

Positions

Provisions on mandatory country of origin labelling for processed food

ESA Position paper 11 January 2010

Executive summary

- The European Snacks Association (ESA) is concerned that the recent calls for mandatory country of origin labelling fail to acknowledge the complex supply chains involved in the production of processed foods such as savoury snacks.
- Any move to enforce mandatory origin provisions would cause severe difficulties for manufacturers who buy ingredients from multiple sources, according to factors such as availability or seasonal variations.
- Country of origin labelling ultimately denies the market reality of a highly integrated European food industry and will restrict trade to the detriment of a single European market.
- ESA recognises that consumers look for relevant information on finished products, both related to taste and nutrition. Origin labelling would have no added value as to understanding environmental costs and will ultimately result in information overload on pack.

Clear and simple information

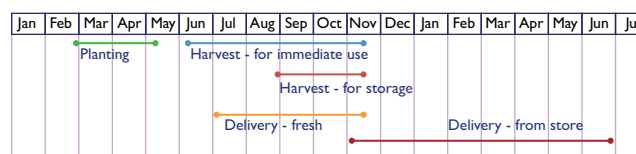
- The savoury snacks industry is committed to providing consumers with clear and simple food information that they need in order to be able to make an informed choice. Members of the European Snacks Association (ESA) comply with existing legislation which already foresees that the origin of foodstuffs must be given when the absence of this indication could mislead consumers as to the true origin of the product.
- Thus, ESA welcomes the Commission proposal on food information as it argues that this general principle should be sufficient.

Complex supply chains

- ESA is concerned that the recent calls for mandatory country of origin labelling, as in the draft opinion of the European Parliament's Agriculture Committee, fail to acknowledge the complex supply chains involved in the production of processed foods such as savoury snacks. Indeed, AGRI draftsman Marc Tarabella has called for
 - Mandatory country of origin for the primary ingredient (+50% of the product) for processed foods, if possible region of origin;
 - Mandatory statement of name and address of producer for non-processed food and for the primary ingredient of processed food.
- Any move to enforce mandatory origin provisions would cause severe difficulties for manufacturers who buy ingredients from multiple sources, according to factors such as availability, seasonal variations and costs.

- The production of potato crisps, for example, is based on a complex supply calendar. No single potato variety can provide all year round supply. Potatoes are made available for all year round consumption by using fresh crop immediately post-harvest, and for the rest of the year by using stored potatoes. Potatoes purchasing also has to cope with supply chain interruptions, e.g. bad harvests. As a result there are **different varieties from different origins used throughout the year.**

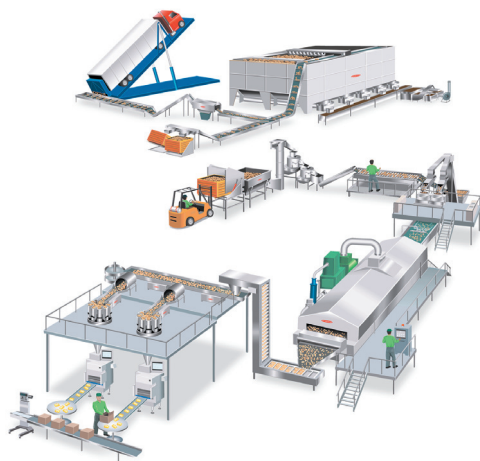
Potato Supply Calendar



- One of our members in the UK, for example, constantly relies on four countries for potato supply, UK, Belgium, France and Germany.
- The situation is even more complex as regards nuts supply, with Vietnam, USA, South Africa, Indonesia, Turkey and Philippines supplying raw materials for a single production site of one of our members.
- It would be impossible to change the label each time the origin of raw materials supply for a plant is sourced from a different country. Labelling amendments would only add further, unnecessary costs to the food sector at a difficult time for all producers.
- Country of origin labelling ultimately denies the market reality of a highly integrated European food industry and will restrict trade to the detriment of a single European market.
- Providing the contact details of the producer leaves consumers confused. Indeed, a consumer who buys a pack of crisps may not understand why the label on pack refers to two sources of information, the crisps manufacturer and the potato grower. Furthermore, this provision is not feasible for non-processed food sold without packaging.
- It is important to note that many growers are involved in the production of savoury snack products. One of our members in the UK, for example, buys from seven potato merchants and these merchants from 50 to 70 growers. As a result, this manufacturer will receive potatoes from nearly 500 growers.

SAVOURY SNACK INDUSTRY

Positions



Potato crisps plants depend on many growers

Calls for mandatory country of origin labelling underestimate the sheer scale of supply logistics

- Big crisps lines use 12 tonnes of raw potato an hour to make 3 tonnes of crisps. When crisps manufacturers feed into two lines, they use 24 tonnes. This is 24 bags which could come from 24 different growers. As the potatoes are intermingled, the manufacturer does not know which grower(s) potatoes are going down the line at a particular moment.
- Some factories get bulk supplies by lorry which will contain potatoes from more than one grower. Many plants are on 24 hour working for a minimum of 120 hours per week. This means that over 1,400 tonnes of potatoes are processed through each crisp line per week.

No added value as to understanding environmental costs

- Origin labelling may also result in consumer confusion as to the environmental costs of production. It is important to include the entire lifecycle of a product, including details of how each phase contributes, before judging costs related to environment and sustainability.
- Some foods that travel long distances may even have an environmental advantage over local products. A recent UK study, for example, pointed out that procedures such as drying and canning result in products with a longer shelf life that can be carried by sea, rather than air-freighted, and add value for local producers.

Commitment to provide safe food remains crucial

- Furthermore, we believe that adding mandatory origin information on pack would bring no added value to consumers. We are aware that consumers look for consistent finished products which meet their expectations as regards taste, nutritional standards and food safety. Flexible supply chains, guaranteeing continuous supply of fresh raw materials, are crucial to maintain consumer confidence. Our members invest significant resources to ensure our products are safe and meet high quality standards. As regards the supply chain, this means that our members comply with HACCP and traceability requirements which ensure that food can be traced and tracked

and manufacturers are able to identify an immediate supplier if need be.

- Traceability guarantees that adequate procedures are in place to withdraw products from the market where a risk to consumer health is posed. Origin should remain part of industry's role to provide safe food instead of contributing to information overload on pack which can be counterproductive.

The European Snacks Association (ESA) is Europe's only trade organisation dedicated to advancing the savoury snacks industry on behalf of member snack manufacturers and suppliers. Founded in 1956, our members are national and international snack producers and industry suppliers, who together are involved in the manufacture of potato crisps, corn chips / tortillas, pellet snacks, baked snacks, crackers, pretzels, savoury biscuits, popcorn, pork rinds, meat snacks, fruit snacks, peanuts, other snack nuts and various other savoury snacks in this category.

ESA represents member companies' interests at national, European and International level and is proactive in its anticipation and fielding of potential issues of relevance to the industry.

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¹ Comparative merits of consuming vegetables produced locally and overseas: Fair and evidence based carbon labelling: <http://www.relu.ac.uk/news/policy%20and%20practice%20notes/Edwards-Jones.pdf>