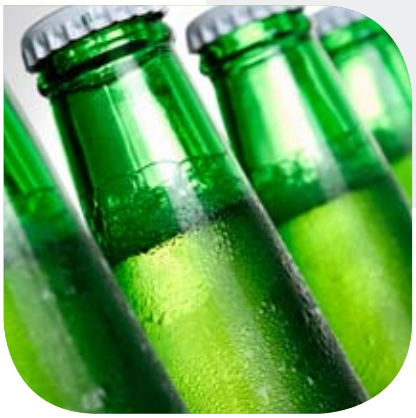
Annual Report **2011**



FOODDRINK
EUROPE

Contents

Message from the President and Director General	**2**
Members	**4**
Structure	**6**
Board of Directors	**7**
Role and Mission	**8**
Committees	**10**
EU Food and Drink Industry Figures in 2010	**12**
Improving Industry's Competitiveness	**14**
Developing International Trade	**16**
Promoting European Agri-Food Products	**18**
Diet, Nutrition and Health	**20**
Food Safety and Science	**24**
Food Safety Management	**24**
R&D and Innovation	**27**
Moving towards Environmental Sustainability	**31**
Secretariat	**36**

Message from the President and Director General

FoodDrinkEurope represents the interests of some 300,000 food and drink manufacturing companies, more than 99% of which are small and medium-sized enterprises. Communication plays a very important role in our activities, both from a policy perspective and in terms of services to the members.

In 2011, we focussed our communications on the key issues facing our industry, and I am really pleased that FoodDrinkEurope delivered successful events around many of these key areas in 2011.

Amongst the many achievements, four key successes throughout 2011 have strengthened our partnership approach with our stakeholders, helping to create a positive impetus for future activities and the growth of the industry:

1 **Embarking on an era with a new visual identity**
The launch of our new 'FoodDrinkEurope' visual identity in June 2011 saw the beginning of a new and more modern chapter for Europe's food and drink industry. Our new name and logo better reflect who we are and what we do; they show how our organisation has moved with the times and reflect our vision for the future and our desire to play an active role to achieve smart, sustainable growth for our industry and for Europe as a whole. Please view: www.fooddrinkeurope.eu

2 **Publication of a set of FoodDrinkEurope Principles in the field of Corporate Social Responsibility**
In 2011, we issued our first CSR statement[1] communicating our industry's commitment to ensuring its activities are in line with environmental and social standards and international norms. This represents an important step in building and maintaining the trust of our stakeholders, and increasing understanding of the social, economic and environmental contribution of our sector to European society.

3 **Improved business-to-business relations**
It is vital that constructive relationships operate throughout the food chain if we are to enhance growth and prosperity. This year, through our active participation in the High Level Forum for a Better Functioning Food Supply Chain and other B2B commercial practice initiatives, we have made great strides in improving relationships, and working together towards agreement on a set of Guidelines for Good Practice in Commercial Relations. Further work with our partners will concentrate on the effective implementation and enforcement of these Guidelines.

1 http://www.fooddrinkeurope.eu/uploads/statements_documents/CSR_statement.pdf

Jesús Serafín Pérez
President

Mella Frewen
Director General

4 **The establishment of a European Social Dialogue in the food and drink industry**
One of our major achievements this year was the successful dialogue with our European Social Partners, in view to beginning formal cooperation in 2012. With terms of reference and an ambitious work programme agreed, we believe that constructive dialogue with the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) will benefit the competitiveness and social sustainability of our industry.

As we continue to raise the visibility of our organisation, we also demonstrate our values as a transparent and outward-looking organisation focussed on stakeholder engagement in the broadest sense, working with policymakers, civil society representatives, food chain partners, academics, scientists and the media.

In 2012, we will continue to work together with our partners in an effort to find smart, sustainable solutions to the socio-economic and environmental challenges facing all of us today. With a turnover of approximately €1 trillion, our industry is a strong pillar of the EU economy and as such, has an important role to play in contributing to Europe's economic recovery. Through collaborating with other stakeholders, we are determined to improve the future health, well-being, and prosperity of Europe's citizens, both young and old.

Members

National Federations

Austria
FIAA – Fachverband der Nahrungs- und Genussmittelindustrie
www.dielebensmittel.at

Belgium
FEVIA – Fédération de l'Industrie Alimentaire/Federatie Voedingsindustrie
www.fevia.be

Czech Republic
PKČR – Potravinářská Komora České Republiky
www.foodnet.cz

Denmark
DI – Fødevarerindustrien
www.fi.di.dk

Estonia
ETL – Eesti Toiduainetööstuse Liit
www.toiduliit.ee

Finland
ETL – Elintarviketeollisuusliitto
www.etl.fi

France
ANIA – Association Nationale des Industries Alimentaires
www.ania.net

Germany
BLL– Bund für Lebensmittelrecht und Lebensmittelkunde
www.bll.de

BVE- Bundesvereinigung der Deutschen Ernährungsindustrie
www.bve-online.de

Greece
SEVT – Σύνδεσμος Ελληνικών Βιομηχανιών Τροφίμων
Federation of Hellenic Food Industries
www.sevt.gr

Hungary
ÉFOSZ – Élelmiszer-feldolgozók Országos Szövetsége
www.efosz.hu

Ireland
FDII – Food and Drink Industry Ireland
www.fdii.ie

Italy
FEDERALIMENTARE – Federazione Italiana dell'Industria Alimentare
www.federalimentare.it

Latvia
LPUF – Latvijas Pārtikas Uzņēmumu Federācija
www.lpuf.lv

Luxembourg
FEDIL - Business Federation Luxembourg
www.fedil.lu

Poland
PFPZ – Polska Federacja Producentów Żywności Związek Pracodawców
www.pfpz.pl

Portugal
FIPA – Federaçâo das Indústrias Portuguesas Agro-Alimentares
www.fipa.pt

Romania
ROMALIMENTA – Federația Patronală din Industria Alimentară
www.romalimenta.ro

Slovakia
PKS - Potravinárska Komora Slovenska
www.pks.sk

SPPK- Slovenská Poľnohospodárska a Potravinárska Komora
www.sppk.sk

Slovenia
GZS – Gospodarska zbornica Slovenije
www.gzs.si

Spain
FIAB – Federación Española de Industrias de la Alimentación y Bebidas
www.fiab.es

Sweden
LI – Livsmedelsföretagen
www.li.se

The Netherlands
FNLI – Federatie Nederlandse Levensmiddelen Industrie
www.fnli.nl

United Kingdom
FDF- Food & Drink Federation
www.fdf.org.uk

Observers

Croatia
HUP – Hrvatska Udruga Poslodavaca
www.hup.hr

Norway
NHO – Mat og Drikke
www.nhomatogdrikke.no

Turkey
TGDF – Türkiye Gıda ve Içecek Sanayii Dernekleri Federasyonu
www.tgdf.org.tr

European Sectors

Bakery
AIBI – International Association of Plant Bakers
www.aibi-online.org

Beer
The Brewers of Europe
www.brewersofeurope.org

Bottled Waters
EFBW – European Federation of Bottled Water
www.efbw.eu

Breakfast Cereals
CEEREAL – European Breakfast Cereal Association
www.ceereal.eu

Broths & Soups
CULINARIA EUROPE – Federation of Associations and Enterprises of Industrial Culinary Product Producers in Europe
www.culinaria-europe.eu

Chocolate, Biscuits & Confectionery
CAOBISCO – Association of Chocolate, Biscuit and Confectionery Industries of the European Union
www.caobisco.com

Dairy Products
EDA – European Dairy Association
www.euromilk.org

Dietetic Products
IDACE – European Dietetic Food Industry Association
www.idace.org

Fruit & Vegetable Juices
AIJN – European Fruit Juice Association
www.aijn.org

Fruit & Vegetable Preserves
PROFEL – European Association of Fruit & Vegetable Processors
www.profel-europe.eu

Honey
FEEDM - European Federation of Honey Packers & Distributors
www.feedm.com

Ice Cream
EUROGLACES – European Ice Cream Association
www.euroglaces.eu

Intermediate Products for Bakery & Confectionery
FEDIMA – Federation of EU Manufacturers and Suppliers of Ingredients to the Bakery, Confectionary and Patisserie Industries
www.fedima.org

Margarine
IMACE – International Margarine Association of the Countries of Europe
www.imace.org

Pasta
UNAFPA – Union of Organisations of Manufacturers of Pasta Products of the EU
www.pasta-unafpa.org

Pet Food
FEDIAF – European Pet Food Industry Federation
www.fediaf.org

Processed Meat
CLITRAVI – Liaison Centre for the Meat Processing Industry in the European Union
www.clivtravi.eu

Processed Potatoes
EUPPA – European Potato Processors' Association
www.euppa.eu

Snacks
ESA – European Snacks Association
www.esa.org.uk

Soft Drinks
UNESDA – Union of European Soft Drinks Associations
www.unesda.org

Soluble & Roasted Coffee
ECF- European Coffee Federation
www.ecf-coffee.org

Spices
ESA- European Spice Association
www.esa-spices.org

Spirits
CEPS – European Spirits Organisation
www.europeanspirits.org

Sugar
CEFS – European Committee of Sugar Manufacturers
www.cefs.org

Tea & Herbal Infusions
ETC - European Tea Committee
www.etc-online.org

EHIA - European Herbal Infusions Association
www.ehia-online.org

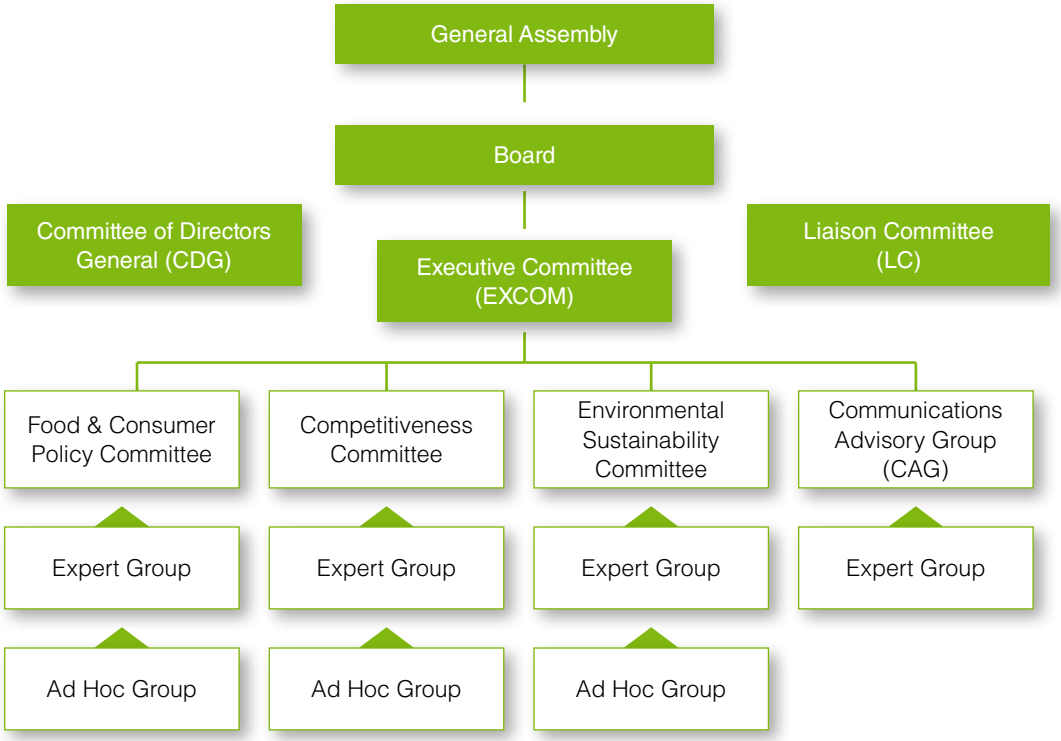
Yeast
COFALEC – Confederation of EU Yeast Producers
www.cofalec.com

Companies

AGROKOR
BARILLA
CARGILL
COCA-COLA
DANONE
FERRERO
GENERAL MILLS
HEINEKEN
HEINZ
KELLOGG
KRAFT FOODS
MARS
NESTLÉ
PEPSICO
PROCTER & GAMBLE FOOD PRODUCTS
SÜDZUCKER
TATE & LYLE
ÜLKER
UNILEVER

As of 30 April 2012

Structure



The General Assembly is composed of all FoodDrinkEurope members (national federations, European sector associations and food and drink companies). It approves the annual accounts, adopts the Roadmap and establishes internal rules of procedure.

The Board of Directors is composed of 17 Directors, all of whom are CEOs of food and drink companies operating in Europe, including five from SMEs. The Board defines FoodDrinkEurope's vision, policies and priorities in accordance with the Roadmap, which it submits to the General Assembly for approval.

The Executive Committee (EXCOM) is composed of nine members of the Board, including the President, and is responsible for overseeing the organisation's work, in accordance with the priorities defined by the Board. The EXCOM takes the lead in policy debates and can establish FoodDrinkEurope Expert Groups to examine specific issues. The Board also supervises and provides guidance to the Executive Committee.

The Committee of Directors General (CDG) is composed of representatives from each national federation and each European sector association. It ensures smooth communication between the secretariat and its members.

The Liaison Committee (LC) is composed of representatives from food and drink company members. It also ensures smooth communication between the secretariat and its members.

This management structure ensures that all FoodDrinkEurope members input into the development of the organisation's policies and priorities.

Board of Directors

Mr Jesús Serafín PÉREZ
President
Aguas de Fuensanta S. A.

Dr Wolfgang HEER
Vice-President
Südzucker

Ms Dominique REINICHE
Vice-President
Coca-Cola

Mr Attilio ZANETTI
Vice-President
Zanetti

Mr Didier DEBROSSE
Treasurer
Heineken

Mr Zein ABDALLA
PepsiCo

Mr Marco CAPURSO
Ferrero

Mr Tim COFER*
Kraft Foods

Mr Michel DELBAERE
Crop's

Mr Frans EGBERTS
Henri van de Bilt

Mr Laurent FREIXE
Nestlé

Mr Mogens GRANBORG
Ex-Danisco

Mr Thomas KUNZ
Danone

Mr Timothy MOBSBY
Kellogg

Mr James MOSELEY
General Mills

Mr Lamberto VALLERINO GANCIA
Fratelli Gancia & S.p.A.

Mr Jan ZIJDERVELD
Unilever

**nominated*

As of 30 April 2012

Role and Mission

The mission of FoodDrinkEurope is to facilitate the development of an environment in which all food and drink companies in Europe, whatever their size, can meet the needs of consumers and society, while competing effectively for sustainable growth.

FoodDrinkEurope represents the food and drink industry in Europe, the largest manufacturing sector in the EU in terms of turnover and employment, boasting an annual turnover of €956.2 billion (16% of the manufacturing sector) and employing 4.1 million people (14.6% of the manufacturing sector). It is a fragmented industry with 274,000 companies, 99.1% of which are small and medium-sized enterprises (SMEs), accounting for 48.7% of the total turnover and 63.0% of the total employment in the sector.

FoodDrinkEurope's mission is to facilitate the promotion of the industries' interests in Europe and beyond by pursuing the development of an environment in which all food and drink companies, large and small, can compete effectively to provide Europe's 500 million consumers with safe, nutritious and affordable food and drink products every day.

FoodDrinkEurope's work is based on sound scientific research, robust data management and effective communication, working within the regulatory framework to ensure that all food and drink policy issues are dealt with in a holistic manner. The organisation promotes members' interests in areas such as food safety and quality, nutrition and health, consumer trust and choice, competitiveness, research and development, innovation and environmental sustainability.

FoodDrinkEurope works closely with many groups of key stakeholders to address the range of complex societal and environmental issues facing us today.

The organisation seeks to enhance and promote the long-standing tradition of quality and variety that has been vital in gaining Europe's food and drink industry the world-class recognition that it enjoys today. By combining Europe's food and drink heritage with innovation for the future, FoodDrinkEurope and its members aim to achieve the best for Europe's consumers and, at the same time, move towards delivering on the objectives set out under the EU 2020 Strategy – namely, smart, inclusive and sustainable growth.

FoodDrinkEurope's permanent secretariat, based in Brussels, maintains close contact with European and international institutions and is a major partner in consultations on all issues affecting Europe's food and drink industry.

The FoodDrinkEurope membership* comprises:

26 national federations (including 3 observer national federations);

26 EU sector associations; and

19 major food and drink companies.

**Figures as of 30 April 2012*

FoodDrinkEurope coordinates the work of more than 700 experts through its Committees and Expert Groups around three pillars:

- **Competitiveness**
- **Food and Consumer Policy**
- **Environment and Sustainability**

Through these Committees and Expert Groups, Europe's food and drink manufacturers provide in-depth expertise. They contribute to establishing FoodDrinkEurope's positions on key issues, which, once approved, are communicated in a timely way to European and international decision-makers, with a view to shaping legislative and non-legislative developments impacting on the industry.

Facts and Figures about Europe's Largest Manufacturing Industry (2010):

- It is a fragmented industry with 274,000 companies, 99.1% of which are small and medium enterprises (SMEs);
- It purchases and processes 70% of EU agricultural production;
- It contributes to a positive trade balance of around €9.8 billion;
- It offers over 500 million consumers a wide range of safe, nutritious, affordable food and drink products every day.

Employs 4.1 million people in 274,000 companies

Turnover €956.2 billion

It exports €65.3 billion in food and drink products to third countries

Committees

Experts from FoodDrinkEurope's membership compose the Committees and Expert Groups. They work together to follow dossiers, analysing particular issues, aiming to find a common FoodDrinkEurope position.

Food and Consumer Policy Committee

CHAIR
Geoff Thompson (Danone)

Steering Group

Angelika Mrohs (BLL)
Barbara Gallani (FDF)
Daniele Rossi (FEDERALIMENTARE)
Michael Blass (FIAA)
Monstserrat Prieto Goberna (FIAB)
Pilar Velázquez (FIAB)
Marta Baffigo (Kellogg)
Guido Kayaert (Nestlé)
Dick Toet (Unilever)

Expert Groups (FCP 1)

ADDITION OF NUTRIENTS
Marta Baffigo (Kellogg)

CONSUMER INFORMATION
Angelika Mrohs (BLL)

DIET TASK FORCE
Marta Baffigo (Kellogg)
Sylvie Charton (Mars)

GDA (ad hoc)
Marta Baffigo (Kellogg)

GUIDANCE (ad hoc)
Eva Hurt (Nestlé)

LABELLING REVIEW (ad hoc)
Peter Loosen

LEGIBILITY (ad hoc)
Vacant

MONITORING AND REFORMULATION (sub group)
Sylvie Charton (Mars)

NUTRITION AND HEALTH CLAIMS
Anne Heughan (Unilever)

NUTRIENT PROFILES
Vacant

PORTION SIZES (ad hoc)
Vanessa McConkey (General Mills)

TECHNICAL AMENDMENTS (ad hoc)
Isabelle Caelen (Nestlé)

ADVERTISING AND MARKETING (sub group)
Vacant

ALLERGEN (ad hoc)
Ron Colwell (Heinz)

Expert Groups (FCP 2)

CONTAMINANTS
Ron Colwell (Heinz)

FOOD CONTACT MATERIALS
Leonor Garcia (Coca-Cola) / Ludovica Verzegnassi (Nestlé)

DECLARATION OF COMPLIANCE (ad hoc)
Vacant

FOOD INGREDIENTS
Lynn Insall (FDF)
Joy Hardinge (FDF)

ADDITIVE CATEGORISATION (ad hoc)

ENZYME GUIDELINES (ad hoc)

FLAVOURINGS GUIDELINES (ad hoc)

INTAKE DATA COLLECTION (ad hoc)

FOOD SAFETY MANAGEMENT AND HYGIENE
Gunter Fricke (Nestlé)
Dario Dongo (FEDERALIMENTARE)

INCIDENT MANAGEMENT GROUP
Mella Frewen (FoodDrinkEurope)

NANOTECHNOLOGY
Mike Knowles (Coca-Cola)

NOVEL FOODS/GMO
Agnès Davi (Danone)

PROCESS CONTAMINANTS
Richard Stadler (Nestlé)

R&D AND SCIENCE
Daniele Rossi (FEDERALIMENTARE)
Felix Sancho (Kraft Foods)

BETTER REGULATION (ad hoc)
Dick Toet (Unilever)

ALLERGEN (ad hoc)
Ron Colwell (Heinz)

ETP Secretariat

Mike Knowles (Coca-Cola)
Daniele Rossi (FEDERALIMENTARE)

ETP Board
Mike Knowles (Coca-Cola)

ETP Coordination Communications
Mike Knowles (Coca-Cola)

Communication Training and Technology Transfer
Julian Drausinger (LVA Lebensmittelve)

As of 30 April 2012

Competitiveness Committee

CHAIR
Ruth Rawling (Cargill)

Steering Group

Bernard Valluis (ANMF)
Peter Hofland (Cargill)
Bénédicte Masure (EDA)
Damiano Di Natale (Ferrero)
Horacio González Alemán (FIAB)
Bruno Guichart (FIAB)
Murk Boerstra (FNLI)
Bart Vandewaetere (Nestlé)
Susanne Langguth (Südzucker)
Willem-Jan Laan (Unilever)

Expert Groups

AGRICULTURAL POLICY
Susanne Langguth (Südzucker)

BIOFUELS TASK FORCE
Willem-Jan Laan (Unilever)

COMMERCIAL RELATIONS
Horacio González Alemán (FIAB)

DERIVATIVES TASK FORCE
Bernard Valluis (ANMF)

ECONOMIC RESEARCH & ANALYSIS
Murk Boerstra (FNLI)

IMPORT/EXPORT PROCEDURES
Damiano Di Natale (Ferrero)
Peter Hofland (Cargill)

TRADE
Bénédicte Masure (EDA)
Bart Vandewaetere (Nestlé)

Environmental Sustainability Committee

CHAIR
Pascal Gréverath (Nestlé)

Steering Group

Paul Gardiner (British Sugar)
Joop Kleibeuker (EDA)
Anna Vainikainen (ETL)
David Bellamy (FDF)
Franki Grilli (Ferrero)
Ann Nachtergaele (FEVIA)
Paloma Sanchez (FIAB)
Thomas Ingermann (Kraft Foods)

Expert Groups

CLIMATE
Paul Gardiner (British Sugar)

EUROPEAN FOOD SUSTAINABLE CONSUMPTION AND PRODUCTION (SCP) ROUND TABLE
Pascal Gréverath (Nestlé)
Philippe Diercxsens (Danone)

PACKAGING
Franki Grilli (Ferrero)

REPORTING
Thomas Ingermann (Kraft Foods)

RT Mirror Group 1 (assessment methodology)
Jean-Christophe Bligny (Danone)

RT Mirror Group 2 (communication tools)
Ulrike Sapiro (Coca-Cola)

RT Mirror Group 3 (improvement)
Thomas Ingermann (Kraft Foods)

RT Mirror Group 4 (non-environmental aspects)
Joop Kleibeuker (EDA)

WASTE
Joop Kleibeuker (EDA)

WATER
Bert De Meester (Nestlé)

IPCC DIRECTIVE
Vacant

Communications Advisory Group

CHAIR
Shane Dempsey (FDII)
Laure D'astorg (ANIA)
Angela Mhros (BLL)
Laurance Vicca (Caobisco)
Lian Verhoeven (Cargill)
Nickolaus Tacke (Coca-Cola)
Geoffrey Thompson (Danone)
Terry Jones (FDF)
Shane Dempsey (FDII)
Alessandro Cagli (Ferrero)
Clara Pi Rodríguez (FIAB)
Rutger Goethart (Heineken)
Marta Baffigo (Kellogg)
Paul Fitzsimmons (Kellogg)
Angela Shepherd (Kraft)
Slyvie Chartron (Mars)
Cécile Duprez Naudy (Nestlé)
Christina Drotz Jonasson (Nestlé)
Pascal Gréverath (Nestlé)
Philip Myers (Pepsico)
Truus Huisman (Unilever)

COMMUNICATIONS NETWORK
National Federations
European Sectors
Liaison Committee members

Other Bodies

Nutrition Policy

Marta Baffigo (Kellogg)

Social Dialogue Platform

Michael Andritzky (BLL/BVE)
Miguel Angel Ortega Bernal (FIAB)

Strategic Tax Group

Salvatore Gabola (Coca-Cola)

As of 30 April 2012

EU Food and Drink Industry Figures in 2010

Employment

4.1 million people

Leading employer in the EU manufacturing sector (14.6%)

External trade

Exports €65.3 billion

(+21.5% compared to 2009)

Imports €55.5 billion

(+9.3% compared to 2009)

Trade balance €9.8 billion

Net exporter of food and drink products

SMEs[2]

48.7%

of food and drink turnover

63.0%

of food and drink employment

Number of companies[2]

274,000

2 2009 data
Sources: Eurostat, UN COMTRADE, OECD

Turnover €956.2 billion

Largest manufacturing sector in the EU (16.0%)

Value added[3]

(%of EU GDP)

2%

EU market share in global exports

17.8%

(20.4% in 2000)

Consumption

(% of household expenditure)

13.0%

R&D[4]

(% of food and drink output)

0.38%

3 2009 data
Sources: Eurostat, UN COMTRADE, OECD

4 2007 data
Sources: Eurostat, UN COMTRADE, OECD

Improving Industry's Competitiveness

In 2011, Europe's food manufacturing business boasted an annual turnover of €956.2 billion and generated 4.1 million jobs. The industry is a strong pillar of the EU economy and can play an important role in helping to achieve the objectives set out under the EU 2020 Strategy to secure smart, sustainable and inclusive growth towards creating a more competitive EU economy.

Europe's food industry needs to remain competitive. Faced with increasing international pressure, FoodDrinkEurope strongly supports the development of international trade and the completion of a fully integrated European Single Market. In 2011, FoodDrinkEurope worked to highlight barriers in the Single Market for food, the removal of which is necessary to achieve its full potential. FoodDrinkEurope called on the Commission to overcome existing market fragmentation and administrative obstacles in order to build a more business friendly environment for food operators, large, medium and in particular, small.

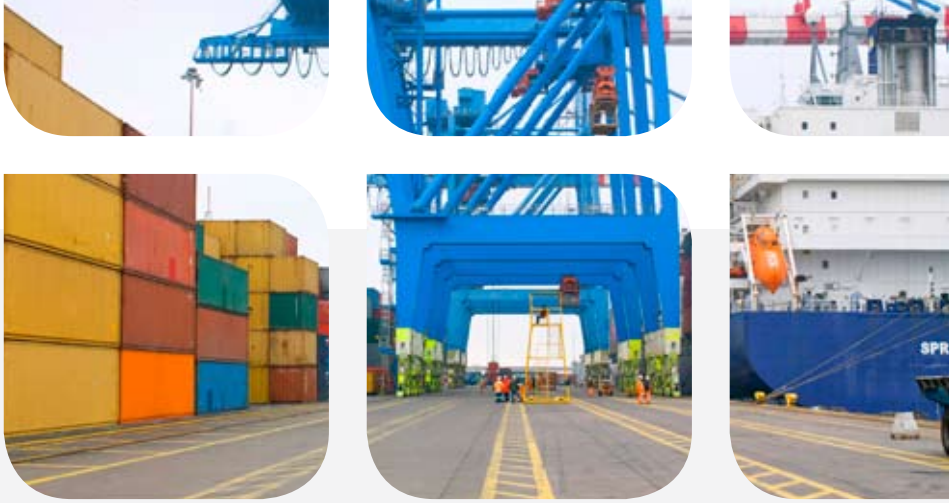
To this end, FoodDrinkEurope responded to the European Commission (DG Internal Market) consultation on the Single Market Act in February 2011 and worked in cooperation with the Commission and in different fora throughout the year. Key priorities for action included completion of the "goods package", the promotion of SMEs, the EU's global competitiveness, and energy efficiency.

Achievements Under the High Level Forum (HLF) for a Better Functioning Food Supply Chain

Improving Business-to-Business (B2B) Relations

Throughout 2011, FoodDrinkEurope engaged in a constructive dialogue with stakeholders in the food chain.

Specifically, in the context of the High Level Forum (HLF), FoodDrinkEurope played an active role in addressing unfair commercial practices. In response to the European Commission's request to provide evidence of incidences of unfair business practices, FoodDrinkEurope conducted a survey in conjunction with the European Brands Association (AIM) to assess their impact throughout Europe. The results of this survey were presented at the HLF B2B platform meeting on 10 March 2011.



FoodDrinkEurope members were also encouraged to participate in the Commission consultation on unfair B2B commercial practices in Europe during July-October 2011. Information gathered from this consultation will contribute to a Commission Communication due to be published in 2012.

Agreement on Principles of Good Practice to Ensure Fairer Business Relations

Within the HLF mandate in 2011, FoodDrinkEurope engaged in a dialogue with all stakeholders throughout the food supply chain and agreed on a set of principles that ensure fairer business relations. The principles are complemented by a non-exhaustive list of "best practice" examples of fair commercial relations occurring along the food supply chain. The principles are applicable to all vertical contractual business relations and do not undermine competition.

Eliminating unfair practices is a common need of the entire food supply chain. The High Level Forum welcomed these principles on 29 November 2011, recognising the work of FoodDrinkEurope and all stakeholders involved, while also giving a mandate to continue this process.

FoodDrinkEurope's focus in 2012 will be on the effective implementation and enforcement of the principles of good practice in B2B relations to ensure that they are applied in daily business relations.

HLF Food Price Monitoring Platform

FoodDrinkEurope played an active role in the Food Price Monitoring Platform under the HLF by participating in the Eurostat consultation for the improvement of the price monitoring tool. FoodDrinkEurope has requested that the limitations of the monitoring tool be acknowledged, especially with regards to drawing conclusions and/or elaborating policy recommendations from this source.

HLF Competitiveness Platform

A number of issues were tackled in the Competitiveness Platform during 2011, including social dialogue and food labelling.

In 2011, FoodDrinkEurope began discussions for a joint agreement with the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) to start a social dialogue for the European food and drink industry. This is a significant achievement. Among other issues, Social Partners will look at ways to enhance skills and employability in the sector with a view to making industry more attractive to young people to take up the challenge of managing an increasingly ageing workforce.

At a HLF workshop on food labelling in July 2011, FoodDrinkEurope outlined the elements necessary for successful labelling and presented the case for a more holistic approach to consumer information across the EU.

Developing International Trade

The food and drink industry is a leading exporter with exports of €65.3 billion in food and drink products to third countries and a positive trade balance of approximately €9.8 billion in 2010.

However, the industry still faces numerous tariff and regulatory barriers when exporting to third countries. In the current situation, comprehensive Free Trade Agreements (FTAs) present the most feasible way to secure better market access for European food and drink products by reducing excessive customs duties and eliminating Non-Tariff Barriers (NTBs).

FoodDrinkEurope strongly supported the EU-Korea FTA and welcomed its entry into application in July 2011. This marks significant progress towards better access for European foods in this market. The Agreement entered into application at an opportune time, given the competition from other trade partners who had also signed agreements with Korea.

In addition, the launch of the EU-Japan 'scoping exercise' in 2011 is certainly a step in the right direction towards the launch of negotiations for a comprehensive FTA with Japan in 2012.

Moreover, the Russian accession package to the WTO was finally approved by the eighth WTO Ministerial Conference in December 2011. The food and drink industry looks forward to Russia entering the multilateral rules-based system and hopes for more transparency and improved general conditions of trade with Russia, Europe's second largest export destination for food and drink.

FoodDrinkEurope also welcomed the European Commission's 2011 strategy to support SMEs in international markets. FoodDrinkEurope is eager to see the strategy implemented given the importance of SMEs in the food sector in Europe[5]. Opportunities for food and drink industry SMEs to be active through trade and investment outside the EU are critical for the future competitiveness of Europe's food and drink industry and in helping Europe to emerge stronger from the crisis.

5 SMEs accounted for 48.7% turnover 63.0% employment in the food and drink industry in 2010 (FoodDrinkEurope Data & Trends 2011).

The European food and drink industry processes 70% of EU agricultural raw materials. It relies on access to an adequate supply that corresponds to specific quality criteria, which is competitively priced and produced in a sustainable way.

Opportunities for SMEs to trade and invest internationally are critical for the future competitiveness of the European food and drink industry.

Promoting European Agri-Food Products

FoodDrinkEurope welcomed the priority given to the reform of the EU's promotion policy in 2011. EU promotion programmes play a fundamental role in promoting European agri-food products both within the EU and in third countries for consumers and traders importers and retailers.

Ahead of the publication of the Commission Green Paper on promotion in July last, FoodDrinkEurope actively worked to highlight that both EU agriculture and food products should be considered fully in a revised EU promotion regime.

On the publication of the Green Paper, FoodDrinkEurope welcomed plans to support the export capacity of European operators but warned that promotion policy has to be adapted to food operators' needs and to the reality of current market conditions.

Significantly, Council Conclusions on the Green Paper, adopted in December, acknowledged that promotion is an important tool in ensuring the competitiveness of the food processing industry. FoodDrinkEurope now looks forward to the publication of a Commission Communication and legislative proposals in order to develop an ambitious, flexible and simplified regime in 2012.

Security of Supply

To continue to serve hundreds of millions of consumers in EU and non-EU countries, Europe's food and drink industry needs access to adequate quantities of agricultural raw materials that correspond to specific quality criteria and that are competitively priced and produced in a sustainable way. Given that the industry uses 70% of EU agricultural production, FoodDrinkEurope has been working towards improving conditions impacting on security of supply in Europe by contributing to the debate on the security of food supply, CAP 2020, commodity derivatives and the G20.

CAP towards 2020

In 2011, FoodDrinkEurope contributed to the European Commission (DG Agriculture and Rural Development) consultation on the CAP reform. In preparation for discussions on "CAP towards 2020", FoodDrinkEurope reiterated the interdependence between the European food and agriculture sectors and asked for this to be reflected in the future CAP strategy.

FoodDrinkEurope proactively communicated the industry's views on the future priorities of Europe's food manufacturers for the CAP reform in the context of the Dess Report in the European Parliament, through meetings with interested MEPs and the publication of position papers.

Subsequently, upon publication of the "CAP towards 2020" proposals in October, FoodDrinkEurope called for the CAP reform measures to clearly address the need for higher productivity and production growth, while safeguarding natural resources, such as soil and water. Giving due consideration to these principles will ensure that Europe's food industry will be in a position to contribute to the goals of the EU 2020 Strategy of smart, sustainable and inclusive growth.

Commodity Derivatives Markets

Early in 2011 FoodDrinkEurope contributed to the Commission's public consultation on the review of the Markets in Financial Instruments Directive (MIFID). Food and drink companies use commodity derivatives for price discovery and hedging purposes against price risk of the underlying physical agricultural raw material. Derivatives and Over-The-Counter (OTC) markets enable food industries to manage their exposure to volatility in agricultural commodity markets so as to secure greater business predictability. This is of particular importance when considering that successive CAP reforms have introduced more market orientation in the agricultural sector.

FoodDrinkEurope welcomed the Commission proposals on MiFID and Markets in Financial Instruments Regulation (MiFIR) in October; these struck a good balance between increased transparency and trading position management versus the need for well-functioning and liquid (a large number of buyers and sellers) markets. As the food industry is active in the physical market for agricultural raw materials, FoodDrinkEurope will continue to work in close cooperation with the Commission and will participate as a stakeholder in the European Securities and Markets Authority (ESMA), ensuring the industry's voice is heard in this debate.

Reforming financial regulation is just one answer to address key challenges linked to extreme price volatility and security of supply. Coherence across all policy areas that have an impact on agricultural raw material supply is needed.

G20

In advance of the G20 ministerial meeting devoted to agriculture in Paris in June, FoodDrinkEurope supported efforts to successfully address the critical issue of price volatility of agricultural raw materials and its impact on food security. FoodDrinkEurope welcomed the international coordination of Ministers on food security and price volatility as well as the global Action Plan that was agreed. G20 Finance Ministers now need to take the necessary steps to implement what has been agreed in the Action Plan.

Diet, Nutrition and Health

The European food and drink industry provides Europe's 500 million consumers with safe, nutritious and affordable food and drink products every day. Industry also plays an active role in contributing to consumer well-being by promoting balanced diets and healthy lifestyles. FoodDrinkEurope members are involved in both regulatory and voluntary initiatives, through partnership, to enable responsible marketing practices, the provision of consumer information and product reformulation.

Discriminatory Taxes on Foods

2011 saw the introduction of discriminatory taxes by some EU Member States on specific categories of foods under the pretext of fighting obesity. FoodDrinkEurope strongly opposes any measure to introduce public health taxes on food due to a lack of scientific evidence demonstrating their effectiveness in bringing about positive behavioural change among consumers, both in terms of dietary choices and leading healthier lifestyles.

Throughout 2011, FoodDrinkEurope urged policymakers and Member States to carefully assess the scientific basis, the legal feasibility (at national level as well as EU level), the economic impact on industry and, ultimately, the effectiveness of such taxes to drive positive dietary choices among consumers, as taken into consideration by several governments.

FoodDrinkEurope recognises that obesity and other Non-Communicable Diseases (NCDs) are complex societal issues and that industry has a role to play in contributing to finding a solution. Resorting to additional, discriminatory taxes on foods, however, should be treated with utmost caution given the negative impact that may result on the overall competitiveness of Europe's first manufacturing industry, the food and drink industry, particularly at a time when governments are trying to promote growth, jobs and investment in Europe.

Food Information to Consumers

FoodDrinkEurope welcomed the entry into force of Regulation (EC) No.1169/2011 on Food Information to Consumers[6] in 2011. As a key food stakeholder, FoodDrinkEurope contributed significantly to the debate in order to reach the final adoption of the Regulation in September.

6 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF

Industry now looks forward to working with the EU Institutions to ensure that the Regulation is implemented in line with its original aim that is, to harmonise and simplify existing legislation in order to improve consumer understanding.

In the next step, a harmonised EU interpretation and implementation of the Regulation will be crucial. FoodDrinkEurope is in the process of developing a guidance document on the key provisions of the Regulation. The guidance is intended for interested stakeholders, such as food business operators (in particular small and medium-sized enterprises) and relevant EU and national authorities.

Linked to this, FoodDrinkEurope will continue to follow the implementing acts of the Regulation, which will be passed in years to come. Certainty and consultation on many remaining issues, such as the impact assessment for country of origin labelling and issues surrounding legibility will be needed to ensure the final outcome presents a workable solution for consumers and manufacturers alike. Notwithstanding, FoodDrinkEurope members will continue to work towards providing consumers with the information needed to make informed food choices in line with their dietary needs.

Health Claims

Food and drink manufacturers support both nutrition and health claims in order to ensure that consumers are informed of a product's specific nutritional or health benefits. During the course of last year, FoodDrinkEurope welcomed progress towards a harmonised list of scientifically substantiated health claims for use across the EU. FoodDrinkEurope believes finalising the list of claims will provide food operators with legal certainty, enabling them to forward plan and invest in R&D and innovation to voluntarily reformulate old favourites or to bring new products to market.

Specifically, FoodDrinkEurope provided input into European Commission and European Council discussions, where appropriate, with a view to finalising the list of permitted Article 13.1 health claims in the risk management process during 2011.

Food and drink manufacturers would like to see claims interpreted in the same way across all 27 Member States and during 2011, FoodDrinkEurope called for EU guidance to assist national authorities in this regard. In line with the adoption of the list of permitted health claims, FoodDrinkEurope calls on Member States and the Commission to reach a common understanding of the main elements of interpretation in a pragmatic manner in 2012. Furthermore, the European food and drink industry continues to call for improved dialogue between the European Food Safety Authority (EFSA) and individual applicants as this would provide more certainty for food business operators when investing in R&D and innovation.

Nutrition Claims

FoodDrinkEurope regrets the European Parliament's objection to the European Commission's proposal in February 2012 which would facilitate the use of the "Now contains X% less" and "No added salt" claim. FoodDrinkEurope worked hard throughout 2011, with the Commission and Council, to bring nutrition claims to that stage and believes the introduction of a "Now contains X% less" claim would have offered new possibilities for food manufacturers to communicate incremental nutritional changes made to foods, to the consumer. Comparing old and new recipes, could have helped consumers make more informed food choices in line with their dietary needs and lifestyles. In 2012, it is hoped that the European Commission will put forward a revised proposal which can find the support of all parties concerned.

Food Fortification

The adoption of a European Commission proposal setting conditions for the use of maximum levels for vitamins and minerals in foodstuffs and in particular in food supplements was delayed in 2011. Despite several requests from FoodDrinkEurope to the Commission to move forward on this dossier, legislation to ensure appropriate labelling and safety for consumers may only be finally addressed in 2012.

Working in Partnership

EU Platform on Diet, Physical Activity and Health

Europe's food and drink industry continues to work actively on voluntary reformulation efforts pledged under the EU Platform on Diet, Physical Activity and Health (EU Platform on DPAH). During the course of last year, industry stepped up voluntary efforts under the Platform by continuing to reduce levels of salt and other nutrients in foods whilst simultaneously maintaining consumer appeal in terms of taste, texture and appearance.

Sixth Anniversary Dinner Debate

FoodDrinkEurope held a dinner debate to mark the Sixth Anniversary of the EU Platform in May 2011. This proved invaluable in bringing stakeholders together to address the key issues related to tackling Non-Communicable Diseases (NCDs). The Platform has agreed on renewed objectives for 2012 and the food industry is committed to continuing its efforts towards a holistic approach and reformulation, to respond to consumer demand by offering new choices to meet healthier lifestyle goals.

Nu-Age Project for Healthy Ageing

Further demonstrating the commitment of industry to reformulation, FoodDrinkEurope introduced the EU-funded Nu-Age research project as a new commitment to the EU Platform in 2011. Nu-Age focusses on new dietary strategies addressing the specific needs of the elderly population to respond to healthy ageing in Europe. Specifically, as part of a consortium of research institutions and other stakeholders, FoodDrinkEurope is participating in the analysis of EU legislation on food-related issues, diet and health, with special reference to issues on health claims. FoodDrinkEurope will make draft recommendations to EU policymakers based on the impact of new research findings with regards to the health claims Regulation.

An approved list of health claims will provide food operators with legal certainty for investment in R&D and innovation, allowing them to voluntarily reformulate products and bring new products to markets.

FoodDrinkEurope members continue to work towards providing consumers with the information needed to make informed food choices in line with dietary needs.

Food Safety and Science

Food Safety Management – Guaranteeing Food Safety

Food Hygiene Package

FoodDrinkEurope responded to several European Commission consultations on the revision of the Hygiene Package in 2011. In particular, FoodDrinkEurope reiterated its position against the exemption of specific hygiene rules for food of animal origin to retailers as laid down in Regulation (EC) No. 853/2004. Premises adjacent to the point of sale which carry out activities such as processing, cutting and slicing of meat (products) should not be excluded from the scope of the Regulation.

Rapid Alert System for Food and Feed (RASFF)

In order to strengthen the RASFF, FoodDrinkEurope questioned the applicability of the Rapid Alert System in 2011 and identified incidences of its poor functioning. The European Commission agreed to use FoodDrinkEurope's industry examples to benchmark the development of new implementation guidelines. These guidelines will aim to ensure that every Member State uses the same criteria to implement the Rapid Alert System and that all operators are able to respond rapidly to food safety threats. This is especially pertinent considering the Japanese nuclear incident management and the E.coli outbreak in Germany during 2011.

Establishment of a Feed Catalogue

As a member of the Feed Chain Task Force, which represents producers, purchasers, traders and users of feed materials, FoodDrinkEurope was involved in the establishment and revision of the EU Catalogue of Feed Materials in 2011. Due for adoption in mid-2012, the Catalogue aims to provide a common system for the description and labelling of feed materials in the EU, to improve market transparency and facilitate the exchange of information on feed material properties between interested parties.

Revision of the Regulation on Official Food and Feed Controls

In 2011, FoodDrinkEurope maintained an active interest in the European Commission plans to revise Regulation (EC) No. 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules. FoodDrinkEurope participated in various dialogues on the revision of the Regulation and is specifically interested in proposed changes in the financing of official controls.

Update to the Regulation on the Increased Level of Official Controls on Imports of Certain Food of Non-Animal Origin

FoodDrinkEurope continued to monitor the updates of Annex 1 of Regulation (EC) No. 669/2009 as regards the increased level of official controls on imports of certain feed and food of non-animal origin. In particular, FoodDrinkEurope worked with the European Commission to suggest improvements to the process of revising Annex 1 with regard to transparency and increased controls on food of non-animal origin that are considered to be known or emerging risks.

European Food Safety Authority (EFSA)

As a member of the ESFA Stakeholder Platform, FoodDrinkEurope continued to work in cooperation with the organisation in 2011. Specifically, FoodDrinkEurope contributed to an EFSA Consultative Workshop on Independence and Scientific Decision-Making in Brussels and responded to a public consultation on

EFSA's draft policy on the topic. FoodDrinkEurope expressed the view that EFSA needs to have access to top quality scientists. Ultimately, science-based judgments by EFSA must lead to scientific certainty for both industry and consumers to ensure peace of mind for the public and enable a transparent and level-playing field for industry.

Allergens in Food

FoodDrinkEurope finalised and endorsed the "Guidance on Food Allergen Management" for food manufacturers in 2011. The Guidance aims to provide sound, evidence-based and consistent guidance on practice in allergen risk management for food producers. By harmonising and disseminating good practice in allergen risk management, the Guidance will ensure a consistent understanding of allergy management on an EU-wide basis. Seven annexes have already been completed in the Guidance and the remaining technical annexes are currently being finalised in the context of changes brought about by the Food Information to Consumers Regulation.

Participating in Codex Alimentarius for the Setting of International Standards

In 2011, FoodDrinkEurope was an active participant in the development of food standard guidelines at an international level under Codex Alimentarius. Specifically, FoodDrinkEurope contributed to Codex Committees and working groups on Contaminants in Food (CCCF), Food Additives (CCFA) and on Food Labelling (CCFL).

Food Ingredients

Data Modelling in Food Science

FoodDrinkEurope held a Modelling workshop on "Managing Variability and Uncertainty in Risk Assessment and Risk Management" on 7 June 2011. The workshop aimed to discuss the factors influencing risk assessment and raise awareness of estimating dietary exposure/risk using probabilistic approaches.

FACET

FoodDrinkEurope is a key partner in FACET (Flavours, Additives and Food Contact Material Exposure Task) under the 7th Framework EU funded projects. The project is designed to develop a modelling tool to estimate exposure to food chemicals. During 2011, FoodDrinkEurope worked on food contact materials and additives and delivered a database to members on the likely technological usage of 85 individual additives such as sweeteners, colours, preservatives and emulsifiers in the different food products in which they are permitted.

EFSA Re-evaluation Programme on Additives

In 2011, FoodDrinkEurope responded to EFSA's public call for data on the concentration of additives in certain food products. FoodDrinkEurope will gather and collate all relevant information, supplied by its members, to input to this exercise.

Flavourings Guidelines

In March 2011, FoodDrinkEurope published revised "Guidelines on Regulation (EC) No. 1334/2008 on Flavourings and Certain Food Ingredients with Flavouring Properties for Use in and on Foods". The Guidelines are intended to provide food manufacturers and stakeholders with a common understanding of the major issues in order to comply with legislation.

Food Contact Materials

In 2011, FoodDrinkEurope followed European Commission developments closely regarding the measuring of Bisphenol A (BPA) in infant plastic feeding bottles. FoodDrinkEurope will continue to monitor developments and liaise with the packaging supply chain (e.g. plastics, light metal packaging, paper and cardboard) in the framework of the different joint industry groups and task forces.

Process Contaminants

An updated FoodDrinkEurope Acrylamide Toolbox was issued in September 2011. The revised Toolbox has been successful in helping food companies identify the best ways to reduce Acrylamide in their products. It includes the latest scientific research and feedback from food operators and will be updated on a continuous basis as the science progresses. FoodDrinkEurope is currently working on the revision of information pamphlets which will be issued in several European languages in 2012.

In addition, FoodDrinkEurope is an industry partner in the FP7 Prometheus project to help the European food industry reduce consumer exposure to food process contaminants without affecting food quality or microbiological safety. The project will use a novel, holistic approach of continuous real-time and on-line monitoring of contaminant formation during food processing, to better control the safety and overall quality of food products. FoodDrinkEurope will lead the dissemination of the project's results.

Access to Raw Materials

As the European market is not wholly self-sufficient, food operators rely on imports of some raw materials such as soya. About 80 percent of all soybeans are produced in just three countries (Brazil, Argentina and the US), where many Genetically Modified (GM) varieties have been authorised for cultivation. Approximately 75 percent of the global soybean production currently consists of GM varieties.

Despite having robust segregation systems in place, there is a significant chance that traces of not yet approved GM might also occur in raw materials intended for food production in the EU. A technical solution at 0.1% for Low Level Presence (LLP) for GM events awaiting authorisation in the EU, as an amendment to Commission Regulation (EC) No. 619/2011, entered into force on 24 June 2011. However, the scope of this Regulation only deals with LLP events for feed.

While the Regulation represents a first step in a positive direction, it is not sustainable. Food and feed producers experience similar challenges, and in 2011, FoodDrinkEurope called for the scope of the legislation to be extended to include food, without delay.

FoodDrinkEurope will continue to communicate to the European Commission on how this issue impacts the food industry, calling for the inclusion of food in the technical solution for LLP.

R&D and Innovation – Industry Innovation Driven by Consumer Demand

Innovation is essential to increase the food industry's competitiveness. Science and science-based lawmaking have an important role to play in helping the food industry meet the future demands and challenges of feeding a world population of 9 billion people by 2030 and feeding an ageing European population – namely, through the development of new products, and the use of new technologies which bring benefits to the consumer. However, investment in new products depends on factors such as the European regulatory framework and its speed and certainty for food operators.

Throughout 2011, FoodDrinkEurope worked with industry to maximise its contribution to research and innovation to ensure sustainable growth and jobs in line with the objectives of the EU 2020 Strategy[7].

In this context, FoodDrinkEurope welcomed the launch of the European Commission's future Framework Programme for Research and Innovation, Horizon 2020[8] at the end of 2011. FoodDrinkEurope hopes Horizon 2020 will build on current successes and promote a mechanism which will deliver a more business and research-friendly framework for the food and drink industry in Europe.

Innovation Day

At FoodDrinkEurope's Innovation Day on 23 November 2011, European Commissioner for Science, Research and Innovation, Máire Geoghegan-Quinn delivered a key note speech about how innovation in the food industry is central to Europe's future.

The debate focussed on where the industry is today against the backdrop of unprecedented challenges and how the industry can innovate to meet new challenges. Examples of innovation to enable the development of new products, to develop efficient production processes and to help tackle environmental issues (such as food waste) were discussed.

At the event, food manufacturers asked Europe's policymakers for collaborative, coordinated responses for a better regulatory framework which helps to remove barriers to growth, inspire confidence in Europe's ability to lead in this key area and, last but not least, which helps food manufacturers positively respond to evolving consumer demands in a timely and effective way.
www.fooddrinkeurope.eu/event/fooddrinkeurope-innovation-day/

7 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF
8 http://ec.europa.eu/research/horizon2020/pdf/proposals/communication_from_the_commission_-_horizon_2020_-_the_framework_programme_for_research_and_innovation.pdf#view=fit&pagemode=none

Nanotechnology Day

FoodDrinkEurope's fourth Stakeholder Dialogue meeting held on 5 October 2011, brought together more than 100 participants from a wide range of stakeholders, demonstrating the willingness of food manufacturers to openly engage on the potential applications of nanotechnology in the food industry, in a transparent way.

This year's Dialogue focussed on global developments with high level speakers from the OECD and Joint Research Centre speaking on potential applications (packaging and ingredients), the social benefits of nanotechnology in the food chain (food safety improvements, better quality food choices, improved flavour, texture, and appearance) and the need for "fit for purpose" definitions (differentiating between naturally occurring nanomaterial and that which is produced to introduce new properties to a food) and comprehensive testing methods.

The event also addressed safety assessment of nanomaterials, with speakers from EFSA and International Life Sciences Institute (ILSI), both from Europe and the US providing the latest in guidelines on nanotech for food and feed.
www.fooddrinkeurope.eu/event/fourth-nanotechnology-stakeholder-dialogue-day/

Nanotechnology

Nanotechnology in the food and drink industry is still at the R&D stage and the decision to use this and other new technologies will always be based on scientific research, regulatory compliance and consumer acceptance. Nanomaterials are not hazardous per se but there is a need for adequate safety assessment on a case-by-case basis where the use of nanotechnology gives rise to changes in existing products or processes.

Only the results of a risk assessment can determine whether nanomaterial is hazardous. Therefore, a definition of nanotechnology should provide clear and unambiguous criteria to identify materials for which such considerations apply.

Currently, there are several pieces of EU legislation and technical guidance supporting the implementation of legislation with specific references to nanomaterials. To ensure conformity across legislative areas, where often the same materials are used in different contexts, the European Commission adopted the Recommendation on the definition of a nanomaterial on 18 October 2011.

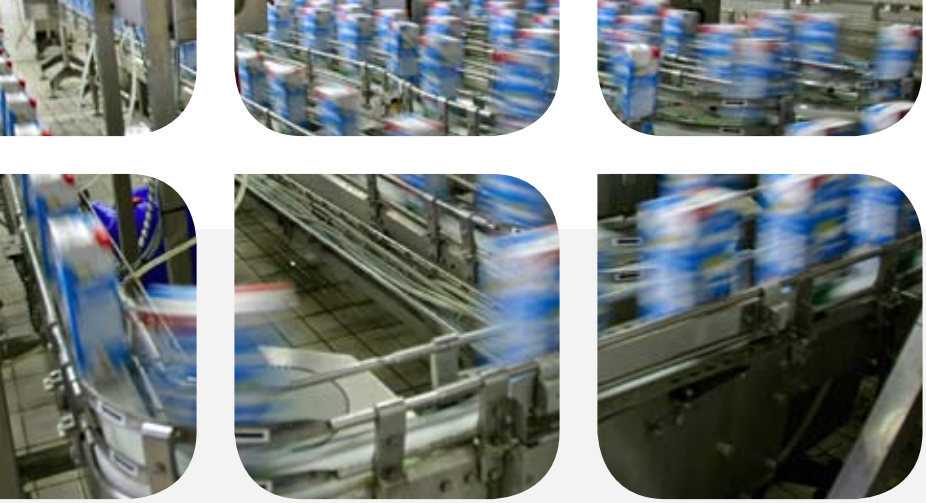
The Commission intends to use the overarching definition outlined in the Recommendation as a basis to amend the current definition in the Regulation on Food Information to Consumers. Throughout 2011, FoodDrinkEurope developed a continuous, constructive dialogue with all players in the food chain to ensure the consistent interpretation of the definition of nanomaterials in the food sector.

Novel Foods

Despite considerable efforts to find a compromise on the Novel Foods Regulation, FoodDrinkEurope regretted the failure to reach an agreement between the Council and the European Parliament in spring 2011. The revised Novel Foods Regulation would have stimulated innovation in the food and drink industry by simplifying and streamlining the current regulatory framework and facilitating market access for novel foods. Novel foods are developed to have properties which bring benefits to consumers, for example, by contributing to healthier diets.

FoodDrinkEurope developed a position paper to explore the expectations from the new proposal on novel foods expected in late 2012. The focus will be on maintaining a simplified procedure of notification for novel foods that have already been safety assessed and approved and which may be used in the development of other food products.

New technologies will always be based on scientific research, regulatory compliance and consumer acceptance. Investment in new products also depends on the regulatory framework and its speed and certainty for food operators.



Working in Partnership

European Technology Platform (ETP) "Food for Life"

In 2011, the European Technology Platform (ETP) "Food for Life" (managed by the FoodDrinkEurope secretariat) endeavored to mobilise the scientific stakeholder community by contributing to sharing knowledge on food related activities across Europe.

The ETP conducted a web consultation on strategic research and innovation to set the industry's priorities for research and innovation in the coming year and to look towards the establishment of a Strategic Research and Innovation Agenda (SRIA) to feed into the 8th Framework Programme, "Horizon 2020".

The ETP held its fourth stakeholder event, followed by a brokerage session, on 22 November in Brussels. The ETP discussions on the SRIA aimed to increase funding, better research coordination, preventing duplication and promoting SME participation in R&D activities. The brokerage event between researchers and potential industry partners, the first of its kind, marked a new phase in the Platform's seven years and aimed to boost public-private partnerships with a view to fostering successful innovations in the food industry to promote growth.

In 2012, the ETP will continue to promote R&D and innovation to ensure food and drink manufacturers remain at the cutting edge of developments, boosting the industry's competitiveness and contributing to Europe's future socio-economic growth.

Moving towards Environmental Sustainability

Sustainability makes good business sense. Increasing energy efficiency and reducing Greenhouse Gas (GHG) emissions are important elements for improved industrial competitiveness and environmental sustainability in the food and drink industry.

In advance of international climate change negotiations, notably the COP-17 Conference in Durban in November 2011, FoodDrinkEurope called for an ambitious agreement to address the dual global challenge of food security and climate change and for greater political alignment on the need for a comprehensive, legally binding global framework post 2012.

Specifically, FoodDrinkEurope called for a number of actions regarding the EU GHG emissions reduction commitment beyond 20% by 2020 and long-term emission reduction targets based on impact assessments leading to a low-carbon economy by 2050. FoodDrinkEurope also supports the EU roadmap for moving to a competitive low-carbon economy by 2050, as a means to achieving further emission reductions in the long-term.

FoodDrinkEurope has engaged with the European Commission in view of the on-going assessment for a possible revision of the Regulation (EC) No. 842/2006 on fluorinated gases. The organisation also responded to the Commission (DG Climate Action), stakeholder consultation on the possible policy options for reducing fluorinated GHG emissions and will continue to engage with EU decision-makers ahead of a possible review in 2012.

Food Industry Best Practice in Energy Efficiency

At EU Sustainable Energy Week in April 2011, FoodDrinkEurope shared best practice on the use and promotion of energy efficient technologies such as cogeneration Combined Heat and Power (CHP) technology in the food industry. Industry demonstrated how food and drink manufacturers are increasingly acting as bio-refineries often contributing to renewable energy production.

In view of the European Commission's Energy Efficiency Directive, presented in June 2011, FoodDrinkEurope worked in coalition with other European industry associations to deliver key proposals of importance to the industry. FoodDrinkEurope has argued for the need to identify and overcome barriers to create a supportive environment for existing and new cogeneration operators, as well as the need to prioritise the dispatch of electricity from CHP and electricity grid access. These key aspects were included in the Commission proposal as well as in the subsequent European Parliament draft report. Industry hopes that the Energy Efficiency Directive can ensure the wider adoption and use of cogeneration as part of food manufacturers' long-term energy strategy.

Addressing Resource Efficiency

Food Waste

FoodDrinkEurope continued to support efforts to tackle the challenges of food waste and resource efficiency in 2011. Finding solutions to food waste is a key priority for the European food and drink industry because the resources and sustainability measures put into the production of food, such as agricultural raw materials, water and fuel, are also wasted when food is wasted in the home.

At the European Commission's 11th Green Week in May, FoodDrinkEurope presented industry efforts to reduce food waste through innovative and efficient use of packaging, combined with improved consumer information. Packaging was found to be a core tool in the industry´s approach, from varying pack sizes to help consumers buy the right amount of food in line with their needs, to providing more information and advice on how to store and use products to ensure they remain at their best. In addition, industry elaborated on effective ways to minimise waste and treat it like a resource, by better use of raw materials, for example by using by-products to produce renewable energy or animal feed.

Furthermore, FoodDrinkEurope communicated its opinion to the European Parliament in view of its report "How to Avoid Food Wastage: Strategies for a More Efficient Food Chain in the EU", published in 2011. Key issues for the industry such as the role of the European Sustainable Consumption and Production Round Table (SCP Round Table), the role of packaging as part of the solution and the need for clear implementation guidance on the definition of by-products, were included in the final report.

FoodDrinkEurope will continue to work with all stakeholders, including via the work of the SCP Round Table and the High-level Forum for Better Functioning Food Supply Chain to tackle this key issue which is essential for the sustainability of food manufacturers' activities.

Sustainable Water Management

Sustainable water management is important for the food and drink industry and requires shared responsibility from agriculture, industry, consumers and policymakers. In 2011, FoodDrinkEurope worked to contribute to the development of the European Commission water strategy, the "Blueprint to Safeguard Europe's Water", expected in 2012. FoodDrinkEurope provided input on key priorities such as studies on water, certification, labelling and water pricing. The study on water was published by the Commission in October 2011 and the findings and conclusions were very much in line with FoodDrinkEurope's viewpoint. Instead of communicating on a single issue, such as water, a full life-cycle approach is preferred taking into consideration all significant impacts. The outcome of the water pricing initiative will be presented as part of the Commission's Blueprint.

Working in Partnership

Sustainable Consumption and Production

In 2011, FoodDrinkEurope welcomed the opportunity to share its initial reflections on the mid-term evaluation of the Sustainable Consumption and Production and Sustainable Industrial Action Plan 2012. The European Commission review is the first since the launch of the SCP Action Plan in 2008 and the Sustainable Consumption and Production Round Table (SCP Round Table) in 2009. FoodDrinkEurope's input will serve as the basis to respond to an upcoming stakeholder consultation planned for early 2012.

FoodDrinkEurope works in partnership with food chain partners and European policymakers to achieve the objectives of promoting a science-based, life-cycle approach to sustainable consumption and production in the food sector across Europe.

Finding solutions to food waste is a key priority because the resources and sustainability measures put into the production of food are also wasted when food is wasted.

Assessing the Environmental Performance of Products

As a founding member of the SCP Round Table, FoodDrinkEurope works with food chain partners and European policymakers to achieve the objectives of promoting a science-based, coherent, life-cycle approach to sustainable consumption and production in the food sector.

FoodDrinkEurope supports the harmonisation of environmental assessment methodologies for both product and organisational environmental footprints, preferably at the global level. FoodDrinkEurope, along with the Round Table, contributed to the Commission consultation on harmonisation at European level.

Given that the European Commission's 'Roadmap for a resource-efficient Europe' Communication foresees linking the footprint methodology to a number of significant policy measures, FoodDrinkEurope has requested that sufficient time be given to involve all stakeholders in the development of the environmental assessment methodology for the calculation of the environmental footprint of products and organisations. Food and drink products are highly diverse, so a tailored approach to ensure the process is rigorous, science-based and fully transparent is essential.

It is also important that the European Commission's future footprint methodologies are in line with currently existing global standards, such as the ISO 14040/44 (life cycle assessment as the basis for environmental declarations and carbon footprint of products) and the Global Reporting Initiative (GRI). In addition, FoodDrinkEurope would welcome the Commission's formal adoption of the Food and Drink Environmental Assessment Protocol (ENVIFOOD Protocol) developed in the SCP Round Table.

Communicating Environmental Sustainability

Progress was made in addressing resource efficiency and a sustainable food chain approach at the Round Table's plenary meeting on 8 December 2011. The plenary adopted the "Communicating Environmental Performance Along the Food Chain" report. The report identifies suitable tools and good practice for communicating the environmental performance of food and drink products and other relevant environmental information to help business and consumers make informed choices and to foster more sustainable consumption and production patterns.

EU Ecolabel Scheme for Food and Feed

In 2011, FoodDrinkEurope actively worked to maintain the exception for food and drink products from the EU Ecolabel scheme. In November the Commission published a study on the possibility of extending the scope of the EU Ecolabel to food and feed products.

The findings of the study reiterate FoodDrinkEurope's view that the Ecolabel would mislead rather than inform consumers about the true environmental performance of food products along their life-cycle. A formal decision will be taken by the Commission in 2012 and FoodDrinkEurope will continue its proactive outreach activities.

Ecodesign

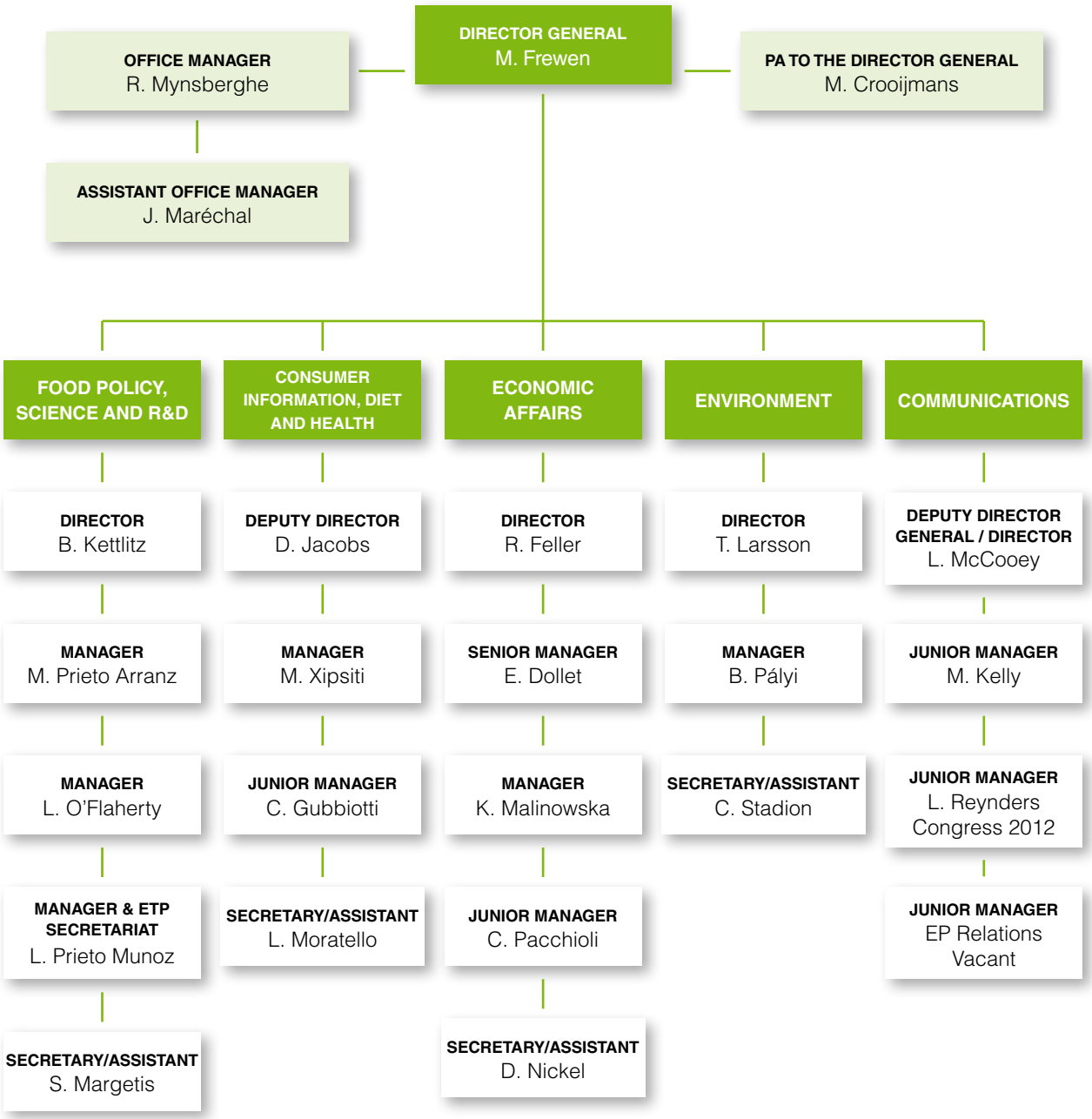
Throughout 2011, FoodDrinkEurope continued to call for the exclusion of food products from the scope of the Ecodesign Directive. Food operators believe that instead of supporting a niche category of products, ecodesign and green public procurement policies should set science-based sustainability objectives for all products. This would grant business the flexibility to deliver the best practical solutions and the possibility to consider other factors, such as the technical properties of materials, fitness for purpose, sourcing, functionality and cost. Prescriptive design requirements that could restrict industry's capability to innovate should be avoided. FoodDrinkEurope contributed to the Commission's preparatory study and the report concludes that food products are not among the targeted priority groups discussed for possible future extensions of the Directive.

Environmental Sustainability Report

On 20 September 2011, FoodDrinkEurope held a stakeholder consultation workshop, "Towards a 2030 Environmental Sustainability Vision for Europe's Food and Drink Industry". The workshop brought stakeholders together to consider FoodDrinkEurope's role in developing a food and drink industry vision for future sustainability in resource efficiency, sustainable sourcing and sustainable consumption.

In addition to the results of a FoodDrinkEurope environmental sustainability stakeholder survey conducted in 2011, the outcomes from the workshop will feed into the third FoodDrinkEurope Sustainability Report due to be published on 5 June 2012.

Secretariat



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