

**Response to DG SANCO's consultative document of February 2006
"Labelling: competitiveness, consumer information and better
regulation for the EU"**

Food Labelling

This response refers to the DG SANCO consultative document of February 2006 headed "Labelling: competitiveness, consumer information and better regulation for the EU".

UEAPME believes there is a need for revision, simplification and clarification. We welcome very much the proposal by the Commission to examine the issues and we submit the following views of our members, representing the majority of food producing enterprises in Europe.

At present neither consumers nor food business operators are happy with the current labelling regulation structure.

Consumers find that labels are complex and overloaded; they are not sufficiently understood. Even if a lot of information is on the label, it is meaningless for the majority of consumers.

Food business operators are confronted with a whole load of general and product specific directives to be applied. With this increasing number of mandatory requirements and therefore - especially for small businesses - there are continuously increasing costs for the design and the production of labels.

Food business operators also and recent research demonstrates a lack of consumer understanding of labels, partly through lack of knowledge of what terms mean.

There is therefore a need for revision, simplification and clarification. We should look at all issues as a regime, not just the product label.

UEAPME suggests that the mandatory requirements reflect the minimum for safety and free movement of foodstuffs. Other information should be optional and not misleading.

Strategic Goal

A new labelling regime should at least satisfy the following four principles:

1. Non pre-packaged food

In certain European Countries small food enterprises produce or sell exclusively non pre-packaged food.

UEAPME strongly supports the principle that the decision whether or not non pre-packaged food has to be labeled is left up to the individual member states (principle of subsidiarity).

2. Consumer Education on nutrition as a priority

Good consumer education is crucial for a balanced composition of foods by the individual consumer.

Consumer education lies within the responsibility of national governments. Product related information will only contribute to a balanced diet if consumers are adequately educated.

3. Consumer information to be made relevant and understandable

The designation of pre-packaged food via label is only one of several possibilities to inform consumers.

Alternatives are: folders, brochures, verbal advice, tables, homepages, hotlines, Codex Alimentarius etc.

According to the relevance to the consumer one has to differentiate between:

- a. Mandatory elements that have to be part of the label on the product for safety reasons
- b. Voluntary elements that are governed by defining legislation and voluntary elements that rely on self-regulation of branches or businesses

UEAPME recommends:

ad a. mandatory elements that have to be part of the label on the product for safety reasons are:

- The name under which the product is sold as defined in Community provisions applicable to it
- Weight
- Durability date (day and month and - if necessary - year) and special storage and use conditions
- Allergenic ingredients in the ingredients
- Name of the producer or producer code
- GMO content

ad b. voluntary elements that are governed by defining legislation and voluntary elements that rely on self regulation of branches or businesses

- Origin
- Brand name
- Nutritional information
- Packing gases
- Dietetic food
- Organic production
- Conditions for use in order to improve the quality of the prepared food
- Traceability information

- Identification number
- Novel food content
- Ingredients other than potentially allergenic ingredients
- Suitability for people with dietetic preferences

4. Proportionality of cost and information content

Small businesses are already overextended by labelling provisions for pre-packaged food (see Final report of the European Evaluation Consortium (TEEC), October 2003; p. 5, point 1.1.1; p. 13, point 1.3.5; p. 16, point 1.4.2).

Therefore it is important when revising the labelling regime to take the proportionality of cost for labelling and information content in particular into account.

Moreover it has to be considered that generally the costs for the implementation of labelling changes will be higher for small businesses than for bigger ones. Bigger companies produce larger quantities, larger batches and have sufficient financial and human resources to make changes (see DG SANCO Consultative Document; Labelling: Competitiveness, Consumer Information and Better Regulation for the EU, February 2006, p. 4, pt.15).

In order to fulfill these requirements the new labelling regime should be

- Simple for consumers and for food business operators
- Feasible for food business operators (no requirements for mandatory extensive analyses)
- Proportionate - costs have to be in reasonable relation to the benefit

Specific aspects

Ingredients

Small businesses vary their products and the ingredients of their composite products very often. They do this so as to be able to adapt to consumers' needs and wishes and ingredient availability.

As small businesses generally produce small batches, costs for the design of the label per product is much higher compared to companies that produce large quantities of the same item. This forces small businesses to reduce the variety of their products. They will no longer be able to fulfil all their consumers' needs and face disadvantages in the market.

Nutrition labelling

Nutrition labelling should remain optional except where a nutritional claim is made.

Origin labelling

UEAPME is strongly against the introduction of a mandatory country of origin labelling regime. Experiences (e.g. with the beef labelling provisions) have shown that origin labelling has turned out to be not always practically feasible. This is especially true for composite products.

However UEAPME supports the idea that the legislation should prevent the customer from being misled if the origin of a product is labelled voluntarily.

Welfare labelling

UEAPME completely rejects a mandatory welfare labelling regime.

Sufficient legislation already exists to protect animals from abuse and it can be assumed that this covers basic welfare.

Alcoholic beverages

UEAPME sees no single benefit from the introduction of mandatory warnings on alcoholic drink containers. In our opinion warnings on alcoholic drink bottles or cans will not deter consumers from excesses. The only way to prevent consumers from excesses is consumer education.

Additionally, any health warning on the container could only be read by home drinkers. Those who drink in bars and run the risk of driving under the influence would not even be confronted with the warning as drinks are regularly served in glasses and not in containers. Moreover there is evidence that those consumers most at risk would ignore warnings even if they were on the label.

Therefore the EU should drop any idea of health warnings on drinks containers. Educational programmes would be far more effective.

Non-food labelling

UEAPME does not see the viability of one regulation covering both food and non-food. Food is well defined in regulation (EC 178/2002). The scope of the new labelling regime should take account of this definition and abide by it.

Guidelines needed

UEAPME hopes that the European Commission's initiative will end in a clear and simple labelling scheme. Nevertheless the labelling requirements will still remain very complex. Therefore guidelines are needed to help small enterprises to follow the rules. UEAPME recommends that the European Commission produces such guidelines.

Brussels, 15 June 2006

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European Association of Craft, Small and Medium-sized Enterprises.

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As the European SME umbrella organisation, UEAPME incorporates 79 member organisations consisting of national cross-sectorial SME federations, European branch federations and other associate members, which support the SME family. Across the whole of Europe, UEAPME represents over 11 million enterprises with nearly 50 million employees.