

**Ms Stella Kyriakides**  
Commissioner for Health and Food Safety  
European Commission  
Rue de la Loi, 200  
1000 Brussels

Brussels, 29 January 2020

## **Sustainable Food Strategy – Retail & wholesale contribution**

Dear Commissioner,

We welcome the ambition and comprehensive strategy set out by the Commission last month in the European Green Deal. In this letter, we wanted to share with you some initial thoughts on the Farm-to-Fork sustainable food strategy under the Green Deal, on which we will be keen to work with you and offer more detailed input as you take it forward.

Food retailers and wholesalers are a central actor in the food supply chain: they are in daily contact with Europe's 500 million consumers; they operate sophisticated and efficient systems ensuring the reliable and safe distribution of foods, and both act to meet consumers' ever-changing demands and help them in leading a healthy lifestyle. Millions of companies, large and small, and millions of people working in the sector, are engaged in these activities. On this basis, we hope you will find our points below a useful contribution as you and your services prepare the strategy.

### **'FROM FARM to FORK' OR FROM THE CONSUMER BACK TO THE PRODUCER?**

Consumers want sustainable and healthy food - and choice. We are, as retailers and wholesalers, keen to help farmers produce food in an economically and environmentally sustainable way. But this can only happen if farmers and the food industry match what they produce with what consumers want. We believe, therefore, that the strategy needs to start with the consumer and work back. Retailers have been pivotal in implementing and encouraging the necessary changes. In responding to consumer demand, retailers are at the forefront of offering organic food, vegan products, local products, alternatives to animal-based products, 'free-from' alternative options, and providing nutritional and sustainability information and other means to encourage consumers to choose them.

Recent supplier-retailer tensions in France illustrate this point: a well-known supplier of carbonated sugar drinks refused to supply a retailer who wanted to restrict the range of the company's drinks and reserve shelf-space for healthier alternatives. ***We therefore ask that consumers and retailers be given a clear and prominent role in developing the strategy. And that the title of the initiative 'from farm to fork' be adapted to reflect the more consumer-centric and planet-centric approach we believe will be necessary for it to succeed.***

### **PROMOTING FRUIT AND VEGETABLES, SELLING FRESH FOOD**

Shops are the place where consumers make their choices about a healthy diet. Fruit and vegetables feature at the front of the store and many retailers have introduced concrete initiatives to encourage consumers to consume more fruit and vegetables. We have subscribed to EU initiatives to promote this. ***We ask the Commission to engage with retailers as key partners in their strategy to promote the consumption of fruit and vegetables.***

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## **REFORMULATING PACKAGED FOOD FOR LOWER SALT, SUGAR, AND FAT**

Retailers and wholesalers have led the way in decreasing salt, sugar or fat content in their retailer brand (also known as private label) products, and encouraging manufacturers to do the same. ***We ask the Commission encourages and takes account of these voluntary private initiatives, coupled with continued public education campaigns on healthy diets. We do not believe that taxation presents a viable alternative, as it has been shown to be both ineffective and too rigid.***

## **SHIFTING TOWARDS ORGANIC AND ANIMAL-FRIENDLY AGRICULTURAL PRODUCTION**

Consumers are radically changing their food consumption patterns. Not only are consumers concerned about the healthy and nutritious nature of their food, they also increasingly want to know how food is produced, the impact on the environment and climate, and the way farm animals are treated. Hence the growing demand for organic food and the reduction or elimination of pesticides and harmful chemicals, for vegetarian and vegan options, for higher animal welfare standards, and for alternatives to animal-based products. Retailers and wholesalers have been the first to respond to these consumer demands and offer the products they want. ***We would welcome Commission action to reinforce compliance with current rules and to recognise the value of private certification schemes in making the market for those products more fluid.***

## **RESPONSIBLE SOURCING**

Retail and wholesale have led numerous initiatives to monitor and improve the sustainability of their supply chains. Work has focused on phasing out certain non-sustainable products, working with local actors in the supply chain to improve production conditions and environmental impacts of the products we buy and sell. ***We ask the Commission to promote mutual recognition of current initiatives and to support the effectiveness of such actions in increasing the availability of sustainable products.***

## **REDUCING FOOD WASTE**

Apart from environmental and social considerations, it simply doesn't make good business sense to waste wholesome food. This is why food retailers and wholesalers have reduced waste over the years by increasing the efficiency of logistics in their own operations. Retailers have developed attractive products such as store-made soups, using products that have lost their commercial value but remain fit for human consumption. As a result, retail and wholesale is only responsible for less than 5% of total food waste volumes. Retailers and wholesalers are also working with others in the supply chain to reduce waste elsewhere in the chain, not least in encouraging consumers, who make up the greatest proportion of food waste, but also working with food banks to provide wholesome food to those in need. ***The Commission can help by continuing and stepping up its successful actions to encourage food chain cooperation, and by mandating the exemption of VAT and wider tax treatment of the writing off of stock for food donations. It should also look at providing other financial incentives, as is the case already in several countries.***

## **REDUCING MATERIAL AND PACKAGING WASTE – BALANCING FOOD SAFETY, CONVENIENCE AND REDUCING PACKAGING**

Plastic waste is major issue that must be addressed, and packaging represents a significant source of plastic waste. This is why retailers and wholesalers have taken the lead, both voluntarily and supported by legislation, in drastically reducing or eliminating unnecessary plastic packaging at store level. Apart from mandatory measures in some countries, voluntary initiatives by Europe's retailers to encourage consumers to switch from plastic bags have resulted in reductions of 65-90%. We are making the same efforts with single-use plastic items. On the other hand, plastic packaging is unavoidable. It plays an important role in maintaining the safety and quality of our food, in reducing food waste and enhancing convenience. An example is cut fruit salad, which consumers buy more of than the whole fruit in some cases, such as pineapple. ***We ask the Commission to work towards a circular economy by better enforcing, with Member States, the agreed targets. The waste hierarchy in the circular economy principles needs to govern the***

***approach to choice of materials, including in packaging. The approach needs to be practical, and balance environmental objectives with the need for safety and convenience, and enable the Single Market to function. To achieve this, we ask for financing and promotion of research on renewable and recyclable packaging; waste management programmes and infrastructure need to become more efficient; and legislation should be more consistent with these agreed objectives and principles.***

## **NUTRITIONAL AND ENVIRONMENTAL INFORMATION ON PRODUCTS**

Retailers and wholesalers have led in the drive to provide accurate nutritional information to consumers, and for harmonised approach to this. This started the Food Information Regulation with detailed back-of-pack nutritional information, based on GDA (guidance on daily allowance). A number of leading retailers in Europe have embarked on applying front-of-pack information to complement this, many adopting the Nutri-Score label for their own retailer brands (aka private labels) and asking other suppliers to do the same. ***We ask that, once the Commission completes and releases its study of the various front-of-pack nutrition label schemes, it establishes EU-harmonised criteria to ensure any scheme in the market is based on robust scientific evidence and proven consumer understanding.***

Labels that cover the end-of-life and waste management of products are not harmonised and confusing. We recognise that this is often the result of different waste management systems and rules in different member states. ***We ask the Commission to encourage a more coherent approach to such labels and the rules underpinning them.***

Environmental and health objectives can sometimes conflict with each other (e.g. eating avocados, which are healthy but involve long-distance transport). Or some products receive a negative label score, while being nutritionally valuable when consumed in smaller quantities (e.g. olive oil). Simple sustainability labels that seek to combine environmental and nutritional information do not properly reflect these dilemmas ***We ask the Commission to do further work to address these conflicting objectives and reduce complexity for consumers seeking to choose a healthy and environmentally sustainable diet.***

On-pack labelling, in-store display and personal advice, online apps and digital information are all ways of informing consumers and nudging them towards a wide range of more sustainable products. Information should fit the needs of the individual consumer in making an informed decision. ***We ask the Commission to incentivise the use of factual digital information in order to help expand and tailor the information to suit consumer needs.***

## **DIGITAL TECHNOLOGY - HELPING PRECISION AGRICULTURE, CONSUMER INFORMATION AND TRACEABILITY**

Digital technology has made enormous progress in many areas and finds applications throughout the whole supply chain. Data-driven agricultural practices have enabled the development of precision agriculture, reducing significantly the use of synthetic fertilisers and pesticides. Digital data storage and transmission can supplement the labels on the package and provide a wealth of additional information. Blockchain technology can provide more accurate and reliable information and traceability. ***We ask the Commission to take developments in digital technology into account when setting policies in these areas, seeking effective outcomes while allowing scope for innovation.***

## **AFFORDABLE FOOD – THE SINGLE MARKET, GLOBAL TRADE, FREEDOM OF CONTRACT**

Price remains the key driving factor for consumers and for many this is not a matter of choice: no less than a fifth of Europe's people are at risk of poverty, and struggle to feed their families well. Intense competition among retailers has supported the development of sophisticated and optimised distribution systems, reducing unnecessary costs, and thus bringing foods and a more diversified and healthier diet to consumers at an affordable price. Open trade, with global trade liberalisation and the European Single Market, has enabled millions of consumers in the EU to benefit from a wide choice of good quality products at competitive prices. Retailers and wholesalers have been the engine of open trade, leveraging its benefits for consumers and safeguarding consumers' purchasing power through negotiating fair prices with the best suppliers.

Environmental and health considerations, local production and short supply chains may pull in a different direction than simple price optimisation, but for legitimate other benefits. Other tendencies have less justification: member states' gold-plating of EU requirements and differing food standards, and suppliers fragmenting the single market to impose unjustified territorial supply constraints, harm consumers and hold back growth in the EU economy. ***We ask the Commission, when pursuing other important objectives, to continue their support for open markets, in particular the Single Market, and freedom of negotiation between retailers and suppliers with the objective of keeping food affordable for all consumers.***

#### **A DECENT INCOME FOR FARMERS THROUGH DIALOGUE AND MARKET ORIENTATION**

Consumer demand is constantly changing, but people will continue to look for healthy, sustainable, quality products which respect the planet's environmental needs. Ensuring long-term sustainability of supply of products that meet consumer demand is a critical issue for retailers, who compete daily for consumers' attention. Farmers work hard. They deserve a decent income and to reap real benefit from their work. But this will not be served by increasing bureaucratisation nationally and at EU level, which adds costs but offers little benefit to those it intends to help. Rather improving farmers' income needs them to be better organised and more able to respond to market signals. Ultimately, they can only get a good price for foods which consumers want to buy. Many retailers and wholesalers are helping farmers with a range of initiatives, such as securing long-term contacts with farmers to support their transition towards organic production, or shielding them from excessive volatility by guaranteeing floor prices. Our sector knows from day-to-day what sells and what not, and has a shared interest with farmers in passing on this information and helping match what the consumer chooses to put on their fork with what the farmer produces. ***We have supported, will continue to support, and ask the Commission to support these initiatives by private actors and recognise their value. We ask the Commission to accelerate the strengthening of producer organisations and wholesalers (while ensuring respect of EU competition rules). The work on market transparency should avoid requiring retailers and food operators to collect and report meaningless data, and instead work to strengthen the useful role of Market Observatories in exchanging data with farmers. Finally, dialogue between all players in the supply chain at local, national and European level can lead to valuable cooperation between farmers, processors and distributors to the benefit of all, including not least, consumers.***

I hope that above points will help to give you an impression of the contribution of the sector to creating such benefits and of our policy priorities. We want also to contribute in a positive way to your work in designing and elaborating your strategy, and will offer further thoughts to you and all the services involved as the strategy develops.

We would meanwhile be happy to meet to discuss these points at your earliest convenience.

Yours sincerely,



Christian Verschueren  
**Director-General**

**Cc:** Executive Vice-President Timmermans  
Commissioner Wojciechowski  
Commissioner Hogan  
Commissioner Breton  
Commissioner Sinkevičius