The Commission's competitiveness-proofing guidelines²⁶ should help with thorough economic assessment of such measures. The impact on health and health systems should also be analysed, based on guidance developed by EU-funded initiatives.³¹ As well as being intrinsically desirable, better health contributes to social well-being through its impact on economic development, competitiveness and productivity.³² The European Observatory on Health Systems and Policies promotes this approach with the support of the European Commission, the World Health Organisation, and the Food and Agriculture Organisation of the United Nations.³³

3.2.3. Regulation of the financial markets

The Commission kept the Expert Platform informed of Commission proposals to review the Directives on Market in Financial Instruments and on Market Abuse in connection with agricultural commodity derivatives.

The Expert Platform welcomed the proposal, which implements one of the initiatives described in the Commission Communication 'A Better Functioning Food Supply Chain in Europe'. To meet the objectives of the proposal and to fit the needs of the physical markets (in particular agricultural commodities), the European Securities and Markets Authority (ESMA) will have to work together with stakeholders.

In November 2011, ESMA set up a Task Force on commodities derivatives markets to draft technical advice for the Commission, technical standards and additional input for European institutions where necessary. The Task Force covers various markets (energy,

³¹ http://www.euro.who.int/__data/assets/pdf_file/0003/98283/E90794.pdf.

³² WHO, The Tallin Charter: Health Systems for Health and Wealth, June 2008.

³³ <http://www.euro.who.int/en/who-we-are/partners/observatory>.

metals, agricultural and soft commodities, freight, emission allowances, etc.). A consultative working group of 19 has been formed to assist the Task Force. Currently two members of that consultative working group represent the agri-food sector. Members of the Expert Platform were of the view that the sector's share in that group should be increased as commodity derivatives markets have been set up to serve the real economy in the first place.

In October 2012, the Commission launched a call for applications for an Expert Group on agricultural commodity derivatives and spot markets. The group will provide advice and expertise on the functioning of the agricultural commodity derivatives and spot markets, the implementation of existing EU legislation, and policies and the preparation of legislative proposals and policy initiatives in this field.

3.2.4. *Boosting external trade*

The EU is the world's **biggest exporter and importer** of food and drink products, with exports worth € 105 billion, and imports worth € 98 billion in 2011. Trade has also been a key driver for global economic recovery after the 2008-2009 recession. After an unprecedented drop in world trade in 2009 (-10.5 %), there was a spectacular rebound in 2010 (+12.9 %). Growth in trade lost momentum in 2011, but still registered a significant increase (+5.8 %). A further slowdown is expected in 2012 (+4.0 %). **Food** is among the manufacturing sectors whose exports grew by over 25 % in the period 2009-2011, while the average for manufacturing was 18 %.³⁴

The recent trade agreements with South Korea and Morocco have improved market access for food and beverages in those countries. Through trade negotiations and regulatory dialogues, the Commission has consistently sought market opportunities and ways to address trade issues bilaterally with important partners such as China, Russia, Mercosur, Canada, Japan, Norway, Switzerland, the USA, India, and ASEAN. Members of the Forum have regularly provided the Commission with information to identify offensive and defensive interests, as well as issues related to quality, safety and social standards, and the protection of intellectual property rights.

On 26 January 2012, the Commission presented the conclusions of the conference '*Working Together for Growth. Making the most of the internal market and external trade*'³⁵ to the Expert Platform. The main topics under consideration were access to information (market access database³⁶), international standards, and intellectual property rights. The Expert Platform showed interest in suggestions stakeholders had made on this occasion, such as the idea of trade-neutral impact assessments, increased involvement in international standardisation bodies, lessons learned from main trade partners or e-certification for sanitary and phytosanitary issues.

Broad support emerged on the effectiveness of the tools available to stakeholders to report difficulties in obtaining access to non-EU markets. Information and assistance is almost always available, but Member States, business associations and the Commission have to do more to promote business tools and services that SMEs can use to benefit from global markets.

In addition to the opportunities that the EU seeks through trade negotiations, various dialogues with partner countries and enforcement of existing trade agreements, EU companies should be better supported and accompanied in their internationalisation process. Member States, business associations and the Commission play their roles in

³⁴ Source: See footnote 24, p. 54.

³⁵ Held in Brussels on 20 January 2012.

³⁶ <http://madb.europa.eu/mkaccdb2/indexPubli.htm>.

this area to increase the share of internationally active EU SMEs (currently estimated at 13 %). Commission-led 'Missions for growth' in non-EU countries with representatives of EU industry and SMEs can play a positive role in providing a common framework for industrial and SME policy cooperation and help in fostering business relations. In 2011 and 2012, such missions were organised in Latin American and the USA with the active participation of the food industry.

Finally, it is important to ensure consistency between the EU's external trade agenda involving the agri-food and drink sector and the Europe 2020 objectives in terms of employment, industrial and development policies. The EU's investment and efforts to deliver economically, socially and environmentally sustainable products are supported and promoted in international bodies and through bilateral regulatory and policy dialogues with non-EU countries. Some members of the Forum are of the view that these aspects could also be promoted in trade negotiations. However, since the aim of negotiations is to improve market access for EU products and services, they do not seem the most appropriate forum to discuss the implementation of such EU standards. It should also be remembered that the high quality of EU foodstuffs can provide European producers with a competitive advantage.

3.2.5. Promotion and information measures for agri-food products

The Commission kept the Expert Platform informed on the review of the EU's policy on promoting and providing information on agri-food products. A Green Paper was launched and a broad consultation took place in 2011. Following its Communication of 30 March 2012, the Commission has been working on the tools available for promoting agri-food products, ensuring further consistency, simplification and facilitating the participation of operators to promotional activities. It should publish legislative proposals for reviewing the policy in 2013. The reform aims to simplify and render the EU's policy on promoting and providing information on agri-food products policy more efficient both within the EU and on world markets.

3.2.6. Access to finance

Access to finance remains a significant barrier for innovation and growth in European agri-food SMEs. In 2011, the Commission adopted an EU Action Plan to improve the situation.³⁷ It also proposed a programme for the Competitiveness of Enterprises and SMEs (COSME)³⁸, allocating € 1.4 billion to improve loan guarantees and venture capital facilities for SMEs. Further to this, the recent Communication 'A Stronger European Industry for Growth and Economic Recovery'²³ proposes ways to improve access to capital markets, taking the view that the competitiveness of EU companies should not rely just on public sector funding.

3.3. Responsible innovation for sustainable growth

3.3.1. Innovation in the food supply chain

Innovation is, and will remain, a key driver of competitiveness in the agri-food industry. Several drivers have to be considered: funding (private and public funds dedicated to research and innovation), societal and consumer demands, and the regulatory framework.

The Commission informed the Expert Platform about its proposals for Horizon 2020, the framework programme for research and innovation for 2014-2020 (currently under

³⁷ COM(2011) 870.

³⁸ COM(2011) 834.

legislative procedure). The new framework programme will be more integrated and focus on societal challenges, including sustainability and competitiveness of the agri-food sector. Measures are proposed to simplify access to funding. The programme also aims to strengthen partnerships (public-public, private-public).

The Commission proposed to establish a Knowledge and Innovation Community on food, 'Food4Future', as part of the strategic innovation agenda of the European Institute for Innovation and Technology. The Forum welcomes this initiative, which responds to a recommendation the High Level Group on the Competitiveness of the Agro-Food Industry made. The Commission is also working on setting up a European Innovation Partnership on Agricultural Productivity and Sustainability (see 3.3.7).

Exchanges of views in the Expert Platform highlighted that innovation is about more than just new *products*: it includes *process*, *market* and *organisational* innovation. In the food sector, it should be driven not just by technological developments, but also in response to societal challenges. Sustainability is often referred to in this context.

There should also be opportunities for stakeholders to get involved in networks and partnerships (e.g. European Innovation Partnerships, Knowledge and Innovation Communities) to respond to the specific needs of SMEs.

Communication is a key point. Market participants and business representatives insist that institutional bodies involved in innovation should improve information on their projects and seek more stakeholder involvement in networks and partnerships. Scientists advise that better consumer information can lead to markets taking up innovations. Initiatives to improve knowledge transfer between sectors may also lead to more innovation in the food sector. Education also has a role to play and can help match available profiles with market operators' needs. The role of information and communication technologies should not be neglected.

Producers and retailers stress the role the EU regulatory framework plays, and say procedures need to be more streamlined and harmonised, and authorisations given more promptly. Regulation must encourage and not penalise responsible innovation. Some members of the expert platform would support an innovation test for regulation.

In its communication 'A Stronger European Industry for Growth and Economic Recovery'³⁹, the Commission identified innovation as one of the four pillars of industrial policy. The aim is to provide the right environment for investment. The communication identifies six priority areas that are expected to deliver cross-benefits for all sectors of the EU economy. The priorities include for example advanced manufacturing technologies for clean production, bio-based products and key enabling technologies.³⁹

EU innovation policy also supports innovation in the food sector through specific projects such as the eFoodChain project (see text box). In the context of the European Research Area, 21 European countries are cooperating under the Joint Programming Initiative on Agriculture, Food Security and Climate Change, launched in June 2010.⁴⁰

³⁹ See Commission Communication 'A European strategy for Key Enabling Technologies — A bridge to growth and jobs' of 26.6.2012 (COM(2012) 341).

⁴⁰ <http://www.faccejpi.com/>.

Stimulating innovation in the food supply chain through smarter use of ICT The eFoodChain project

More use of information and communication technologies (ICT) and the emergence of innovative business-to-business services can significantly support innovation in the agri-food sector. However, there is still much inefficiency in the management of the supply chain. The multiplicity of incompatible business standards, data models and ICT solutions affects the competitiveness and efficiency of European businesses. It makes cross-border and cross-sector transactions difficult and affects data security, authenticity and integrity.

The EU-funded eFoodChain project (<http://www.efoodchain.eu/>) aims to improve the competitiveness and efficiency of the food supply chain by stimulating innovative, seamless use of ICT along its value chain. One of the objectives is to help small and medium sized enterprises (SMEs) participate in global digital food value networks and to improve business relationships between SMEs and their business partners across borders. While a majority of food businesses use some sort of structured exchange of electronic messages, the use of such tools is highly variable along the supply chain.⁴¹ The project is expected to identify and reduce technical and organisational barriers.

The eFoodChain project will:

- Develop a framework which will set principles and rules for interoperability among business processes and data exchange models;
- Demonstrate the feasibility and validate the framework through the set up, monitoring and evaluation of sectoral and cross-border pilot prototypes;
- Put forward a governance model for the maintenance of the framework after and propose policy recommendations for mass-market adoption.

3.3.2. Agro-logistics and ICT

Information and communication technologies (ICT) can also play a role in boosting logistics operations, thus boosting the competitiveness of the food supply chain. At a workshop held on agro-logistics on 10 October 2011, agri-food business operators and logistics providers agreed that ICT tools should be viewed as a means of simplifying and reducing administrative burdens, both in business-to-business and business-to-administration settings. Improvements in electronic communication can exert a positive influence on the environment by contributing to lower carbon emissions as a result of more rational use of transport. Food supply chain operations can become more sustainable as distribution systems are optimised.

Examples of public-private initiatives show that if agri-food businesses, logistics companies, universities and research institutes work together, they can find innovative ways of improving logistics and tackling congestion problems.⁴² These would not be stand-alone solutions, but would add up to European Commission-funded projects on logistics operations and sustainable surface transport.

In addition, the Commission e-Freight initiative aims at a smoother flow of information along the logistics chain and the reduction of administrative burden, through the

⁴¹ A more detailed market analysis of the use of e-business solutions in the food sector is available at <http://89.152.245.33/DotNetNuke/LinkClick.aspx?fileticket=ous6WhgPbrM%3d&tabid=962&language=en-US>.

⁴² http://www.agrologistiek.nl/downloads/Agro_folder_UK_06_web.pdf.

development of a framework for information exchange in combination with the necessary standards, administrative, governance and legal provisions.

After exploring the feasibility of setting up a European forum on agro-logistics, the Forum agreed it would be better to deal with the topic in a broader endeavour to facilitate logistical operations across the EU. On 29 June 2012, the European Commission launched the High Level Group on Logistics, a cross-sector stakeholder platform bringing together top-level representatives from the European transport and logistics sector to discuss needs and opportunities for the logistics sector as well as possible policy responses.

3.3.3. Legislative actions

Several ongoing initiatives put the principles of 'responsible innovation' into action by integrating risk assessment, communication and management with standard policy cycle management.

On genetically-modified organisms (GMOs), an external study on labelling food as GMO-free has been launched to assess the need for harmonisation in this developing field. The Commission's Joint Research Centre is also working on this issue by providing data and scientific evidence. The Commission is examining the implementation of the regulation on the low level presence in feed and is evaluating data and information to determine whether an extension of the scope to food could be envisaged.

A legislative proposal on novel food⁴³, based on agreements reached in Conciliation, could be adopted in parallel to a proposal on the use of the cloning technique for food production. For the policy initiative on cloning, an impact assessment is being carried out on possible measures which will also use the results of an external study on the economic and feasibility dimension. The specific timing for adoption is not decided yet but it is scheduled in the Commission work programme 2013.⁴⁴

3.3.4. Towards more sustainable growth in the food supply chain

Food production and consumption generate approximately 20-30 % of all EU environmental impacts.⁴⁵ The Europe 2020 Flagship initiative on resource efficiency⁴⁶ stated the need to maximise the efficient use of scarce natural resources. In the 'Roadmap to a Resource Efficient Europe'⁴⁷ the Commission proposed taking specific action in the food sector, for example, by setting a target of halving edible food waste in the EU by 2020.

The Commission is analysing how to reduce food losses and food waste in close cooperation with stakeholders of the whole supply chain and is exchanging views with them on possible actions at EU level. The Commission also launched a study to examine what cities can do to reduce food waste. The study will compare how five large European cities are dealing with the issue, and should propose a complete set of tools to do so successfully in urban environments.

⁴³ The definition of novel foods and novel food ingredients is set out in Article 1 of Regulation (EC) No 258/97.
⁴⁴ COM(2012) 629 final.

⁴⁵ For instance, it is estimated that 17 % of greenhouse gas emissions (GHG) and 28 % of material resources use in the EU are directly due to the agri-food supply chain. In addition, other environmental impacts related to energy use, land use, water use, biodiversity loss and waste production can be identified.

⁴⁶ 'A resource efficient Europe — Flagship initiative of the Europe 2020 Strategy' COM(2011) 21 of 26.01.2011.

⁴⁷ COM(2011) 571.

In parallel, the Commission is also developing short-term initiatives to reduce food losses and food waste at all stages of the supply chain. In particular, increased consumer awareness will motivate consumers to change their behaviour and will also influence other players of the food supply chain. Therefore a viral clip on the topic is to be launched late 2012 to capture the attention of 20 to 35-year-olds. This will be linked to the Commission's food waste website.⁴⁸

The Commission also disseminates information such as the '10 tips to reduce food waste' in all EU languages and is finalising an information sheet to clarify what is meant by 'best before' and 'use by' on food labels in all EU languages on its food waste website.

All stakeholders have underlined the usefulness of exchanging good practices on food waste/food loss reduction initiatives. The Commission has started to compile good practices in a user-friendly and accessible way. This compilation will soon be available on the Commission's food waste website.

Since its launch in 2009, the Food Sustainable Consumption Production (SCP) Round Table has adopted guiding principles and reports on environmental communication tools, on non-environmental aspects of sustainability and on continuous environmental improvement. It has prepared the 'Envifood Protocol', a framework methodology to assess the environmental impact of food products. This will now undergo a real-life testing period. Based on the results, the round table intends to adopt the methodology and recommendations on how to communicate environmental information by end-2013.

The Retail Forum for Sustainability was set up in 2009 as a voluntary platform enabling retailers to contribute proactively to the Commission's Sustainable Consumption and Production Action Plan. Within the Retail Forum, the Retailers' Environmental Action Programme facilitates dialogue between the European Commission, European retailers and other relevant stakeholders. In addition, the Forum has overseen the development of a matrix of environmental action points that documents specific commitments individual companies have made to improve sustainability. These and other environmental issues to which the retail sector has a contribution to make are discussed during quarterly meetings of the Forum. Issue papers are published on the basis of these. The Forum also holds an annual event that, in 2012, saw the adoption of a voluntary agreement on waste reduction. In 2011, its mandate was extended for three years beyond its initial three-year time frame.

To support the implementation of the roadmap to a resource-efficient Europe across sectors, the Commission recently launched the European Resource Efficiency Platform.

3.3.5. Social dialogue committee for the food and drink industry

In 2011, following a recommendation of the High Level Group on the Competitiveness of the Agro-Food Industry, FoodDrinkEurope and EFFAT jointly applied to have a Social Dialogue Committee set up under the aegis of the European Commission. The Committee was formally launched on 23 January 2012.

The social partners are currently working on the following topics:

- Ensuring sustainable employment: meeting the challenges of the labour market. Through an application for EU funding, EFFAT and FoodDrinkEurope have secured substantial resources to carry out an in-depth study on the demographics of the workforce in the EU food and drink industry. This will seek to identify 20 to 25 job

⁴⁸ http://ec.europa.eu/food/food/sustainability/index_en.htm.

profiles which the EU's food industry mostly needs. This joint action is the start of the social partners' work to enhance the attractiveness of the European agri-food industry, to boost the number of jobs and meet skills requirements. This work will continue in 2013.

- Policy developments affecting the food and drink sector in Europe. On 27 July 2012, EFFAT and FoodDrinkEurope issued a joint statement on the Common Agricultural Policy (see point 3.3.7).⁴⁹ They are considering issuing a common position on food taxation within the end of 2012.

The social partners are currently preparing their Work Programme for 2013.

These activities are in line with the Commission Communication 'A Stronger European Industry for Growth and Economic Recovery'.²³ 'Human capital and skills' is one of the four pillars of the Communication. The Commission proposes to equip the labour force for industrial transformation by anticipating skills needs and mismatches more successfully. In this area, the Commission will develop a multilingual classification of skills, competences and occupations. It will also promote cooperation among employers, workers and relevant authorities through the creation of European Sector Skills Councils and of Knowledge and Sectors Skills Alliances.

If developed in the agri-food supply chain, such initiatives could, together with a positive communication strategy, improve the attractiveness of the sector.

3.3.6. *Corporate social responsibility*

In a report endorsed in November 2011, the Forum stressed that corporate social responsibility (CSR) can deliver shared benefits for business, for society and for the environment. The Expert Platform identified two clusters of societal issues of particular relevance for food companies:

- the combined impacts of food, diet and physical activity on health;
- sustainable development along global supply chains, especially in rural communities.

Sectoral guidelines agreed by business and stakeholders would contribute to harmonisation needed for certain aspects of CSR, such as the identification of key performance indicators and reporting methodologies. Guidelines could also encourage the uptake of good CSR practices and make it attractive to a wider range of companies, including small or medium-sized enterprises.

In October 2011, the Commission published 'A renewed EU strategy 2011-14 for Corporate Social Responsibility'⁵⁰. This proposed the creation of multistakeholder platforms in a number of sectors, for enterprises and other stakeholders to make public commitments on CSR issues relevant to each sector and to jointly monitor progress. In November 2011, the Forum expressed its support for the Communication, and its members agreed to explore the feasibility of establishing a multistakeholder platform in the food sector. In following up its Communication, the Commission published a call for proposals to set up multistakeholder platforms⁵¹ and invited the members of the Expert Platform to consider this opportunity. At time of writing, the Commission was evaluating proposals received in response to this call.

⁴⁹ http://www.effat.eu/files/1140_b1fc9b1d884e8d3f0aeb1ec9e5787faf.pdf.

⁵⁰ Communication from the Commission of 25.10.2011 (COM(2011) 681 final).

⁵¹ Call for proposals 'European Multistakeholder platforms on corporate social responsibility in relevant business sectors' (41/G/ENT/CIP/12/E/N02S001).

3.3.7. The Common Agricultural Policy

The Common Agricultural Policy (CAP) has a major role to play in ensuring a sustainable supply of agricultural products for the food supply chain. According to FoodDrinkEurope, the EU food industry uses around 70 % of European agricultural commodities. Both consumers and the food industry rely on a competitive and sustainable European agricultural sector for the production of safe, high quality, competitively priced agricultural raw materials and foodstuffs.

The Commission published legal proposals on the review of the CAP in October 2011. The proposed legislation aims to among others contribute to better transparency and to achieving fairer distribution of value-added for producers in the food chain. The Commission's proposals are intended to provide farmers with their fair share of the added value without compromising affordable prices for European citizens. Facilitated recognition of producer organisations, associations of producer organisations and inter-branch organisations will help to achieve this. Increased bargaining power would come from optimising production costs, production planning and market transparency. This would foster a more equitable distribution of value-added along the supply chain and improve producers' income in an environment of high input costs. More legal certainty for these essential building blocks would allow farmers to organise themselves on a common basis, regardless of the sector they represent or where they carry out their activities. Financial support would be available for setting up producer groups under Rural Development policy. Measures such as quality schemes, promotion, short supply chains and more focus on access to local and regional markets would contribute to raising farmers' income. Changing market management tools from rigid supply control mechanisms towards effective safety nets can provide opportunities for growth and entrepreneurship. It will benefit the entire food value chain, including consumers. More focus on better linking production and consumption can provide added value throughout the food supply chain. Discussions are ongoing on proposed legislation that should be in place by early 2014.

The European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability will contribute to disseminating knowledge and sharing information on the needs of all food supply chain players. The EIP aims to provide a working interface between agriculture, bio-economy, science, advisors and other stakeholders at EU, national and regional level to bring innovative approaches from science to practical applications more speedily. The EIP would facilitate exchanges between innovators and users, sharing good practice and innovation-related information. Research would quickly lead to concrete projects. The EIP would not require additional funding or the duplication of efforts. It would create an opportunity to improve the effectiveness of innovation-related Common Agricultural Policy measures and the Union Innovation and Research Framework.

In their joint statement of 27 July 2012,⁴⁹ EFFAT and FoodDrinkEurope stressed the importance of rural employment, decent work and training in agriculture as critical for social inclusion in the EU. The statement establishes a link between quality working conditions and safe, quality food. It calls on the EU to provide adequate support to ensure that EU agriculture is socially and environmentally sustainable as well as economically viable. It highlights the importance of delivering training for agriculture workers and making agriculture more attractive to young workers, not just farmers. It calls for investment and innovation in agriculture — including SMEs and small farmers, with their special needs, and for fair business relationships along the food supply chain. It seeks coherence among EU policies, especially between the CAP, external trade and employment.

3.4. Transparency and consumer empowerment for inclusive growth

New legislation on the provision of food information to consumers was published in November 2011.⁵² New rules will apply from 13 December 2014. It will be compulsory to provide nutrition information from 13 December 2016.

The Commission intends to launch a behavioural science study on the presentation and provision of food information to consumers by end-2012.

Regarding food information, implementing rules for country of origin labelling are expected by end-2013. To ground the proposal on solid evidence, the Commission has launched external studies to assess economic and social impacts of any such initiative. A second study has been launched on consumer behaviour and consumer choice. The results of both will inform the impact assessment process.

As from December 2012, health claims can only be made if authorised or under consideration. The European Commission is responsible for administering the European Union registry of nutrition and health claims⁵³ based on Regulation (EC) 1942/2006. The registry was created in May 2012, following European Food Safety Agency (EFSA)'s risk assessment of approximately 4 600 claims. At time of writing, the registry comprised 222 claims representing almost 500 entries. It includes:

- Permitted nutrition claims and their conditions of use;
- Authorised health claims, their conditions of use and applicable restrictions if any;
- Non-authorised health claims and the reasons why they are not authorised.

The labelling schemes related to the CAP and to EU quality policy illustrate the difference between horizontal and product-specific EU minimum labelling requirements. The measures on geographical indications (GIs) ensure the protection of intellectual property rights and help producers to market their products. The protection of GIs enables producers to charge higher prices and stimulates the sales of EU quality products. Under organic farming legislation, a new logo has been put in place that is compulsory as of mid-2012. The Commission has adopted guidelines for voluntary certification schemes to improve transparency and reduce the administrative burden on producers.

⁵² Regulation (EU) 1169/2011 on the provision of food information to consumers.

⁵³ Available at <http://ec.europa.eu/nuhclaims/?event=register.home>.

3.5. Conclusions and recommendations

*The Forum supports a **holistic approach encompassing the economic, environmental and social aspects of sustainability altogether**, including issues such as competitiveness, quality, safety, and transparency.*

*The Forum supports the principles of **smart regulation** and welcomes the development of **competitiveness proofing** guidelines and of the **SME test**. It calls upon public authorities at European and National level to make sound use of those tools in policy design and risk management. It warmly encourages all stakeholders to actively contribute to these procedures via public consultations and in the relevant fora. An important area for ensuring a well-functioning food chain with competitive food producers is to work towards simplification of food legislation.*

*The Forum welcomes the launch of a **fitness check** on EU food legislation and invites the Commission to engage in a dialogue with the stakeholders on the conclusions of this should aim at improving synergies and consistency between food-related policies.*

*The Forum stresses the necessity to facilitate a **continuous dialogue** between the Commission, Member States, private sector stakeholders and non-governmental organisations on the assessment and monitoring of national and European measures related to food, in order to support the **competitiveness** of the sector and to avoid any restrictions to, and distortions in, the functioning of the **internal market**.*

The use of health impact assessment should be promoted along with a renewed cooperation and experience exchange between Member states. Where relevant, the Commission could analyse the combined effects of national measures on competitiveness and cross-border exchanges in the internal market.

The Forum encourages initiatives to enlarge and strengthen the analytical base for food safety policies, and in particular the launch of a foresight study to develop adequate policy responses to address the main challenges to European food safety until 2050. Stakeholders should be adequately involved in this study.

The Forum also welcomes the increased use of behavioural studies to better take into account consumer behaviour and the demand-side in policy design. At the same time, continued monitoring of the use of e-information tools by EU and international stakeholders in the food supply chain is part of the policy implementation process.

The Forum welcomes the conclusion of free trade agreements that offer market opportunities for European the food and drink sector, and recommends the Commission to continue the work for further progress ahead. The Forum also welcomes the Missions for Growth as an additional, cost-efficient way to deliver growth through external trade and invites the Commission to organise food-related events in connection to those missions. Moreover, the Forum urges the private stakeholders to fully use all tools available to report difficulties in trade with third countries. It calls upon the public authorities to initiate lessons-learned exercises on trade agreements, based on input from private stakeholders; to further develop e-administration in trade (e-certificates); and to review the scope of the promotion and information measures. Where this is not yet the case, the scope of existing regulatory dialogues with key trade partners such as the USA and Russia should be extended to agricultural and food products.

The EU should do its utmost to foster responsible innovation in the agri-food sector. The Horizon 2020 proposal contains particularly relevant items, such as the European innovation partnership on Agricultural Productivity and Sustainability and the Knowledge and Innovation Community Food4Future. A more efficient use of Key Enabling Technologies can also leverage competitiveness in the sector. The Forum welcomes EU funded projects aimed at wide-spreading the usage and uptake of these technologies, like ICT tools.

The CAP reform and other horizontal policies such as quality and promotion should continue to aim at enhancing the competitiveness of EU producers in the food supply chain. The CAP reform proposals contain key elements (such as greening of direct payments, an improved market organisation through the facilitated recognition of Producer Organisations, Associations of Producer Organisations and Interbranch Organisations, further financing for innovation as well as continuing investment and structural change under the Rural Development policy) to assure the competitiveness of agriculture in the longer term and therefore of its productivity. Policies such as quality, promotion and information can contribute to bringing up the share of value added for agri-food products in the food chain and improve farmer access to markets. A common work on competitiveness in the perspective of a proper food supply chain functioning should integrate these issues.

4. FOOD PRICE MONITORING

Food price monitoring provides important information on the functioning of the food supply chain. Trends at different points in the chain can give a better picture on potential malfunctions. The European Parliament has called for more transparency in EU agri-food prices and margins.⁵⁴

The Expert Platform was mandated to:

- Organise consultations with all stakeholders to discuss the developments and dissemination of the European Food Prices Monitoring Tool (FPMT);
- Discuss the feasibility of publishing more data than was available through Eurostat. The idea was to make more use of data already collected, while taking into account budget constraints in national statistical offices.

The Expert Platform contributed to:

- Developing the tool and disseminating it in a format now fully accessible to the general public and automatically updated;
- Identifying the constraints of a European statistical tool in contributing to understanding price transmission mechanisms;
- Identifying potential interaction between information provided by the tool and work undertaken by national price observatories.
- Identifying potential interactions between statistical information provided by the tool, research projects and other initiatives that rely on statistics and other data to analyse agricultural and food markets.

4.1. Developments of the European Food Prices Monitoring Tool

The tool aims to improve the accessibility of statistical data on prices in successive stages of a number of food supply chains. The tool reports on price trends in agricultural commodities, producer price indices in the food industries, and consumer prices. Rather than absolute prices or margin calculations, not possible at European level, it uses indices and year-to-year rates of change. The tool offers an overview of selected food chains from a macroeconomic point of view. It is complemented by the experimental collection of data on consumer prices for individual products in the framework of the Consumer Markets Scoreboard and by a micro perspective provided by national price observatories.

The first prototype of the European Food Prices Monitoring Tool was developed in 2009 as a follow-up to the Commission Communication 'Food Prices in Europe (December 2008)'. In the initial publication, 17 supply chains were defined as a combination of:

- a) a consumer food product or product group;
- b) the food processing industry in which the product or product group was processed;
- c) the agricultural commodity that was the main input into the production process.

⁵⁴ See e.g. documents referred to in notes 7 and 9.

These components were represented in statistical terms by: (a) consumer price indices (by selected product); (b) the producer price of the related industry and (c) the agricultural commodity price. Hence, the tool facilitates comparisons of price indices of goods at various stages of the food supply chain (e.g. grain, flour and bread).

The tool is based on existing data (official statistics) from either EU or national sources. The project has tried to avoid creating burdens such as additional data collection. It should also be noted that it is not possible to measure margins at various stages of the chains directly with the data available at present. This is therefore not envisaged.

Following discussion in the Expert platform, the tool has been improved:

- **Methodology and coverage.** Preparation for extending coverage to 19 more chains; use of better estimates of agricultural commodity prices, based on quarterly indices and monthly information; methodological analysis on how to incorporate import prices; the conception and development of a set of analytical quantitative indicators to describe the price mechanism along the chain.
- **Dissemination.** Thanks to an agreement with Google Public Data Explorer, there have been major steps towards full public dissemination of the tool.
- **Quality assurance.** The interest in information on detailed, average prices, especially for single market monitoring purposes, has grown over the years. The current production process of price statistics could be used to collect additional information to this end. The Commission (Eurostat) is actively working to re-engineer the production system for price statistics at EU level. It has launched a comprehensive initiative covering the development of a methodological framework for multipurpose price statistics; the re-engineering of production systems (including use of scanner data and internet collection); the development of common compilation tools. Multipurpose price statistics will contribute to providing information on price levels in food chains.

At the same time, the macro-economic picture offered by official price statistics via the tool could be complemented by more detailed analysis of food price chains carried out by national price observatories and/or private organisations.

4.2. National price observatories – methodologies and conclusions

The macro-economic overview of food price chains that the tool provides gives an aggregated picture of price transmission along selected chains. There is growing interest in obtaining more detailed information on the chain itself and on the price dynamics along it. At national level, stakeholders, particularly consumers and producers, want more detail on selected chains or closer, regular monitoring of price movements.

That is why several countries have set up national price observatories. The expert platform analysed the work carried out by some of these and welcomed the relevance of the data they produce as a complement to the FPMT.

The Commission (Eurostat) has worked with national statistical offices to run a preliminary descriptive analysis of existing price observatories, looking into their organisation, the scope of their work and the information they provide.

There are entities that can be described as price observatories in 16 EU Member States. They may be part of a public administration or have a public nature. Their role and scope vary, and in some cases, they also monitor non-food products.

In many cases, they go into more detailed analysis of the food chain than the FPMT, which may result in detailed descriptions, covering, for example, intermediate operators and their impact on the price dynamic; minimum, maximum and average prices; and, in some cases, margins.

From a methodological point of view, price observatories may monitor food prices regularly, or adopt a more ad hoc approach, studying selected chains.

The expert platform carefully analysed the work of several national price observatories as presented by the corresponding representatives. From the discussion it clearly emerged that the purpose of the activities carried out by price observatories is different from that of the FPMT (different perspective and targets), as is the complementary role of the detailed information collected, prepared and distributed by them.

4.3. Link with the FP7-funded Transfop project and other initiatives

Transparency of Food Pricing: the Transfop project

The Transfop project, funded under the EU's Seventh Framework Programme for Research (FP7), is analysing transparency of food pricing with a multidisciplinary approach, including inflation and vertical and horizontal price transmission mechanisms.

In recent years, food inflation has been much more volatile than the other components of inflation. Transfop is developing models that tend to show that agricultural prices are not the only factor in determining inflation in food prices. Exchange rates, for instance, play a significant role, particularly outside the Euro zone.

On price transmission, the main challenge for Transfop is to collect comparable data across the EU. Recent results show that most long-term price adjustments to a shock take place at producer level, while consumer prices are stickier.

The project is also exploring how scanner data can be used for such analytical purposes. Scanner data is expensive and challenging to use in a meaningful way. So far, Transfop has results obtained from scanner data that show consumer prices to be less sticky in the EU than in the USA; that retailers' pricing strategies are very diverse; and that price transmission is more symmetric for private label goods than for other products.

The project is expected to deliver its final results end-2013.

Agricultural Markets Information System

The Commission is actively contributing to the Agricultural Markets Information System (AMIS) set up to respond to G20 recommendations. This project aims to map food availability and will trigger alerts in case of emergencies.

4.4. Conclusions and recommendations

The Forum reaffirms its willingness to ensure a minimum level of market transparency by allowing all stakeholders in the food supply chain to have easily access to uniform and robust information, while avoiding the creation of unnecessary burdens. The need for market transparency is even reinforced due to increasing price volatility.

A transparent and properly functioning food supply chain should provide a fairer remuneration of all market players. The Commission should continue collecting and publishing data on EU agricultural prices and monitoring the developments of the agricultural and food markets. A continued dialogue with the representatives of the food supply chain is crucial for the identification and the solving of related problems.

The Forum welcomes the recent developments of the EU Food Prices Monitoring Tool. It invites the Commission to further enhance the tool and fully supports the initiative of the Commission to embed the collection of information on price dynamics along the food chains in the regular and already existing collection and publication of statistical information related to price. The Commission should continue and develop the experimental collection of data on consumer price levels of individual products in the framework of the Consumer Markets Scoreboard.

The Forum welcomes the development of national tools as a complementary instrument to the FPMT aiming at analysing and understanding price transmission mechanisms and contractual arrangements along the food supply chain in several Member States. It affirms that given the diversity of the food markets across the EU, the national level is particularly relevant to conduct such detailed analysis. The Forum therefore invites all Member States to develop and maintain such tools, and share good practices in this field. It invites the Commission to continue coordinating and linking the work of the FPMT with such initiatives, as well as with the AMIS project and with EU-funded research projects. To take into account the complexity of the sector, any analysis of food price transmission should rely on sound multidisciplinary approaches.

5. CONCLUSION

5.1. Value-added of the Forum

The Forum considers the significant progress achieved so far on the roadmap as a very positive outcome of the process initiated with the High Level Group on the Competitiveness of the Agro-Food Industry. Now that there has been progress on most initiatives on the roadmap, the work needs to be assessed to envisage the way forward in line with recent developments.

The Commission has also consulted stakeholders on several initiatives in its roadmap through other expert groups in which industry and non-governmental organisations are represented, as well as through public consultations. Though duplication of work should be avoided to save resources, cross-fertilisation can deliver useful results when different groups work on the same issues from different perspectives. In comparison to other Commission expert groups dealing with food-related issues,⁵⁵ the composition of the Forum brings additional value by involving national authorities together with private stakeholders in a single group in which views can be exchanged in a transparent way.

This multistakeholder approach has proven particularly relevant insofar as the Forum's mandate covers initiatives from various stakeholders: EU institutions, national authorities, companies, trade associations, trade unions and civil society organisations. All have benefited from mutual information and consultation on their work. Stakeholders involved in or committed by the Forum's roadmap have continuously exchanged information and views on the implementation of all initiatives in a transparent manner.

The Forum has also identified and discussed new developments and emerging initiatives of importance for the sector (national food taxes, promotion of food sustainability, fight against food wastage, etc.). Through these activities, the members of the Forum have consistently sought to ensure a coherent, science-based approach to policies affecting the food supply chain, encompassing economic, social and environmental objectives.

Moreover, the Forum's holistic approach has contributed to fostering cooperation within the sector and within public authorities involved.

5.2. Proposals for a continued multistakeholder dialogue

The Forum calls on all institutional and private stakeholders to continue delivering on the roadmap wherever progress is still possible. The holistic, supply chain approach developed within the Forum should remain one of the main priorities for the agri-food sector.

The environment in which agri-food companies operate has changed since 2009. The economic crisis brought the need to have a structure that allows them to adapt flexibly to changes. The Forum is of the view that maintaining and reinforcing efforts of all stakeholders to achieve the objectives of the Europe 2020 strategy for growth in the food supply chain is of the utmost importance.

The Forum sees significant value added in continuous consultation and exchanges of views with stakeholders and national authorities on any initiative affecting the

⁵⁵ Such as the High Level Group on Diet and Nutrition.

sustainability and competitiveness of the sector. It believes that isolated efforts to address structural issues would not yield long-lasting strategies and impacts.

Therefore, the Forum recommends that the Commission extend its mandate beyond 2012. The extended mandate should avoid duplication of work with other consultative groups and be results-oriented. It should include the following tasks:

- Advise the Commission on follow-up to the pilot project on a fitness check for the food chain (scoping study)
- Examine the implementation of the Europe 2020 Strategy Flagship Initiatives to support smart, sustainable and inclusive growth in the food supply chain and advise the Commission on this. In particular the Forum could:
 - Advise the Commission on implementing the industrial policy communication in the food sector, in conjunction with other flagship initiatives;
 - Develop a common vision of a more sustainable, innovative, inclusive and resource-efficient food supply chain;
- Follow progress on a possible voluntary framework for the implementation and enforcement the Principles of Good Practice, help assess the effectiveness of such a framework and put forward recommendations in this domain;
- Contribute to improvements in the European Food Prices Monitoring Tool and promote synergies between the tool, national price observatories and other research and analytical work on food price transmission;
- Identify new challenges and issues that have emerged since the conclusions of the High Level Group on the Competitiveness of the Agro-Food Industry (e.g. e-commerce, environment food information and challenges for consumers to make more sustainable choices, transport, health, nutrition, food taxation, economic crisis, fiscal measures, access to finance), and advise the Commission on how to tackle them.

Annexes



Annex I

Part 1: Composition of the High Level Forum for a Better Functioning Food Supply Chain

1. EUROPEAN COMMISSION (CHAIRING ORGANISATION)

- Antonio TAJANI, Vice President, Industry and Entrepreneurship
- Michel BARNIER, Internal Market and Services
- Tonio BORG, Health and Consumers
- Dacian CIOLOȘ, Agriculture and Rural Development

2. MEMBERS

National authorities

- Denmark – Minister for food, agriculture and fisheries
- Germany - Federal Minister of Food, Agriculture and Consumer Protection
- Ireland - Minister for Agriculture, Marine and Food
- Greece - Minister for Rural Development and Food
- Spain - Minister for Environment, Rural and Maritime Affairs
- France - Minister for Agriculture, Food, Fisheries and Rural Affairs
- Italy - Minister for Agricultural, Food and Forestry Policies
- Hungary - Minister of Rural Development
- Netherlands - Minister for Agriculture
- Poland - Minister of Agriculture and Rural Development
- Slovenia - Minister of Agriculture and the Environment
- Sweden - State Secretary to the Minister for Rural Affairs
- United Kingdom - Minister of State for Agriculture and Food

Other organisations

- Agrana
- Associazione Industriali delle Carni (ASS.I.CA)
- Barilla
- Borsa Merci Telematica Italiana
- Brazzale S.p.a.
- Bureau Européen des Unions de Consommateurs (BEUC)
- Committee of Professional Agricultural Organisations - General Confederation of Agricultural Cooperatives (COPA-COGECA)
- Danone
- Ebro Foods S.A.
- EuroCommerce
- EuroGroup for Animals
- European Community of Consumer Cooperatives (Euro Coop)

- European Federation of Food, Agriculture and Tourism (EFFAT)
- European Liaison Committee for Agricultural and Agri-Food Trade (CELCAA)
- European Public Health Alliance (EPHA)
- FEDAGRI Confcooperative
- Ferrero Group
- FoodDrinkEurope
- ITM Enterprises - Intermarché
- Lidl Stiftung & Co. KG
- Metro
- Nestlé
- Parmalat
- Pernod Ricard SA
- Rigoni di Asiago S.P.A.
- Royal Ahold
- Slow Food Internazionale
- Südzucker
- Unilever
- Union européenne de l'Artisanat et des petites et moyennes entreprises (UEAPME)
- World Union of Wholesales Markets (WUWM)
- World Wildlife Fund (WWF)

3. OBSERVER

- Mr Einar Steensnæs, Chairman of the Norwegian Inquiry commission on power relations in the food supply chain

Part 2: Composition of the working groups (Expert Platforms)

1. EXPERT PLATFORM ON BUSINESS-TO-BUSINESS CONTRACTUAL PRACTICES IN THE FOOD SUPPLY CHAIN

Core group

- Bureau Européen des Unions de Consommateurs (BEUC)
- CAOBISCO
- Centre de liaison des industries transformatrices de viande de l'UE (CLITRAVI)
- Committee of Professional Agricultural Organisations - General Confederation of Agricultural Cooperatives (COPA-COGECA)
- EuroCommerce
- European Brands Association (AIM)
- European Community of Consumer Cooperatives (Euro Coop)
- European Council of Young Farmers (CEJA)
- European Liaison Committee for Agricultural and Agri-Food Trade (CELCAA)
- European Retail Round Table (ERRT)
- FoodDrinkEurope
- spiritsEUROPE
- Union des Groupements de Détaillants indépendants de l'Europe (UGAL)
- Union européenne de l'Artisanat et des petites et moyennes entreprises (UEAPME)

Extended group

- European Coordination Via Campesina
- European Dairy Association (EDA)
- European Federation of Food, Agriculture and Tourism (EFFAT)
- European Fruit and Vegetable Trade Association (EUCOFEL)
- European Union Of Wholesale with Eggs, Egg Products and Poultry and Game (EUWEP)
- Fair Trade Advocacy Office (FTAO)
- Freshfel Europe - the forum for the European fresh fruits and vegetables chain
- International Federation of Organic Agriculture Movements EU Regional Group (IFOAM)
- Primary Food Processors (PFP)
- Private Labels Manufacturers Association (PLMA)
- The Brewers of Europe
- World Union of Wholesales Markets (WUWM)
- Zentralverband des Deutschen Handwerks (ZDH)

The national authorities involved in the Forum participated to the deliberations of the Expert Platform. External experts have been invited to contribute on an ad hoc basis.

2. EXPERT PLATFORM ON THE COMPETITIVENESS OF THE AGRO-FOOD INDUSTRY

- Agrana
- Associazione Industriali delle Carni (ASS.I.CA)
- Barilla
- Bonafarm Group Ltd.
- Borsa Merci Telematica Italiana
- Brazzale S.p.a
- Bureau Européen des Unions de Consommateurs (BEUC)
- Committee of Professional Agricultural Organisations - General Confederation of Agricultural Cooperatives (COPA-COGECA)
- Danone
- Ebro Foods
- EuroCommerce
- European Federation of Food, Agriculture and Tourism (EFFAT)
- European Liaison Committee for Agricultural and Agri-Food Trade (CELCAA)
- European Public Health Alliance (EPHA)
- European Retail Round Table (ERRT)
- Ferrero
- FoodDrinkEurope
- Nestlé
- Parmalat
- Pernod Ricard SA
- Primary Food Processors (PFP)
- Rigoni di Asiago
- Slow Food Internazionale (since June 2012)
- Südzucker
- Unilever
- World Wildlife Fund (WWF)

The national authorities involved in the Forum participated to the deliberations of the Expert Platform. Moreover other members of the Forum and external experts have been invited to contribute on an ad hoc basis.

3. EXPERT PLATFORM ON THE EUROPEAN FOOD PRICES MONITORING TOOL

Meetings organised in the form of workshops with open audience.

Annex II

Implementation of the roadmap of the Forum

The Commission Communication 'a better functioning food supply chain in Europe'⁵⁶ and the 'Roadmap of key initiatives'⁵⁷ of the High Level Group on the Competitiveness of the Agro-Food Industry (HLG) include a wide range of initiatives which are strongly interlinked.

This annex describes the current state of play of these initiatives, the follow-up of which is an integral part of the mandate of the High Level Forum for a Better Functioning Food Supply Chain. In its presentation, each policy initiative of the Commission is associated to the relevant recommendation(s) of the HLG, where such a link exists. The order of the initiatives is based on the Commission's communication.

Part 1 provides a summary of the main achievements to date and follow-up needed for each initiative and recommendation.

Part 2 reviews in details all the activities carried out and expected actions.

⁵⁶ COM(2009) 591. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0591:FIN:EN:PDF>
⁵⁷ http://ec.europa.eu/enterprise/sectors/food/files/high_level_group_2008/documents_hlg/hlg_roadmap_en.pdf

Part 1

Summary of main achievements and expected follow-up actions

Commission initiative (COM(2009) 591)	HLG Recommendation (Report of the High Level Group on the competitiveness of the Agro-Food Industry)	Main achievements to date	Main follow-up actions	Progress (*)
1. Unfair contractual practices	14. Effective integration of SMEs in the supply chain 15. Relationships among the food chain players 16. Private labels	Report on "Vertical relationships in the Food Supply Chain: Principles of Good Practice" by 11 business organisations of the food supply chain and proposal of a voluntary framework for its implementation by eight of these organisations	Stakeholders to continue discussions on an improved implementation framework. Commission to undertake all appropriate steps in consultation with Member States and relevant stakeholders.	★
2. Common approach to competition issues	-	Report on competition law enforcement and market monitoring activities by competition authorities in the food sector	Continued actions by competition authorities and coordination via the European Competition Network	✓
3. Agricultural commodities derivatives markets	-	Legislative proposals on the review of the Markets in Financial Instruments Directive	Swift adoption by the European Parliament and Council	★
4. Food prices monitoring tool	14. Effective integration of SMEs in the supply chain 15. Relationships among the food chain players	Improvements to the European Prices Monitoring Tool initially developed in 2009. National price observatories active in 19 European countries.	Establishment of the tool as part of the permanent work of data publication by Eurostat Member States to continue developing price observatories	★
5. Food price comparison services	-	Data collection and consultations on existing price comparison websites	Adoption of codes of conduct, good practice or guidelines for price, quality and sustainability comparison by 2014	✗

Commission initiative (COM(2009) 591)	HLG Recommendation (Report of the High Level Group on the competitiveness of the Agro-Food Industry)	Main achievements to date	Main follow-up actions	Progress (*)
6. Territorial supply constraints	-	Territorial supply constraints addressed in two studies commissioned by the Commission	Territorial supply constraints to be addressed in the context of unfair business-to-business trading practices	✓
7. Promote clarity and coherence of information to consumer	20. Clear and coherent information to consumer	Regulation on food information to consumers	Adoption of specific rules, by the end 2013 for origin labelling	★
8. Environmental standards and origins labelling schemes	-	Endorsement by the High Level Forum of a report on food labelling practices	Commission to consider the suggestions of the Forum and of the Food Sustainable Consumption and Production Roundtable	★
9. Restructuring and consolidation of the agricultural sector	-	Adoption of the milk package. Legislative proposal for the CAP towards 2020	Swift adoption by the European Parliament and Council	★
10. HLG recommendations aiming to improve the competitiveness of the agri-food sector	2. Agricultural policy			
	1. Holistic approach 6. Impact assessments	Operational guidance for competitiveness proofing and SME tests	Sound competitiveness proofing for the food supply chain in support of relevant legislative proposals	✓
	3. Access to raw materials	Evaluation of the GMO legislation and adoption of harmonised sampling and analysis methodologies on the presence in feed of GMOs pending EU authorisation or for which authorisation has expired	Continued monitoring of the GMO legislation and follow-up to the conclusions of the evaluation	★

Commission initiative (COM(2009) 591)	HLG Recommendation (Report of the High Level Group on the competitiveness of the Agro-Food Industry)	Main achievements to date	Main follow-up actions	Progress (*)
10. HLG recommendations aiming to improve the competitiveness of the agri-food sector	4. Environment	Establishment of the European Food SCP Roundtable; adoption of reports on methodologies and communication. Adoption of the directive on industrial emissions Adoption of the list of sectors at risk of carbon leakage	Testing, adoption and dissemination of the ENVIFOOD protocol by the Food SCP roundtable	✓
	5. Energy efficiency	Annual calls for eco-innovation projects	Continued publication of calls for proposals	✓
	8. Authorisation procedures for novel foods	Lack of agreement between the European Parliament and Council on the novel food regulation proposed by the Commission.	Solution to accelerate approval procedures for novel foods	✗
	9. European incident management system	Adoption of implementation rules on the Rapid Alert System for Food and Feed	Adoption of Standard Operational Procedures	★
	10. Support to Small and Medium-Sized enterprises (SMEs)	Review of the Small Business Act for Europe	Implementation of all aspects of the review	✓
	11. Access to finance	EU Action Plan to improve access to finance for SMEs	Swift adoption of the legislative proposal on COSME	★
	12. Access to funding research programmes	Participant Portal and Practical Guide	Identification of possible increased SME participation in "Horizon 2020"	★
	13. Access to global markets for SMEs	Communication 'Small Business, Big World' and Missions for Growth Promotion of market access strategy services by food and SME associations	Continued participation of the food sector to Missions for Growth and related activities	✓

Commission initiative (COM(2009) 591)	HLG Recommendation (Report of the High Level Group on the competitiveness of the Agro-Food Industry)	Main achievements to date	Main follow-up actions	Progress (*)
10. HLG recommendations aiming to improve the competitiveness of the agri-food sector	17. Attractiveness of the agri-food industry	Research projects Erasmus Mundus courses	Study to be carried out in the context of the EU Social Dialogue Committee	★
	18. Social dialogue	Establishment of the EU Social Dialogue Committee on food	Social Dialogue Committee to deliver on its work programme	✓
	19. Information and Communication Technologies and agro-logistics	In the framework of the project eFoodChain, publication of a Market Analysis Report on the use of ICT tools in the food chain. Launch of a High Level Group on Logistics	Launch of demonstration projects (eFoodChain, SmartAgriFood) Demonstration projects to complete their tasks	★
	21. Increase support to research and innovation	Annual food-related calls for proposals within the "Food, Health and Well-being" activity of FP7	Continued publication of annual calls related to food taking into account the Implementation Action Plan of the ETP food for life	✓
	22. Better use the existing research and innovation instruments	Proposal for a Strategic innovation agenda for the EIT which envisages the establishment of a Knowledge and Innovation Community "Food4Future"	Swift adoption of the EIT's Strategic innovation agenda by the European Parliament and Council	★
	23. New food technologies	Annual food-related calls for proposals within the "Food, Health and Well-being" activity of FP7	Reflection on synthetic food. Clarification of the statute of new plant breeding techniques	Ⓡ
	24. WTO negotiations		Continued actions in WTO (Doha Development Agenda and monitoring of protectionist measures)	Ⓡ

Commission initiative (COM(2009) 591)	HLG Recommendation (Report of the High Level Group on the competitiveness of the Agro-Food Industry)	Main achievements to date	Main follow-up actions	Progress (*)
10. HLG recommendations aiming to improve the competitiveness of the agri-food sector	25. Bilateral negotiations	Free trade agreement with South Korea and Morocco Bilateral regulatory dialogues	Continued bilateral trade negotiations taking into account the interests of EU food industries. Extension of regulatory dialogues.	✓
	26. International trade standards	Sound defence and promotion of EU standards in international standard setting bodies and through capacity building in developing countries	Continued actions to promote the uptake of international standards Identification of most important trade barriers for EU food exporters	✓
	27. Intellectual property rights	EU business helpdesks in third countries	Member States and stakeholders to explore the feasibility of setting up national organisations to report on geographical indication counterfeiting	⌚
	28. Strength, weaknesses, opportunities and threats for EU food on global markets	Communication on promotion measures and information provision for agricultural products	Impact analysis and proposal for a reform of the EU information and promotion measures	⌚
	29. Customs formalities	Adoption of functional specifications for customs single window services	Operational framework for customs single window services	★
	30. Sector-specific rules of origin	Adoption of revised rules of origin.	-	✓

(*) ✓ = fully achieved or implemented on an on-going basis

★ = major steps taken

⌚ = significant progress still needed
(see definitions in the introduction to the report)

Part 2

Detailed review

Communication initiative	1. Eliminate Unfair contractual practices between business actors 1.1 Actions in coordination with Member States				
HLG Recommendation	14. Support effective integration of Small and Medium-Sized Enterprises (SMEs) in the food chain				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Exchange of information on contractual practices, including a clarification of contractual rights and of the legality and fairness of commonly used contract clauses	MARKT, ENTR Stakeholders Member States	JUST, AGRI, COMP	Exchange of information on national frameworks and discussion on the characteristics of credible enforcement tools at meetings of the Expert Platform on Business-to-Business Contractual Relations in the Food Supply Chain.	Stakeholders to continue discussions on an improved implementation framework. Commission to undertake all appropriate steps in consultation with Member States and relevant stakeholders.	2013
Exchange of best practices on notification of contractual practices (Ombudsmen, enforcement authorities, collective actions...)			Report on "Vertical relationships in the Food Supply Chain: Principles of Good Practice" proposed by the business organisations of the core group of the Expert platform on Business-to-business contractual practices in the food supply chain (November. 2011) ⁵⁸ . Eight members of the Expert Platform proposed a voluntary framework for the implementation and enforcement of the Principles of the Good Practice (June 2012) ⁵⁹		

⁵⁸ [http://www.eurocommerce.be/media/docs/FoodSupplyChain/Multi-stakeholderDialogue/B2Bprinciplesofgoodpracticeinthefoodsupplychain\(2\).pdf](http://www.eurocommerce.be/media/docs/FoodSupplyChain/Multi-stakeholderDialogue/B2Bprinciplesofgoodpracticeinthefoodsupplychain(2).pdf)

⁵⁹ Agree: AIM, CELCAA, FoodDrinkEurope, ERRT, Euro-Coop, EuroCommerce, UEAPME, UGAL. Do not agree: Copa-Cogeca, Clitravi.

Communication initiative	1. Eliminate Unfair contractual practices between business actors 1.1 Actions in coordination with Member States				
HLG Recommendation	14. Support effective integration of Small and Medium-Sized Enterprises (SMEs) in the food chain				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Exchange of best practices on notification of contractual practices (Ombudsmen, enforcement authorities, collective actions...)	MARKT, ENTR Stakeholders Member States	JUST, AGRI, COMP	<i>Example in the United Kingdom:</i> Groceries Supply Code of Practice (GSCOP) introduced in February 2010. A draft Bill has been introduced into Parliament to establish the Groceries Code Adjudicator. The Adjudicator will aim at maintaining an appropriate business relationship between suppliers and the UK's 10 major retailers. He will arbitrate in disputes arising from the GSCOP, as well as monitor and publish guidance on compliance with the Code and conduct investigations related to possible breaches. The Adjudicator will report annually on its activities. The Adjudicator is expected to come into force in 2013.	Continued exchanges of good practice by Member States	On-going
Awareness campaigns to inform stakeholders of their contractual rights and potentially illegal or unfair practices	Member States Stakeholders	MARKT, ENTR, AGRI	<i>Example in France:</i> Recommendations by the committee for the analysis of trade practices; 36 unfair trade practices identified by the business relations ombudsmen; National workshops and high-level meetings with ministers dealing with relationships between the stakeholders of the food supply chain; summonses by the authorities in the event of unfair practices.	Awareness campaign to be carried out in the context of the implementation of the Principles of Good Practice, by the supporting organisations	2013

Communication initiative	1. Eliminate Unfair contractual practices between business actors 1.2 Actions at Union level				
HLG Recommendation	15. Ensure the proper and optimal functioning of the entire food chain by addressing the relationships among the food chain player 16. Study the effect of private labels				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Contractual instrument whose use would be voluntary for purchase contracts in the food supply chain	JUST EU Institutions	AGRI, COMP, SANCO	Proposal for a Common European Sales Law ⁶⁰ .	Ordinary legislative procedure.	Proposal currently under legislative procedure ⁶¹
Study on the structure of the chain and its impact on price transmission in the meat sector.	ENTR		Final reports published together with the comments received from the stakeholders ⁶² .	/	/
Report on the effect of private labels (retailer own brands) on the competitiveness of the food manufacturing industry	ENTR	COMP, SANCO			

⁶⁰ http://ec.europa.eu/justice/newsroom/news/20111011_en.htm

⁶¹ 2011/0284 (COD). http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=200899

⁶² http://ec.europa.eu/enterprise/sectors/food/documents/studies/index_en.htm

Communication initiative	1. Eliminate Unfair contractual practices between business actors 1.2 Actions at Union level				
HLG Recommendation	15. Ensure the proper and optimal functioning of the entire food chain by addressing the relationships among the food chain player 16. Study the effect of private labels				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Proposal for action(s) (possibly a code of conduct) aiming at eliminating unfair practices from business-to-business contractual relations in the food supply chain	MARKT, ENTR	JUST, AGRI, COMP, SANCO	Principles of Good Practice adopted by 11 business organisations of the food supply chain ⁵⁸ . Voluntary framework for the implementation and enforcement of the Principles of the Good Practice proposed by eight of these organisations (June-October 2012) ⁵⁹	Commission Green Paper on unfair business-to-business trading practices. Stakeholders to continue discussions on an improved implementation framework. Commission to undertake all appropriate steps in consultation with Member States and relevant stakeholders.	2013

Communication initiative		2. Develop a common approach to competition issues with the European Competition Network (ECN)			
HLG Recommendation		-			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Common approach to competition issues across the EU to relevant competition issues aiming at a sustained exchange of information, a swift identification of problematic cases and an efficient allocation of tasks among each member of the European Competition Network (ECN).	COMP	Member States European Competition Network (ECN)	<p>Due priority granted by National competition Authorities (NCAs) to case by case investigations, as well as to broader inquiries regarding food markets. These actions resulted in the finding of a significant number of serious infringements, such as cartels and resale price maintenance cases. These infringements were swiftly remedied through cease-and-desist orders, accompanied where appropriate by substantial fines.</p> <p>Regular reporting system to increase mutual awareness of NCAs actions and fostering shared priorities within the ECN regarding the enforcement of competition rules in the food sector.</p> <p>Setting-up of an ECN Joint Working Team on Milk in 2009 dedicated to the analysis of the functioning of the milk supply chain.</p> <p>Report on competition law enforcement and market monitoring activities by European competition authorities in the food supply chain⁶³.</p>	Continue strengthening the existing close cooperation between the Commission and NCAs on food-related issues within the ECN Food Subgroup.	Ongoing

⁶³ http://ec.europa.eu/competition/ecn/food_report_en.pdf. More information: <http://ec.europa.eu/competition/ecn/documents.html>

Communication initiative		3. Make proposal to improve oversight and transparency of agricultural commodities derivatives markets			
HLG Recommendation		-			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Improved oversight and overall transparency of agricultural commodity derivatives markets	MARKT	AGRI	<p>Commission communication "Ensuring efficient, safe and sound derivatives markets: future policy actions"⁶⁴. Public hearing on the Markets in Financial Instruments Directive (MiFID) review in Sept. 2010.</p> <p>Legislative proposal on short-selling adopted in Sept. 2010⁶⁵ to ensure that derivatives trading of primary and agricultural products is rendered more transparent & becomes more safe, sound & efficient.</p> <p>Establishment of the European Securities and Markets Authority (ESMA) on 01/01/2011.</p> <p>Legislative proposals on the review of the MiFID adopted on 20/10/2011⁶⁶.</p> <p>Establishment of an expert group on agricultural derivatives markets.</p>	<p>In the context of the review of the MiFID:</p> <p>Extension of appropriate transparency and reporting requirements to all agricultural commodity derivatives, including those traded over-the-counter;</p> <p>Introduction of position reporting obligations by categories of traders to be set out at EU-level, in order to enable regulators to have an overview of the positions taken by the different types of trader;</p> <p>Enable regulators to set position limits to counter disproportionate price movements or concentrations of speculative positions will be carefully assessed, with a view to ensuring the efficient functioning of those markets.</p>	<p>MiFID review currently under ordinary legislative procedure⁶⁷</p>

⁶⁴ COM(2009) 563. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0563:FIN:EN:PDF>

⁶⁵ COM (2010) 482. http://ec.europa.eu/internal_market/securities/docs/short_selling/20100915_proposal_en.pdf

⁶⁶ COM(2011)656 and COM(2011)652. http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm

⁶⁷ 2011/0298 (COD). http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=200940

Communication initiative		4. Update and develop the European food prices monitoring tool and price transparency along the chain			
HLG Recommendation		14: Support the effective integration of agri-food SMEs in the food chain 15. Ensure proper and optimal functioning of the food chain			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Improved European Food Price Monitoring tool	ESTAT	AGRI, ENTR, SANCO, ECFIN, COMP National Statistical Institutes	Publication and development of the European Food Prices Monitoring tool ⁶⁸ . The Commission has established a task force of 15 Member States whose mandate include the development of the food price monitoring tool. Stakeholder consultation via the Expert Platform on the European Food Prices Monitoring Tool.	Establishment of the European Food Prices Monitoring tool as part of the permanent production and publication of European statistics.	2011-2012
Improved understanding of price transmission and contractual arrangements	Member States		Exchanges of good practice (methodologies) and results in the Expert Platform on the European Food Prices Monitoring Tool. Prices observatories are active or under development in at least 17 EU Member States and two other European countries.	Develop national price and margins observatories	By 2011

⁶⁸ http://ec.europa.eu/enterprise/sectors/food/competitiveness/prices_monitoring_en.htm

Communication initiative		5. Ensure exchange of best practices on food price comparison services			
HLG Recommendation		-			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Guidelines for price comparison websites for consumer goods, including food.	SANCO Member States	RTD	<p>The Commission has collected some evidence on practices of prices comparison websites in Member States.</p> <p>Consumer agenda adopted end May 2012.⁶⁹</p> <p>Workshop on comparison tools organised on 29 May 2012 within the European Consumer Summit.</p> <p>Launch of the FP7 project Transfop⁷⁰, which is analysing transparency of food pricing, including inflation and vertical and horizontal price transmission mechanisms.</p>	<p>Provide Member States with guidelines for operating price comparison websites and ensure an exchange of best practices and experiences in this field which could encourage operators in Member States to set up such services for consumers.</p> <p>As set out in the Consumer Agenda, the Commission will work with intermediaries and traders to develop codes of good conduct, good practices or guidelines for price, quality and sustainability comparison.</p> <p>Use the results of the Transfop project and other relevant initiatives.</p>	By 2014

⁶⁹ COM(2012)225. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0225:FIN:EN:PDF>

⁷⁰ <http://www.transfop.eu/>

Communication initiative		6. Assess measures to address territorial supply constraints			
HLG Recommendation		-			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Study on Territorial Supply constraints and hindrances to parallel trade in the European Food supply chain	ECFIN, COMP	MARKT, ENTR	Study commissioned by the European Commission in 2010. Methodological approach proved to be not sufficiently conclusive for policy purposes.	The BEPA is carrying out a study where the issue of territorial supply constraints will be discussed.	/

Communication initiative		7. Promote clarity and coherence of information to consumer			
HLG Recommendation		20. Promote clarity and coherence of information to consumer			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Action is taken for consumers' education on food in relation with different policies (safety, nutrition, environment, new technologies)	SANCO		Update of DOLCETA ⁷¹ (a web-based consumer information and education tool) on an ongoing basis (example: module on sustainable consumption which includes information about healthy and sustainable eating habits).	Replacement of DOLCETA with a new interactive community website aimed specifically at teachers of 12-18 year olds across the EU. It will provide consumer education tools and an information exchange forum for teachers.	New website to be available by end 2012
	Member States RTD	Food chain actors	Completion of FP7 project FLABEL ⁷² , which aimed at assessing the effects of nutrition labelling on consumers in order to better understand how it influences consumers' buying choices. Presentation of selected results at the Workshop on food labelling practices on 12/07/2011. Launch of the FP7 project CLYMBOL ⁷³ , which will analyse the role of health-related claims and symbols in consumer behaviour.	Use the results of the FLABEL and CLYMBOL projects	Ongoing

⁷¹ <http://www.dolceta.eu/>

⁷² <http://www.flabel.org/>

⁷³ http://www.facebook.com/permalink.php?id=181435311876572&story_fbid=388673014486133

Communication initiative		7. Promote clarity and coherence of information to consumer			
HLG Recommendation		20. Promote clarity and coherence of information to consumer			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Action is taken for consumers' education on food in relation with different policies (safety, nutrition, environment, new technologies)	Member States RTD	Food chain actors	<p>Denmark: The new established "Madkulturen" (former Foodex) collects and disseminates information about food, meals and quality concepts to resuscitate traditions and exploit new potentials. Key actors among producers, consumers and researchers are brought together.</p> <p>France: National food programme to facilitate safe, sustainable and diverse food through numerous actions.</p> <p>Poland: Inspection reports from the Trade Inspection containing important information for consumers are made available on the Internet.</p> <p>FoodDrinkEurope and its members actively participated in the EU Platform for action on Diet, Physical Activity and Health by submitting voluntary commitments in fields such as "reformulation" and "consumer information".</p>		

Communication initiative		7. Promote clarity and coherence of information to consumer			
HLG Recommendation		20. Promote clarity and coherence of information to consumer			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Consumer information, especially labelling provisions specific for both food and other issues of consumer concern, fulfil their objectives whilst taking sustainable competitiveness and the integrity of the internal market into account	SANCO	Member States Food chain actors	<p>Regulation on consumer food information published in November 2011⁷⁴. The new Regulation considerably changes existing legislation on food labelling including:</p> <ul style="list-style-type: none"> • Nutrition information on processed foods; • Origin labelling of fresh meat from pigs, sheep, goats and poultry; • Highlighting allergens e.g. peanuts or milk in the list of ingredients; • Better legibility i.e. minimum size of text; • Requirements on information on allergens also cover non pre-packed foods including those sold in restaurants and cafés. <p>The new rules will apply from 13/12/2014. The provision of nutrition information will be mandatory as from 13/12/2016.</p> <p>FoodDrinkEurope developed industry best-practice guidance on portion communication and legibility, and is working on guidance in view of an EU wide interpretation of the new requirements by food business operators.</p>	Commission to develop specific rules on the mandatory labelling of the origin of meat and will clarify how the new rules on the voluntary origin labelling will apply. (Preparatory work for the respective impacts assessments is ongoing.)	Specific rules to be adopted by 2013

⁷⁴ Regulation (EU) No 1169/2011. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

Communication initiative		7. Promote clarity and coherence of information to consumer			
HLG Recommendation		20. Promote clarity and coherence of information to consumer			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Consumer information, especially labelling provisions specific for both food and other issues of consumer concern, fulfil their objectives whilst taking sustainable competitiveness and the integrity of the internal market into account	SANCO		Launch of a study on the consumer situation in the meat market covering consumer information issues. Preliminary results are available.	Publication of the results	2012
	ENV	SANCO, ENTR	Study report: Assessment of the efficiency of water footprinting approach for agricultural products and foodstuff labelling. ⁷⁵ FoodDrinkEurope contributed to the study Feasibility study and opinion of the EU Eco-Labeling Board on the possible extension of the EU Ecolabel to food and beverages. ⁷⁶	/	/
Promotion of initiatives to increase/further develop the introduction of innovative, informed and healthy options and nutritious choices.	SANCO	ENTR Food chain actors	Mid-term implementation report published in 2010. Follow-up by means of reports of the High Level Group on Nutrition and Physical Activity. ⁷⁷	Facilitate cooperation between Member States by means of High Level Group on Nutrition and Physical Activity.	Ongoing

⁷⁵ <http://ec.europa.eu/environment/water/quantity/planning.htm>

⁷⁶ Feasibility study: http://ec.europa.eu/environment/ecolabel/documents/Ecolabel_for_food_final_report.pdf

Opinion of the EU Eco-Labeling Board: http://ec.europa.eu/environment/ecolabel/documents/EUEB_position_on_food_final.doc

⁷⁷ http://ec.europa.eu/health/nutrition_physical_activity/policy/implementation_report_en.htm

Communication initiative		7. Promote clarity and coherence of information to consumer			
HLG Recommendation		20. Promote clarity and coherence of information to consumer			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Promotion of initiatives to increase/further develop the introduction of innovative, informed and healthy options and nutritious choices.	Food chain actors	Member States SANCO	Activities involving among others, the enhancement of the availability of healthier food choices to better meet consumer needs by developing a wide range of products with improved nutritional composition. ⁷⁸		Ongoing
	Food chain actors		<p>Involvement in the Platform for Action on Diet, Physical Activity and Health.</p> <p>Fields identified for action:</p> <ul style="list-style-type: none"> - consumer information, including labelling; - education - physical activity promotion - marketing and advertising - composition of foods, availability of healthy food options, portion sizes. <p>FoodDrinkEurope is an active member of the Platform representing the vast majority of commitments in the above-mentioned fields.</p> <p>France: National food programme (see above) and National programme for nutrition and health (PNNS).</p>	<p>Follow-up by means of annual reports of the Platform for Action on Diet, Physical Activity and Health included in renewed objectives adopted in January 2011.</p> <p>Follow-up on the evaluation of the EU Strategy on nutrition, overweight and obesity-related health issues in 2013.</p>	Ongoing

⁷⁸ http://ec.europa.eu/health/nutrition_physical_activity/platform/index_en.htm

Communication initiative		8. Review selected environmental standards and origins labelling schemes			
HLG Recommendation		-			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Evaluation of the impact of selected environmental standards and origins labelling schemes on the integration of the food supply chain	AGRI, ENV	SANCO, AGRI, ENV, MARKT, ENTR Member States	Workshop on food labelling practices 12 July 2011. <u>See also:</u> Feasibility study and opinion of the EU Eco-Labelling Board on a possible extension of the EU Ecolabel to food & feed ⁷⁶ ; and: Assessment of the efficiency of water footprinting approach for agricultural products and foodstuff labelling ⁷⁵ .	Commission to consider the recommendations of the Forum (database, joint working group on food labelling) and of the European Food Sustainable Consumption and Production Roundtable (ENVIFOOD protocol; recommendations for business-to-business and business-to-consumer communication)	

Communication initiative		9. Promote and facilitate the restructuring and consolidation of the agricultural sector			
HLG Recommendation		2: Continued support for an ambitious development of the Common Agricultural Policy (CAP)			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Increased restructuring and consolidation of the agricultural sector	AGRI	COMP Member States	<p>The Rural Development policy supports the creation of voluntary agricultural producer organisations.</p> <p>Public debate and Communication on the CAP towards 2020⁷⁹. Legal proposals for CAP towards 2020 tabled in October 2011⁸⁰.</p> <p>Adoption of the "milk package"⁸¹</p> <p>Denmark: Commission on nature and agriculture is established. The commission investigates and prepares, i.a. solutions to the structural and economic challenges facing Danish agriculture. The commission will report its results in March 2013.</p>	<p>Adopt measures to further promote and facilitate the restructuring and consolidation of the agricultural sector:</p> <ul style="list-style-type: none"> - In the context of the Rural Development policy, notably by encouraging the creation of voluntary agricultural producer organisations - In the broader context of post 2013 Common Agricultural Policy. 	CAP legal proposals currently under ordinary legislative procedure ⁸² .

⁷⁹ COM(2010) 672. http://ec.europa.eu/agriculture/cap-post-2013/communication/index_en.htm

⁸⁰ COM(2011) 625 to 631. http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm

⁸¹ Regulation (EU) No 261/2012. http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!CELEXnumdoc&lg=EN&numdoc=32012R0261

⁸² 2011/0280 (COD). http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=200910

Communication initiative		10. Bring forward proposals of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		1. Ensure a holistic approach for the European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
<p>Duly take into account the specificities of the European food chain</p> <p>Enhance sustainable competitiveness of the food chain</p> <p>Ensure coherence among different EU policies objectives and their impact on the food and drink industry</p>	All Commission services (in particular ENTR, SANCO, AGRI, ENV)	All stakeholders Member States	<p>The implementation of the 30 recommendations of the High Level Group is well on tracks.</p> <p>Operational guidance developed for sectoral competitiveness proofing⁸³ and SME test, for use in impact assessments carried out by the Commission⁸⁴.</p> <p>National action plans and/or public-private dialogues established in numerous Member States to support the agri-food sector.</p> <p>Denmark: Roadmap for enhanced organic production in 2020. This ambition is supported by initiatives which promote the production of organic products with the aim of doubling the organic area in 2020. The Government will, for example, support a development that increases the use of organic food in public catering.</p> <p>UK: The government asked business owners, employees, the public and even government inspectors to report inconsistent and over-zealous enforcement of rules and regulations. Stakeholders should use their experience of different regulators and say where unnecessary regulation or multiple inspections and conflicting advice is getting in the way, harming their business and preventing economic growth.</p>	<p>Continued implementation of the recommendations of the High Level Group.</p> <p>Stakeholders to report on their needs.</p> <p>Impact assessment for a Communication on sustainable food foreseen in the Roadmap to a Resource Efficient Europe to take into account the competitiveness of the food sector.</p> <p>Actions to reduce food waste and losses without compromising food safety, in line with the Roadmap to a Resource Efficient Europe, and in consultation with stakeholders (EU Retail Forum for Sustainability, EU Food Sustainable Consumption and Production Roundtable), Member States and experts.</p>	<p>2010 – 2013</p> <p>Ongoing</p> <p>Communication expected by end 2013</p> <p>Short term actions against food waste to be launched in 2012. Longer-term actions to be decided by end 2013</p>

⁸³ SEC(2012) 91. http://ec.europa.eu/governance/impact/key_docs/docs/sec_2012_0091_en.pdf

⁸⁴ SEC(2009) 92. http://ec.europa.eu/enterprise/policies/sme/files/docs/sba/iag_2009_en.pdf

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	2. Continued support for an ambitious development of the CAP				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Apply the established market management instruments	AGRI		CAP Health Check	Apply market management instruments when appropriate	On-going
Address price volatility and availability of raw materials and adapt the instruments that regulate production to market trends	AGRI		<p>G20 programme against excessive commodity price volatility. G20 Action Plan (June 2011).</p> <p>Launch of the Agricultural Markets Information System (AMIS) in September 2011⁸⁵. First meeting in February 2012.</p> <p>Public debate and Communication COM(2010) 672 on "The CAP towards 2020". Legal proposals for CAP towards 2020 tabled on October 12th 2011.</p>	<p>Monthly sending of cereal supply and demand balance sheets to AMIS.</p> <p>Adoption of the CAP post 2013 legal framework</p>	<p>On-going</p> <p>CAP legal proposals currently under ordinary legislative procedure.⁸²</p>

⁸⁵ <http://www.amis-outlook.org/>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	2. Continued support for an ambitious development of the CAP				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Consider new policy instruments at European level to assure the efficient management of production and market risks	AGRI	All services	Public debate and Communication COM(2010) 672 on "The CAP towards 2020" ⁷⁹ . Public consultation on policy scenarios. Legal proposals for CAP towards 2020 tabled on October 12 th 2011. Adoption of the 'milk package'. ⁸¹	Adoption of the CAP post 2013 legal framework /	CAP legal proposals currently under ordinary legislative procedure. ⁸² /
Suspend temporarily tariff conditions so to facilitate quick response to crisis	AGRI			Monitor market development and propose action when appropriate	When necessary

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		3. Sufficient supply of raw material at competitive prices			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Holistic EU-policy framework for the facilitation of sufficient and sustainable supply of competitively priced raw materials for food and feed purposes	AGRI	All services	CAP Health Check. Public debate and Communication "The CAP towards 2020" ⁷⁹ . Public consultation on policy scenarios.	Adoption of the CAP post 2013 legal framework	CAP legal proposals currently under ordinary legislative procedure. ⁸²
Improved efficiency and transparency of the authorisation procedures for Genetically Modified Organisms (GMOs)	SANCO EFSA	ENTR Member States	The evaluation of the GMO legislation issued in October 2011 ⁸⁶ concluded that the main objectives of the legislation are broadly supported by stakeholders and member States, but that some adjustments are necessary to implement better the existing legislation.	Several Commission's ongoing actions address the issues raised in the evaluation report: the need for more flexibility on GMO cultivation, the low level presence solution, compilation of technical information on socio-economic implications of GMO cultivation, review of the risk assessment guidelines, improvement of monitoring activities, assessment of new plant breeding techniques, upgraded communication activities on GMO issues; study on GMO free labelling.	Ongoing

⁸⁶ http://ec.europa.eu/food/food/biotechnology/evaluation/index_en.htm

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		3. Sufficient supply of raw material at competitive prices			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Technical solution for the asynchronous authorisation of GMOs in different parts of the world with regard to feed (Harmonisation of controls in feed material for GMOs which are pending EU authorisation, or for which an EU authorisation has expired.)	SANCO	AGRI, ENTR Member States	Adoption of a Regulation on methods of sampling and analysis for the official control of feed as regards presence of genetically modified material for which an authorisation procedure is pending or the authorisation of which has expired. ⁸⁷	Monitoring of the application of Regulation 619/2011 and its impact on the internal market and on feed, livestock and other operators. ⁸⁸	Ongoing

⁸⁷ Regulation (EU) No 619/2011. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:166:0009:0015:EN:PDF>

⁸⁸ FoodDrinkEurope considers that the unintentional and unavoidable presence of traces of non-authorised GMOs in food as a serious and long-lasting threat affecting the competitiveness of operators involved in the processing of agricultural products.

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		4. Design an environmental and sustainable industrial policy			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Establish a European food sustainable consumption and production roundtable	Food chain actors ENV	SANCO, JRC, ENTR, AGRI, RTD	Formal establishment of the roundtable in July 2009. Adoption and publication of "Guiding principles for voluntary environmental assessment and communication of environmental information along the food chain, including to consumers" in July 2010 after a public consultation. ⁸⁹ Adoption of reports on environmental communication⁹⁰ and on non-environmental aspects of sustainability ⁹¹ . Workshops on societal issues and on sustainable growth in the food supply chain held in May and June 2015 in the Expert Platform on the Competitiveness of the Agro-Food Industry.	Testing and adoption of a harmonised framework methodology for the environmental assessment of food and drink products (the ENVIFOOD protocol). Testing of environmental communication tools. Possible adoption of product category methodologies Utilise the synergies with the PP7 project SENSE ⁹² , dealing with Harmonised Environmental Sustainability in the European food and drink chain.	2012-2013 2012-2013 From 2013 onwards

⁸⁹ http://www.food-scp.eu/files/consultation/Food%20SCPRTGuidingPrinciples_version_03.06%202010_CLEAN.pdf

⁹⁰ http://www.food-scp.eu/files/ReportEnvComm_8Dec2011.pdf

⁹¹ http://www.food-scp.eu/files/Non-Environmental_Aspects_of_Sustainability.pdf

⁹² http://cordis.europa.eu/fetch?CALLER=FP7_KBBE_NEWS_EN&ACTION=D&DOC=6&CAT=NEWS&QUERY=01380e8094d3:b641:245c1ebb&RCN=34335

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		4. Design an environmental and sustainable industrial policy			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Guarantee the uniform implementation of the Integrated Pollution Prevention and Control (IPPC) Directive by maintaining an integrated approach	ENV	ENTR EU legislative institutions	Adoption of Directive 2010/75/EU on industrial emissions recasting the IPPC directive on 7 July 2010 ⁹³ . Publication of the opinion of the "article 13 forum" on a draft guidance document on practical arrangements including data collection, the drawing up of best available techniques reference documents and their quality assurance. ⁹⁴	/	/

⁹³ OJ L 334, 17.12.2010, p. 17–119. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:334:0017:0119:EN:PDF>

⁹⁴ http://circa.europa.eu/Public/irc/env/ied/library?l=/ied_art_13_forum/meeting_12-13_2011/documents_article/bref_guidance_11pdf/_EN_1.0_&a=d
http://circa.europa.eu/Public/irc/env/ied/library?l=/ied_art_13_forum/opinions_article

and

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		4. Design an environmental and sustainable industrial policy			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Establish a suitable allocation methodology for the food industry within the EU Emissions Trading System (ETS)	CLIMA	ENTR	<p>Determination of the list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage⁹⁵. The list includes sugar, starch, ethyl alcohol, distilled potable alcoholic beverages, wines, other non-distilled fermented beverages, certain dry dairy products (milk powder, casein and lactose), fish products, crude oils and fats, dry bakers' yeast malt and concentrated tomato.</p> <p>Publication of a report on the development of benchmarks and stakeholder consultation on benchmarking and allocation methodology⁹⁶.</p> <p>Adoption of transitional Union-wide rules for harmonised free allocation of emission allowances⁹⁷.</p>	/	/

⁹⁵ Commission Decision 2010/2/UE. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:001:0010:0018:UE:PDF>

⁹⁶ http://ec.europa.eu/clima/policies/ets/benchmarking_en.htm

⁹⁷ Commission Decision 2011/278/EU. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32011D0278:EN:NOT>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		5. Promote energy-efficiency for the European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Facilitated eco-innovation transfer of knowledge and technology towards SMEs	Food chain actors National Energy Agencies	ENTR, ENV, EACI, SANCO		Establish food chain specific eco-technology information and dissemination contact points/ platforms for SMEs	From 2011 onwards

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		5. Promote energy-efficiency for the European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Financial support to overcome barriers to investment in eco-efficient technology	ENTR, ENV, EACI	Member States	<p>Launch of the European Trophelia service platform for eco-innovation in food (EcoTroFood)⁹⁸.</p> <p>Annual calls for proposals for eco-innovation projects.⁹⁹</p> <p>Launch of the Sustainable Industry Low Carbon initiative (SILC) which helps ETS sectors reduce their greenhouse gas emission intensity. The SILC deploys technological and non-technological innovation measures at EU level. The EU can co-finance up to 75% of the costs of industry-led projects.¹⁰⁰</p> <p>France: "Green" soft loan to support investment in green technologies; calls for proposals on eco-industry and eco-efficient technologies.</p> <p>Poland: The Industrial Development Agency has launched a loan fund to support undertakings allowing for a more efficient use of energy in SMEs.¹⁰¹</p>	<p>Ensure that agri-food SMEs are informed of the financial support instruments already available to them at European level.</p> <p>Increased use of the financial support currently available for eco-innovation – especially for SMEs – within the Entrepreneurship and Innovation Programme (EIP).</p>	2007-2013 (EIP)

⁹⁸ EU eco-innovation platform. <http://www.europe-innova.eu/web/guest/eco-innovation/eco-innovation-platform/ecotrofood/>

⁹⁹ http://ec.europa.eu/environment/eco-innovation/in-action/index_en.htm

¹⁰⁰ http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=5811&lang=en

¹⁰¹ <http://www.energopozyczka.arp.com.pl>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		6. High quality and comprehensive impact assessments			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Implement high quality and comprehensive impact assessments at early stages of policy development and for all legislative proposals	ENTR, SG	All Commission services	Operational guidance for sectoral competitiveness proofing ⁸³	/	/
	SANCO	All Commission services EFSA	<i>Example:</i> Package of legislative acts (for adoption end 2012) comprising Animal Health Law, Plant Health regime, Plant reproductive material and Official controls; each has been subject of an impact assessment according to Commission guidelines and scrutinized by the Impact Assessment Board. The final impact assessment report including the opinions of the Board will be published together with the proposals ¹⁰² . DG SANCO established an internal Network on Food chain economics bringing together all relevant units to foster economic analysis, notably with a view to competitiveness, administrative burden reduction and assessing impacts on SMEs.	Application of operational guidance on competitiveness proofing, SME test and administrative burden reduction developed by the Commission.	Ongoing
	AGRI	All Commission services	Impact Assessment published together with the legal proposals on CAP reform on October 12 th 2011. ¹⁰³	/	/

¹⁰² http://ec.europa.eu/governance/impact/index_en.htm

¹⁰³ SEC(2011)1153 http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		7. Harmonised interpretation and implementation of European food legislation			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Improved / new harmonised guidelines and best practices for the proper implementation of food legislation and official food and feed controls	SANCO	ENTR, AGRI Member States	<p>Identification of areas for which guidance would be needed (ex.: plastic food contact materials). Publication of a guidance document on active and intelligent materials and articles intended to come into contact with food and of a Questions & Answers document on Recycled plastics¹⁰⁴.</p> <p>Cooperation programme for ACP countries on how to implement such controls called EDES which covers a four year period, € 29.5 million.</p> <p>Regular general follow-up audits by the Food and Veterinary Office (FVO) in the Member States to monitor progress in relation to the open recommendations as regards the implementation of the legislation. A specific country profile is drawn up and regularly updated¹⁰⁵. The assessment undertaken through the general follow-up audits is considered complementary to other follow-up actions and verifications that may be necessary and carried out as part of future sectoral inspections by the FVO.</p> <p>Through Better Training for Safer Food (BTSF), training activities organised since 2006 for National Competent Authorities staff to explain EU standards and the procedures involved.</p>	Guidelines to be developed together with Member States and stakeholders	Ongoing

¹⁰⁴ http://ec.europa.eu/food/food/chemicalsafety/foodcontact/documents_en.print.htm

¹⁰⁵ http://ec.europa.eu/food/fvo/country_profiles_en.cfm

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		7. Harmonised interpretation and implementation of European food legislation			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Improved / new harmonised guidelines and best practices for the proper implementation of food legislation and official food and feed controls	SANCO	ENTR, AGRI Member States	<p>13 Guidance Documents to facilitate the implementation of the EU Legislation on Food and Feed Hygiene.</p> <p>10 EU guides to good practices by Food and Feed operator associations: to date, 5 guides on food issues and 5 on feed issues have been approved.</p> <p>A forum for an exchange of practices among Member States with devolved competences has been established by the FVO with a view to identifying good practices or how particular difficulties have been resolved. Discussions will focus on how co-ordination functions in these countries, and its strong points in improving effectiveness of controls. First meeting: June 2012.</p>	Guidelines to be developed together with Member States and stakeholders	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		8. Efficient authorisation procedures for novel foods			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Timely and efficient authorisation of novel food products guaranteeing the high scientific quality of the risk assessment process as well as the high level of protection of health (See also HLG recommendation No 23)	SANCO	EFSA, ENTR		Permanent dialogue between the Commission and EFSA	Ongoing
	SANCO	Member States	Commission Proposal on simplified authorisation procedures for novel food. Lack of agreement on Novel Food Regulation at Conciliation Committee on 28 March 2011.	Seek a solution for the acceleration of the approval procedures of Novel Foods as well as other biotechnology procedures. The Commission is reflecting on the adoption of a new Legislative Proposal on Novel Food in 2013, in coordination with the proposal on animal cloning. An initiative on animal cloning for food production has been included in the Commission Work Programme for 2013. The legislative proposal on cloning is planned to be adopted in 2013; the related impact assessment is ongoing and is planned to be finalised by end 2012.	Subject to Commission decision on next steps

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		9. Enhance European incident management system			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Strengthened and improved coordination with stakeholders to better anticipate the new and emerging risks	SANCO	ENTR, AGRI, Member States, Food chain actors		Issue a clear timeline and description of the involvement of the stakeholders.	From 2009 onwards
				Initiate a formal process of lessons learned after major incidents . (Example: a Commission Staff Working Document on lessons learned after the 2011 E. Coli outbreak will be published in 2012.)	When appropriate
			Report on the effectiveness and consistencies of Sanytary and Phytosanitary (SPS) checks on imports of food, feed, animals and plants (Dec 2010) ¹⁰⁶ . FoodDrinkEurope has provided information aiming at improving the functioning of the border inspection posts (BIP) legislation.	Review of the border inspection posts (BIP) legislation.	On-going

¹⁰⁶ COM(2010) 785 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0785:FIN:EN:PDF>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		9. Enhance European incident management system			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Strengthened and improved coordination with stakeholders to better anticipate the new and emerging risks			France: Establishment of a Food Observatory (<i>Observatoire de l'alimentation</i>) and of an animal health surveillance platform (<i>plate-forme d'épidémiosurveillance santé animale</i>) ¹⁰⁷	/	/
Harmonised guidance for Rapid Alert System for Food and Feed (RASFF)	SANCO	ENTR Member States Stakeholders	Implementation rules on RASFF adopted in 2011. ¹⁰⁸	Develop Standard Operational Procedures (SOPs) complementing the implementing Regulation to prevent diverging interpretation of RASFF at Member State level.	Q4 2012

¹⁰⁷ <http://agriculture.gouv.fr/Observatoire-de-l-alimentation> and <http://agriculture.gouv.fr/plateforme-nationale-de-surveillance-epidemiologique-en-sant%C3%A9-animale>

¹⁰⁸ Commission Regulation (EU) No 16/2011. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:006:0007:0010:EN:PDF>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	10. Better support for SMEs				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
<p>Better support to SMEs</p> <p>Set-up a focal point for agri-food SMEs within the existing "one-stop shops"</p>	ENTR	Member States	<p>Report on the implementation of the Small Business Act for Europe (SBA)¹⁰⁹.</p> <p>Review of the Small Business Act for Europe adopted on 23.02.2011¹¹⁰.</p>	Commission to launch a public consultation to identify the top ten of the most burdensome pieces of EU legislation for SMEs. The results will then be used to make focused revisions of these top ten legislative acts.	Starting 2012
	Member States	ENTR	Focal points are designated in 15 Member States	<p>Set-up focal points within the Enterprise Europe Network in Member States where these do not exist yet.</p> <p>Explore the possibility to develop a specific focal point for agri-food SMEs in Member States where these do not exist.</p>	

¹⁰⁹ COM(2009) 680. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0680:FIN:EN:PDF>

¹¹⁰ COM(2011) 78. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0078:FIN:en:PDF>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	10. Better support for SMEs				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Better Communicate the instruments available for SMEs by means of e.g. Enterprise Europe Network (EEN)	Member States	ENTR, EACI	Annual Guidance Note from DG Enterprise EACI's Yearly Activity Report ¹¹¹ Poland: A website ¹¹² and 2 National Contact Points financed by the State budget disseminate information on available support.	Better promote the free services offered by Enterprise Europe Network which acts as a one-stop shop to meet all the information needs of SMEs and companies in Europe.	Ongoing
	Food chain actors	ENTR, EACI	Annual Guidance Note from DG Enterprise EACI's Yearly Activity Report ¹¹¹ FoodDrinkEurope informed its members about the Agrofood Sector Group of the Enterprise Europe Network via its website dedicated to SMEs.	SMEs to make better use of the sector group "Agrofood" available within the Enterprise Europe Network (EEN) ¹¹³ SMEs to use feedback mechanism embedded in the Enterprise Europe Network.	Ongoing

¹¹¹ http://ec.europa.eu/atwork/synthesis/aar/index_en.htm

¹¹² <http://www.cip.gov.pl>

¹¹³ <http://portal.enterprise-europe-network.ec.europa.eu/about/sector-groups/agrofood>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	11. Better access to finance				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Promotion of additional credit financing, including through EIB facility for SME lending	Food chain actors			Make use of the Risk Sharing Finance Facility (RSFF) offered jointly by the EIB and the Commission under the umbrella of FP7	2007-2013
	EIB Member States	ENTR	Poland: In 2004-2010, the EIB co-financed around 130 undertakings in Polish agricultural sector with € 2.7 million, within the framework of "loan for SMEs".	Better communicate the existing EIB funding tools for SMEs	By mid-2010
	ENTR		EU Action Plan to improve access to finance for SMEs. ¹¹⁴	Implementation of the EU Action Plan	2012-2013
			Proposal for a programme for the Competitiveness of Enterprises and SMEs (COSME) allocating 1.4 billion euro to contribute reinforcing loan guarantees and venture capital facilities for SMEs. ¹¹⁵	Adoption of the COSME proposal	Proposal currently under ordinary legislative procedure ¹¹⁶

¹¹⁴ COM(2011) 870 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0870:FIN:EN:PDF>

¹¹⁵ COM(2011) 834 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0834:FIN:EN:PDF>

¹¹⁶ 2011/0394 (COD). http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=201142

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	11. Better access to finance				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Promotion of linkages between agri-food SMEs and "business angels" to provide them with equity capital	Member States	European business angels network (EBAN)	France: Launch of Alidev Angels in 2010 ¹¹⁷ . Poland: The development of a system facilitating investing in SMEs has been launched.	Use the EBAN as a starting point for the SMEs Direct SMEs that have potential for rapid growth to local business angel networks that often provide services that match investors with potential projects.	Ongoing

¹¹⁷ <http://www.alidevangel.com/>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	12. Simplify access to funding research programmes				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Simplified administrative procedures for participation to funding programmes (See also HLG Recommendation No 21)	RTD	Food chain actors	Participant Portal ¹¹⁸ and Practical Guide to EU Funding Opportunities for Research and Innovation ¹¹⁹ . FoodDrinkEurope identified "Bottlenecks to Innovation" focused on the needs/specificities of SMEs.	Identification of possible further simplification measures in the framework of Horizon 2020	Ongoing
Dissemination of existing projects and setting up of new projects aimed at facilitating technology transfer to SMEs	Food chain actors (SMEs)		FoodDrinkEurope's R&D group, which is dominated by national federations mainly representing SMEs, identifies projects of importance for SMEs.	Better use the "Agrofood" sector group available within the Enterprise Europe Network. ¹¹³ (See also HLG rec. No. 10)	Ongoing

¹¹⁸ http://cordis.europa.eu/fp7/pp_en.html

¹¹⁹ http://cordis.europa.eu/eu-funding-guide/home_en.html

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	12. Simplify access to funding research programmes				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Dissemination of existing projects and setting up of new projects aimed at facilitating technology transfer to SMEs	Food chain actors National technology platforms RTD		Under FP7, the Commission developed actions to increase involvement of SMEs (SME targeted topics). It has set out new research topics aiming at facilitating technology transfer to SMEs for 2013. Creation of a working group "Communication, Technology Transfer and Training" in the framework of the European Technology Platform (ETP) Food for Life.	Enhance innovativeness of food SMEs through the management of strategic network behaviour and network learning performance (FP7 project Netgrow) Better use FP7-funded projects which support technology transfer and dissemination of results such as High-Tech Europe and AgriFoodResults Commission to continue setting up programmes focusing on research and innovation as a support to growth and its positive impact on jobs in the food supply chain.	Ongoing
Better use of national technology platforms and techno-scientific mediators	ENTR, RTD Food chain actors			Increase awareness of existing projects aimed at facilitating technology transfer to SMEs, better involving the "Agrofood" Sector Group within the Enterprise Europe Network	Ongoing
	Food chain actors			Feed the research needs gained from European and national technology platforms into the European policy level	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		13. Facilitate access of agri-food SMEs to global markets			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Eased access of agri-food SMEs to global markets by establishing export intelligence instruments	Member States	Commission Food chain actors	UK: Investment and trade strategy launched in May 2011 aims at improving the activity of SMEs. Adoption of an Export Action Plan in February 2012, designed to achieve better access to overseas markets for British businesses; help more SMEs sell to their overseas customers, and help the food and drink sector focus more energy in developing its exports to high-growth emerging markets ¹²⁰	Trade support activities such as export market strategies and direct marketing	Ongoing
	ENTR, TRADE, RELEX	Member States Trade associations	The Market access database (MADB) ¹²¹ provides for tariff lines trade statistics, import duties and import formalities. More specific market information would be competence of Member States and trade associations. " Missions for Growth " with business representatives, including food industry, in South America and North America.	Food industry representatives to continue promoting information tools such as the MADG, and participating in future "Missions for Growth" and follow-up activities.	Ongoing

¹²⁰ <http://www.defra.gov.uk/publications/files/pb13702-food-export-actionplan.pdf>

¹²¹ <http://madb.europa.eu/mkacddb2/indexPubli.htm>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		13. Facilitate access of agri-food SMEs to global markets			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Eased access of agri-food SMEs to global markets by establishing export intelligence instruments	Commission Food chain actors		Commission Communication 'Small Business, Big World — a new partnership to help SMEs seize global opportunities' adopted in November 2011. ¹²² Market Access Strategy services exist such as the market access database (MADB) ¹²¹ , Market Access Teams ¹²³ , a Newsletter ¹²⁴ . FoodDrinkEurope has promoted the MADB among its membership, contributed to the relevant Commission committees and responded to WTO notifications.	Improve the awareness of market access partnership between EU agri-food business associations, Member States and Commission services so that SMEs can use the different tools of Market Access Strategy and of Partnership more effectively to reach third countries markets.	Ongoing
	TRADE		Market access working groups apply the Small Business Act principle "think small first" . ¹²⁵	Continue ensuring the presence of SMEs in the different market access working groups.	Ongoing
	TRADE		Food industry and SME associations are invited regularly to participate at Market Access Advisory Committee (MAAC) meetings.	Continue ensuring the presence of SMEs at the relevant Commission's committees (e.g. MAAC).	Ongoing

¹²² COM(2011) 702. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0702:FIN:en:PDF>

¹²³ http://trade.ec.europa.eu/doclib/docs/2010/june/tradoc_146233.pdf

¹²⁴ http://trade.ec.europa.eu/doclib/cfm/doclib_section.cfm?sec=181&langId=en

¹²⁵ http://trade.ec.europa.eu/doclib/docs/2009/february/tradoc_142244.pdf

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		13. Facilitate access of agri-food SMEs to global markets			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Eased access of agri-food SMEs to global markets by establishing export intelligence instruments	Member States Food chain actors	TRADE	Market Access Database (MADB) ¹²¹ , which includes relevant information about import conditions and requirements, including existing barriers to trade among agri-food exporters. FoodDrinkEurope has promoted the MADB among its membership, contributed to the relevant Commission committees (MAAC, SPS, etc.) and responded to WTO notifications.	Food industry and SME associations to promote more the available Market Access Strategy services, in particular the MADB. Co-ordinate with similar initiatives undertaken with other relevant international organisations and ensure those are consistent with SMEs needs.	Ongoing
Promotion of the agri-food SMEs by the retailers.	Retailing companies		Continued action		Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Development of educational programmes that raise awareness of the importance of the food industry	Member States, Universities	EAC, EACEA	<p>Several Erasmus Mundus courses established in the field of food¹²⁶. (Erasmus Mundus courses are selected on the basis of their quality and not for any pre-established subject field priority or quota.)</p> <p>Poland: Erasmus Mundus courses created based on bottom-up approach by interested universities establishing to this end a consortium. Poland will strive for a greater flexibility of mobility programmes, also with regard to their scope (topics).</p>	<p>Emphasise the importance of the food industry in education programmes.</p> <p>Explore the feasibility of setting up food-based educational programmes (such as Erasmus Mundus programmes).</p>	Ongoing

¹²⁶ AFEPA - European Master in Agricultural, Food and Environmental Policy Analysis <http://www.uclouvain.be/afepa>
EM-ABG - European Master in Animal Breeding and Genetics <http://www.emabg.eu>
EMFOL - Food of Life <http://www.foodoflife.eu>
Food ID - European Master Food Identity <http://www.masterfoodidentity.com>
FIPDes - Food Innovation and Product Design <http://www.fipdes.eu>
IMHS - International Master in Horticultural Sciences <http://www.imahs.unibo.it>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Development of educational programmes that raise awareness of the importance of the food industry	Food chain actors Social partners		In the context of the EU Social Dialogue Committee in the Food and Drink Industry, the social partners agreed to work on "ensuring sustainable employment for the EU food sector" and launched a call for tender for research works.	Use the benefits offered by the networks of excellence developed by means of projects such as TRACK_FAST ¹²⁷ , MoniQA ¹²⁸ , NuGO ¹²⁹ , NovelQ ¹³⁰ and ISEKI.	Ongoing
	Member States Food chain actors		France: Charter for development of employment, qualifications, and improvement of working conditions in food industry sector (2009-2011). 15 M€ out of the 41 M€ budget of the programme funded by the State. Extended until 2014 with a budget of 26 M€. Internships for young students (14 years old) in food companies.	Better promote apprenticeship schemes with the help of European Training Foundation and European Centre for the Development of Vocational Training.	Ongoing

¹²⁷ <https://www.trackfast.eu/>

¹²⁸ <http://www.moniqa.eu/>

¹²⁹ <http://www.nugo.org/>

¹³⁰ <http://www.novelq.org/>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Promotion of practical experience by means of placements for students and young graduates as well as apprenticeship schemes, and development of food specific qualifications (e.g. biology, chemistry, physics, law, economics).	Food chain actors	ENTR, EAC	By February 2011, agriculture, food and retail represented respectively 3.5%, 3.1% and 2.2% of the total number of applicants registered in the ERASMUS for Young Entrepreneurs mobility scheme. ¹³¹	Better promote and use the ERASMUS for Young Entrepreneurs mobility scheme as well as the general mobility actions implemented within the sub-programmes of the Lifelong Learning Programme (namely, Erasmus and Leonardo da Vinci).	Ongoing

¹³¹ Source: interim evaluation report. http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/erasmus-entrepreneurs/background_en.htm

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Promotion of practical experience by means of placements for students and young graduates as well as apprenticeship schemes, and development of food specific qualifications (e.g. biology, chemistry, physics, law, economics).	Member States Food chain actors	Social partners	Poland: Within the reform of education system as of October 1, 2011, the National Qualifications Framework (NQF) mirroring the European Qualifications Framework was implemented. The NQF is a description through specifying education effects, of qualifications achieved in Polish higher education system in the field, amongst others, of agriculture, forestry and veterinary medicine.	Develop a common conceptual understanding of levels of competence in the agri-food industry by using the work already underway within the European Qualifications Framework meant to make qualifications more transparent and understandable. Use the results of the FP7 project Transparent_Food (e.g. "Strategic Research Agenda on Transparency in the Food Chain") ¹³²	Ongoing

¹³² <http://www.transparentfood.eu/>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Promotion of practical experience by means of placements for students and young graduates as well as apprenticeship schemes, and development of food specific qualifications (e.g. biology, chemistry, physics, law, economics).	Member States Food chain actors			Better use the opportunities for training of young scientists offered within most of the FP7 projects and specifically by projects which have an emphasis on training activities such as: NuGO ¹²⁹ , MoniQa ¹²⁸ , NovelQ ¹³⁰ , Track_Fast ¹²⁷ .	by end 2010
Improved access to life-long learning Programmes Enhanced employability through identification of Lifelong Learning good practices and identification of the future skills needed	EAC	EMPL, RTD	Launch of the FP7 project Track_Fast (Training Requirements and Careers for Knowledge-based Food Science and Technology in Europe) ¹²⁷	Although no food-specific activities is planned in life-long learning programmes, the Commission may identify best practices addressing concrete initiatives to develop food specific qualifications and life-long learning programmes	Best practices may be identified in the future.

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Setting-up of sector-specific prizes as an incentive to reward innovative developments	Member States Food chain actors		<p>The EcoTroFood project launched in December 2010⁹⁸ includes the EcoTrophelia Europe Student Awards (participating countries: The Czech Republic, Denmark, France, Germany, Greece, Spain, Italy, Lithuania, Slovenia, Iceland, Russia, Switzerland).</p> <p>France: Young innovative company prize; Innovative SME creation contest.</p>	/	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		17. Increase attractiveness of European agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Review the attractiveness of the careers offered by the food and drink industry.	Food chain actors Social Partners		In the context of the EU Social Dialogue Committee in the Food and Drink Industry, the social partners agreed to work on " Ensuring sustainable employment : meeting the challenges of the labour market". Through a project application for EU funding, EFFAT and FoodDrinkEurope have secured substantial resources to carry out an in-depth study on the demographic situation of the workforce in the EU food and drink industry and the identification of the 20-25 job profiles that are mostly needed by the food industry in Europe. In September 2012 the social partners launched a call for tender for the research part of the project.	<p>Social partners to:</p> <ul style="list-style-type: none"> - Deliver an overview of the sector (economic analysis and workforce demographics); - Map the current and emerging workforce skills and competence needs; - Compile a compendium of good practice on employability and up-skilling measures; - Analyse and draw conclusions as appropriate in the field of "sustainable employment and competitiveness" - Share their analysis and conclusions with relevant stakeholders. 	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		18. Establish a social dialogue in the agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Set up a Social Dialogue committee in the agri-food industry	Social partners	EMPL, ENTR	<p>Launch meeting of the Social Dialogue Committee held on 23 January 2012. The social partners adopted terms of reference and a work programme which sets out two main areas of work:</p> <ol style="list-style-type: none"> 1. Ensuring sustainable employment: meeting the challenges of the labour market (see HLG Recommendation No 17). 2. Policy developments affecting the food and drink sector in Europe. <p>On 27 July 2012 the social partners issued a joint statement on the CAP by which they recognize the importance of rural employment, decent work and training in agriculture as critical factors for social inclusion and establishes a link between quality working conditions and safe, quality food. The statement calls on the EU to provide adequate support to secure that EU agriculture is socially and environmentally sustainable as well as economically viable, and highlights the importance of delivering training for agriculture workers and enhancing the attractiveness of agriculture also for young workers, not only for farmers. Finally, the statement calls for investment and innovation in agriculture – including the special needs of SMEs and small farmers, for fair business relations along the food supply chain and for coherence among EU policies notably between trade and employment.</p> <p>The social partners are considering the possibility of issuing a common position on food taxes.</p>	Social partners to deliver on the work programme of the Social Dialogue Committee.	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		19. Encourage Information and Communication Technologies (ICT) use in the agri-food industry			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Explore the feasibility of setting up a forum to collect and disseminate best practices aimed at more efficient and sustainable logistics as well as better implementation of Information and Communication technologies (ICTs)	ENTR, MOVE	Member States Food chain actors CONNECT	Launch of a High Level Group on Logistics (June 2012) ¹³³ The establishment of a forum dedicated to agro-logistics was not deemed a priority.	Large-scale demonstration pilots on the Integration of food SMEs in global digital value chains (eFoodChain) ¹³⁴	2013
	CONNECT		Launch of the project SmartAgriFood ¹³⁵ which addresses farming, agro-logistics and food awareness as a use case for the Future Internet Public-Private Partnership program (FI-PPP)	Development of prototypes to demonstrate technological solutions	2011-2013
	Member States Food chain actors			Take benefit of the results of the FP7 Project CAFÉ for improved food and feed technologies ¹³⁶	Ongoing

¹³³ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/717&format=HTML&aged=0&language=EN>

¹³⁴ http://ec.europa.eu/enterprise/sectors/ict/ebsn/digital_supply_chains/index_en.htm

¹³⁵ <http://www.smartagrifood.eu/>

¹³⁶ http://cordis.europa.eu/projects/rcn/88813_en.html

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		21. Enhance research and innovation efforts			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Continued orientation of FP7 towards food related initiatives	RTD	European technology platforms Member States	The Commission published and plans to continue annual publication of food related calls for proposals within the "Food, health and Well-being" activity of the FP7. Joint Programming Initiative on Agriculture, Food Security and Climate Change. ¹³⁷	Continue the publication of calls for proposals targeted towards the food supply chain (following among others the Implementation Action Plan of the ETP Food for Life).	Yearly calls for proposal in the FP7 (2007-2013)
Targeted public and private additional funding in research and innovation	RTD FAHRE project consortium	Food chain actors Member States	Launch of the FAHRE project in December 2009 for 28 months ¹³⁸ . The first year focused on the mapping of the funding and decision-making bodies in the EU in the field of food and health. In 2011 and 2012 the project proposed ways to better coordinate research funds/instruments in this field in the EU. Launch of the FP7 projects Nu-Age ¹³⁹ and Prometheus ¹⁴⁰ . Sweden: financial tool to support innovation & research	Facilitate the discussion of relevant initiatives, e.g. in the field of food and health and Sustainable Food Production/Food chain management by taking benefit of the results of e.g. the FAHRE project. Annual evaluation of the results	2012

¹³⁷ <http://www.faccejpi.com/>

¹³⁸ Call KBBE-2009-2-6-01 <http://www2.spi.pt/fahre/>

¹³⁹ http://cordis.europa.eu/projects/rcn/98965_en.html

¹⁴⁰ <http://www.eusem.com/body/CS/EUproj/PROMETHEUS.htm>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		21. Enhance research and innovation efforts			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Simplified procedures aiming to facilitate SMEs' access to funding schemes (See also HLG Recommendation No 12)	RTD	Food chain actors	<p>Participant Portal, single entry point of interaction with DG RTD¹¹⁸</p> <p>CORDIS Practical Guide to EU Funding Opportunities for Research and Innovation¹¹⁹</p> <p>In its document "Bottlenecks to Innovation" focused on the needs/specificities of SMEs, FoodDrinkEurope identified several aspects that facilitate access to finance for SMEs such as filtering existing projects.</p>	<p>Promote the use of the new tools</p> <p>Identify possible areas for further simplification and strong participation by SMEs in Horizon 2020</p>	Ongoing

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	22. Better use the instruments available in research and innovation policy				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Support to the European Institute of Innovation and Technology (EIT)	EAC, EIT		<p>Designation of the first 3 Knowledge and Innovation Communities (KICs) by the EIT Governing Board (December 2009): Climate-KIC, KIC InnoEnergy and EIT ICT Labs.</p> <p>KICs set-up and first activities in the area of education, entrepreneurship and innovation.</p>	/	/
Potential KIC on food	EAC, EIT	Food Chain actors	<p>The Commission proposal for a Strategic innovation agenda¹⁴¹ lays down the EIT's priority fields for the period after 2013. It envisages the establishment of a KIC 'food4future' in 2014.</p>	<p>Adoption of the EIT's Strategic Innovation Agenda by the Council and Parliament.</p> <p>Establishment of the KIC 'food4future'</p>	<p>2012</p> <p>2014</p>

¹⁴¹ COM(2011) 822 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0822:FIN:EN:PDF>

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	22. Better use the instruments available in research and innovation policy				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Conclusions issued by European Technology Platforms are given more consideration	RTD Member States	ETP food for life National technology platforms	<p>In recent calls, the Commission has fully taken into consideration the recommendations from the ETP food for life. However, input from other relevant stakeholders and budget constraints also influence the establishment of priorities. (According to FoodDrinkEurope, 90% of ETP priorities translated into FP7 calls for proposal.)</p> <p>France: a few meetings took place in 2009-2010 to promote the Food for life initiative and widen its membership.</p> <p>Poland: The Polish Technology Food Platform (PTFP) has finalised the research project "Food and nutrition in XXI century – building a strategic vision of Polish food industry development through a technological foresight".</p>	<p>Make better use of achievements of the technology platform Food for Life and existing projects such as TRUEFOOD. Reflect this in the appropriate call for tenders and call for proposals, as it has been already the case in the Work Programme of the European Commission Research Directorate-General.</p> <p>Poland: Results of the project including the Strategic Research Programme in the field of food and human nutrition sciences and the Scenarios of the Polish food industry development are currently being made available to the public and implemented.</p>	Yearly basis (Work programme of DG RTD)

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	22. Better use the instruments available in research and innovation policy				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Conclusions issued by European Technology Platforms are given more consideration	RTD Member States	ETP food for life National technology platforms	Poland: Collab4Safety Project (Seventh Framework Programme) prepared with participation of the PTFP, has been approved for implementation for 2012-2015	The project is aimed at global network creation for implementation of food safety control procedures. The project is implemented by a consortium of research institutes from NL, UK, FR, PL, PP, Russia, China and Brazil.	
			Poland: The project "The innovative healthy milk-fruit products" prepared by a consortium consisting of the PTFP members, has been submitted for the competition organised by the National Centre for Research and Development.	The aim of the project is to elaborate and implement a technology allowing for production of innovative food products rich in triterpenes as a component of a diet supporting diabetes therapy.	

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	22. Better use the instruments available in research and innovation policy				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Greater investment in training of scientists for the necessary research in innovation to improve agro-industry productivity	RTD Member States	Food chain actors	France: Many financial schemes support R&D: competitiveness clusters, national agency for research (ANR), research tax credit (CIR). Launch of "investments for the future" in 2011: 35 EUR billions to support research and innovation.	Raise awareness of different funding mechanisms available (such as Marie Curie ¹⁴²).	By 2010
	Food chain actors	Member States		Use the benefits of the networks of excellence.	By 2010

¹⁴² <http://ec.europa.eu/research/mariecurieactions/>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		23. Support development of new food technologies			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Facilitate development of new food processing technologies, biotechnology, converging and environmental-friendly technologies by ensuring the necessary public research funds and programmes	RTD	SANCO, ENTR		Publish a call for proposals related to Key Thrust 2: "Build consumers trust in the food chain" of the ETP Food for Life Implementation Action Plan.	In the FP7 (2007-2013) calls for proposals
	SANCO	JRC, RTD, ENTR		Commission to continue setting up programmes and topic focusing on research and innovation as a support to growth and its positive impact on jobs in the food supply chain.	Ongoing
				Consider the development of synthetic biology , with the aim to identify whether there is a need to adapt the current EU legislative framework	
				Clarification of the statute of new plant breeding techniques with regard to GMO legislation.	Ongoing
Adequate and efficient authorisation procedures for new technologies (See also HLG Recommendation No 8)	SANCO	EFSA	Lack of agreement on Novel Food Regulation at Conciliation Committee in March 2011.	Seek a solution for the acceleration of the approval procedures of Novel Foods as well as other biotechnology procedures. For novel foods, see HLG Recommendation No 8	

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		24. Pursue the objective of reaching a balanced World Trade Organisation (WTO) agreement			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Improved international trade framework ensuring a level playing field with third countries by means of comprehensive, ambitious and balanced outcome of WTO negotiations	TRADE	AGRI, ENTR, relevant EU delegations	Regular meetings between Commission services, stakeholders and Member States	Maintain a broad perspective regarding stakeholders' interests when negotiating in the framework of the Doha Development Agenda (DDA). Stakeholders to provide the necessary input for the negotiations.	According to the WTO negotiations roadmap
			Monitoring of protectionist measures. Regular reports e.g. to the Market Access Advisory Committee (MAAC)	Ensure that protectionist tendencies in the agri-food sector continue to be monitored in the context of reports on protectionist measures carried out by the WTO and other international bodies in the context of the current financial crisis	Ongoing
				Argue for a better implementation of a system of transparency at WTO level, in particular for Non-Tariff Barriers (NTBs) where regulatory issues play a key role for market access.	

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	25. Seize market opportunities by means of bilateral trade negotiations				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Continued exploration of opportunities to address trade issues bilaterally with important partners such as China, Russia, Mercosur, Canada, Japan, Norway, Switzerland, the USA, India, the ASEAN	TRADE, SANCO	AGRI, ENTR	<p>Bilateral agreement with South Korea (implementation in 2011)</p> <p>Regular meetings with Chinese authorities (AQSIQ and ministries of health and of agriculture; yearly); Russia bilateral meetings; Yearly Joint Management Committees (JMCs) with Canada, Switzerland, New Zealand and USA on Veterinary Equivalence Agreements. Yearly JMCs with Chile, Mexico and Mediterranean and Eastern Partnership Agreements.</p>	Continue with the Commission's agenda for trade agreements at the multilateral, regional and bilateral levels. (Ongoing negotiations: Central America, Andean Community, Mercosur, India, Singapore, Malaysia.)	Ongoing
Adoption of a sector-specific approach both for offensive and defensive interests by means of transparency, early warning and regulatory dialogue	ENTR, AGRI, SANCO Stakeholders	TRADE	<p>Regular meetings between Commission services and food associations dedicated to Free Trade Agreements (FTAs).</p> <p>Regular meetings with Member States at the Council Potsdam and Roosendaal meetings.</p> <p>Regular meetings with Chinese authorities (AQSIQ, yearly); Russia bilateral meetings; Yearly Joint management Committees with Canada, Switzerland, New Zealand and US on Veterinary Equivalence Agreements. Yearly JMCs with Chile, Mexico and Mediterranean and Eastern Partnership Agreements.</p> <p>Regular bilateral exchanges with third countries.</p>	<p>Regular meetings with the agri-food industry representatives to take into account their interests in bilateral negotiations.</p> <p>Continuation of meetings with third countries. Consider the creation of a structures regulatory dialogue for food sector with the US and establish a regulatory dialogue with Russia.</p>	Ongoing

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	25. Seize market opportunities by means of bilateral trade negotiations				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Removal of tariff and non-tariff barriers and promotion of European standards at international level in the framework of bilateral negotiations, as well as prevention against protectionism and increased secured market access and transparency	TRADE, SANCO	ENTR, AGRI	Regular bilateral dialogue with third countries (see above)	Tackle obstacles to trade in the fields of Technical Barriers to trade (TBT) and SPS in the regular bilateral meetings with third countries	Yearly basis
Uptake of international standards	TRADE, SANCO	ENTR, AGRI	Sound defence and substantiation of the EU standards at all meetings of the International Standards Setting Bodies (World Organisation for Animal Health [OIE], Codex Alimentarius, International Plant Protection Convention [IPPC]) with the aim to have EU positions adopted as international standards globally or come to a consensus thereon. The Commission participates at the WTO SPS Committee where guidelines on harmonisation of SPS standards are agreed upon.	Enhance the Commission's efforts to promote the EU regulatory approach in International Standards Setting Bodies	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		26. Better promote international trade standards			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Promotion of an international legal framework for harmonised international standards which address issues such as food safety or fair practice in the food trade at global level and uptake of these standards.	SANCO TRADE	AGRI, ENTR, DEVCO	<p>Sound defence and substantiation of the EU standards at all meetings of the International Standards Setting Bodies (OIE, Codex Alimentarius, IPPC) with the aim to have EU positions adopted as international standards globally or come to a consensus thereon.</p> <p>Implementation of and contribution to capacity building activities aiming at improving the participation of developing countries. Upon request of the Commission, EU contributions "Aid for Trade" to OIE, Codex Alimentarius, IPPC to allow people from developing countries to attend meetings of these bodies. The Commission mentors developing countries on the SPS notification system allowing them to take better part in the WTO system and hence the international organisations. The Commission works with FAO to enhance the spread of knowledge on international standards in developing countries. The FVO prepares Technical Assistance sheets to lay down training needs in developing countries where it has identified deficiencies during its audits, as a basis for possible future financing. Through the BTSF programme the Commission has organised back-to-back meetings with developing countries to explain EU and international standards and the procedures involved.</p>	Continue efforts to promote Union standards in Codex, building on the progress achieved since acceptance of the EC membership in 2003.	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		26. Better promote international trade standards			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Promotion of an international legal framework for harmonised international standards which address issues such as food safety or fair practice in the food trade at global level and uptake of these standards.	Member States			Support efforts to make the standard setting process more efficient, in particular through Council meetings in preparation of Codex, OIE, IPPC and SPS meetings.	Ongoing
Higher degree of assistance through capacity building to third countries public administrations	Commission	Member States	Various initiatives to strengthen capacity building and technical assistance through bilateral programmes.	Substantially upgrade technical assistance efforts, including Aid for Trade initiatives and increase the coordination with the Commission.	Ongoing

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		27. Enhance respect of intellectual property rights (IPR) by third countries			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Establishment of a market surveillance mechanism of counterfeiting to ensure that third countries comply with their international obligations in respect of intellectual property rights protection.	ENTR	TRADE, TAXUD	The current market surveillance mechanism contributes to the fight against counterfeiting although this is not its primary goal. The annual report on customs enforcement of intellectual property rights ¹⁴³ provides information on the main sources of counterfeit food products coming to the EU. EU business helpdesks in third countries help EU companies deal with intellectual property rights issues ¹⁴⁴ .	/	Ongoing
	TRADE	ENTR	Regular IPR dialogue meetings with the main trading partners, preceded with stakeholder consultations	Improve TRIPS agreement in WTO negotiations and establish provisions regarding counterfeiting in bilateral trade agreements	Ongoing
Set-up of national organisations representing producers with the task of reporting Protected Denomination of Origin (PDO) and Geographical Indication (PGI) counterfeiting	Member States	Food chain actors		Member States and stakeholders to explore the feasibility of setting up national organisations.	By 2011

¹⁴³ http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/statistics/index_en.htm

¹⁴⁴ See e.g. the China IPR SME helpdesk (www.china-iprhelpdesk.eu/)

Communication initiative	10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector				
HLG Recommendation	28. Define better the position of European agri-food industry in global market				
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Timetable
Strength, Weaknesses, Opportunities and Threats (SWOT) analysis assessing the position of the EU agri-food industry in the global market	ENTR, TRADE	Food chain actors	Case-by-case assessments when negotiating trade agreements	/	Ongoing
Improved support to promotion activities given to exporting companies under the EU agro-trade policies (if appropriate)	Commission (AGRI)		<p>Launch of an evaluation of the promotion measures for agricultural products.</p> <p>Green Paper on promotion and information issued in July 2011.¹⁴⁵</p> <p>Communication on promotion measures and information provision for agricultural products adopted in March 2012.¹⁴⁶</p>	Impact analysis and reform proposal	2012-2013

¹⁴⁵ COM(2011) 436. http://ec.europa.eu/agriculture/promotion/policy/green-paper/index_en.htm

¹⁴⁶ COM(2012) 148. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0148:FIN:en:PDF>

Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		29. Simplify customs formalities			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Single window for all types of customs communication	TAXUD	Member States	2009 e-customs progress report ¹⁴⁷ . Functional specifications adopted in December 2010.	Establish and make operational a framework of single window services ¹⁴⁸ .	/
Common implementation framework to ensure harmonised interpretation of the Modernised customs code	TAXUD	ENTR, AGRI	Example: guidance note on the inward processing regime for sugar (2009) ¹⁴⁹	Issue explanatory notes and guidelines on a regular basis.	Ongoing
				Involve the Trade Contact Group in the review of the Modernised Customs Code Implementing Provisions.	Ongoing
Communication initiative		10. Bring forward Proposal of the HLG aiming to improve the competitiveness of the agri-food sector			
HLG Recommendation		30. Promote a sector-specific approach for the rules of origin			
Expected deliverables	Lead stakeholders	Associated stakeholders	Achievements to date	Expected actions	Time-table
Agri-food-specific approach to rules of origin included in the rules of origin applied in the context of the Generalised System of Preference	TAXUD	TRADE, AGRI, ENTR	Amendment ¹⁵⁰ of the provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (apply since 01/01/2011).	/	/

¹⁴⁷ http://ec.europa.eu/taxation_customs/resources/documents/customs/policy_issues/e-customs_initiative/2009_progress_report_en.pdf

¹⁴⁸ Article 4 of EP and Council Decision 70/2008/EC. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

¹⁴⁹ [http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/imports/inward_processing/taxud\(2009\)2033_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/imports/inward_processing/taxud(2009)2033_en.pdf)

¹⁵⁰ Commission regulation (EU) No 1063/2010. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:307:0001:0081:EN:PDF>

Annex III

Barriers to the internal market as identified by industry stakeholders

FoodDrinkEurope presented the following non-exhaustive list of domains where room is left for barriers to the internal market:

- **Food contact materials.** Safeguard measure of the Framework Regulation 1935/2004 EC on FCM (Art. 18) allowed some Member States to apply or plan national restrictions on bisphenol A in food contact applications. (The Commission has launched an impact assessment and commissioned an external study on this topic.)
- **Information to consumers.** Regulation 1169/2011 harmonises rules on food information to consumers across the EU but there could be different interpretation between Member States how certain parts of the Regulation should be applied. (Further discussions are ongoing in the Standing Committee on the Food Chain and Animal Health.)
- **Salt reduction** through reformulation. Voluntary reformulation efforts in line with the objectives of the common EU framework are ongoing across the EU. Vertical legislation often prohibits the use of substances to replace salt (NaCl). In Belgium the use of KCl in meat products is forbidden, however meat products containing KCl produced in other EU Member States are on the Belgian market. Local producers are therefore discriminated (reverse discrimination). These issues are discussed within the EU Platform for action on Diet, Physical Activity and Health.
- **Fees for official hygiene controls.** Significant differences prevail between Member States with regard to the setting and implementation of fees charged for the official controls set out in Regulation (EC) No 882/2004. The Commission is preparing a legislative proposal on official controls.
- **Common agricultural policy.** National flexibilities and exemptions aimed at adapting the CAP to local specificities should not create distortion which would harm the single market and the supply of raw materials for the food and drink industry.
- **Addition of nutrients to food.** Regulation 1925/2006/EC harmonises rules on the addition of nutrients to food (food fortification) across the EU. (The same applies for food supplements.) However the European Commission has not yet laid down maximum amounts of vitamins and minerals (preparatory works are ongoing). Meanwhile, Member States may continue to apply existing national restrictions or bans on trade in foods to which certain vitamins and minerals are added.

The Federation of European Specialty Ingredients (ELC) argues that the current development of **national registers for nanomaterials** create significant burdens for the industry without delivering a real value added for nanomaterials used in food, since the EU regulatory framework already provides for pre-market approvals, traceability requirements and the labelling of nanomaterials on pre-packed food.