



5 August 2008

**Updated UEAPME position on the
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the
provision of food information to consumers COM(2008) 40 final**

UEAPME has delegates from all member states and represents some twelve million small businesses in the European Union. UEAPME's working group on foodstuffs has discussed the proposed Regulation on the Provision of Food Information to Consumers in detail and has consulted with its members who have made the following submissions.

Executive summary

In the main members of UEAPME support the intention to summarise and to simplify the existing labelling provisions.

However the proposal is a complication, **not a simplification** for small business.

Members of UEAPME totally reject the idea of labelling on non-pre-packed foods.

Members of UEAPME find a minimum font size of 3mm impossible.

The cost to SMEs could be as high as 6 billion euro per year.

General

The draft regulation on the provision of food information to consumers is to be welcomed in that it brings together much of the diverse labelling law and supersedes at least eight existing directives and regulations. However, in its present form, it is impractical and unworkable. The objectives defined in the text are sound and well-meaning. The only trouble is that they are not achievable either from a possibility or economic standpoint.

Almost 90% of food businesses in Europe have **less than ten employees**. Most of these businesses are specialist craft enterprises serving mainly the local population. They produce a wide variety of product according to season and availability. Current demand is for smaller portions, particularly for ready to eat foods. This means that pack sizes are smaller.

The Regulation should apply equally in all member states with no options for additions or exemptions.

The proposal for a regulation on food information to consumers contradicts the Commission's goal to facilitate administrative burden.

The proposal leads to **a tremendous burden for SMEs** and competitive disadvantage for SMEs. The structure of typical European food enterprises is not considered by the proposal.

A more efficient labelling legislation must serve the interests of the consumers and at the same time be workable in practice in the businesses. This can only be achieved with a sufficiently flexible labelling scheme, together with in-depth consumer information on the understanding and the use of product information, as well as on healthy diets and physical activity.

The craft butcher and catering sector fears that the present proposal for a regulation will neither enable to reach its declared aim of a simplification of the food labelling legislation nor will it enable to tackle the obesity problem.

Recent research has indicated that the majority of consumers already do not understand the information on a food label. To have more would only increase that incomprehension and so serve no useful purpose.

Small food businesses produce a wealth of variety giving customers choice and satisfaction. That variety depends on seasonality, customer expectations and skills available on the day. By contrast many larger producers are supplying standardised product. A standard item has one analysis and one label. Small craft producers, retailers and caterers may never make the same product twice as they are **producing to individual customers' requirements.** That means that it is quite impossible to declare nutritional information accurately or, in many cases, allergen inclusion.

Detail

This Regulation should **apply to pre-packed foods only.** It is impossible to be accurate in delicatessens, craft producers, self-service bars and restaurants where best advice should apply.

According to the draft regulation all provisions would apply also to non pre-packed foods, unless the member state foresees different obligations for unpacked food. This would not only lead to very differing situations in the member states but also to a restraint of seasonal products. A change of recipe would cause a different labelling and that implies financial and personnel effort.

Article 4.1.b i and iii are too wide. They do not specify action and are open to misinterpretation

Article 4.1.c is also too wide as it could include people's preferences like vegetarian, halal etc.

Article 6 should include a reference to pre-packed foods.

Article 9.1.j again is too wide. It implies cooking instructions for all raw ingredients.

Article 24 which insists on metric units discriminates against the British traditions of imperial units.

Article 34 demands nutrition information to be on the front of a pack. In most cases this would leave no room for the name of the product.

Articles 40, 41 and 44 should be deleted. **The Regulation should apply equally in all member states.**

Article 53 allows small businesses some grace before the date on implementation. This does not make the provisions any more possible or less expensive.

Nutrient information

The foreseen mandatory **nutrition labelling cannot apply to craft butcher and catering businesses.** It would be impossible in terms of financial means and also in terms of time for the businesses to order a nutrition analysis for every craft prepacked foodstuff. Unlike standardized industrial recipes, craft recipes are subject to changes, because raw materials and consumer demands are changing. Mandatory nutrition labelling would make it impossible for the craft sector to adapt in a flexible way to consumer demands and to offer a great product variety. There is an evident risk for especially SMEs of the craft butcher and catering sector to be put out of the packed products business by mandatory nutrition labelling and its consequences.

Mandatory nutrient information for prepacked food is not feasible for SMEs. Small handcraft enterprises do not have the expertise and the financial and personnel resources to comply with this obligation. The exemption in Annex IV shows a positive intention. However this exemption is still too restrictive. Additionally nutrient information is not a useful measure to fight obesity. According to the proposal nutrient information should appear in the "principle field of vision" (art. 34). By imposing too many elements on the "principle field of vision" the objective of at-a-glance information is missed. The consumer would be confused by the numerous elements on the pack

Allergens

Members of UEAPME object to the declaration of allergens on the label. This causes labels, which are much too large, and it has to be possible to provide this kind of information in another way. Allergen labelling for non pre-packed food is not feasible in practice. Due to a great number of ingredients used by a craft butcher in a great product variety, it is hardly possible to practice labelling on a case by case basis. Either the food business operator breaks the law when he desists from impractical rules or at each point of sale one would have to be able to read "attention: you are entering an allergen zone!"

Therefore, especially for SMEs an exemption of a mandatory allergen declaration also for non pre-packed food must be made. Especially SMEs which sell their products mainly in their own shops have the advantage that they have qualified personnel who are able to inform the consumer about allergen components in the products. It would therefore be **disproportionate to label 100% of the products**

offered for sale for one hypothetical allergic customer who can as well benefit from direct advice when he is buying a product. **Allergen labelling must therefore be voluntary.**

Presentation

The provisions for a minimum font size are to be deleted.

It is obvious that packages are constantly smaller sized in all the EU Member States, due to the fact that households are becoming smaller, due to changes in dietary habits and due to ready-to-eat products in portions becoming more and more popular. With a view to these facts, the establishment of a **3mm font size**, smaller labels, demands for more and more labelling elements and a bigger font size leads to an **impossible impasse**. The decisive element, as was the case up to now, should be legibility, which depends not only on the font size, but also on the contrast between lettering and background, on the font type, the spaces between characters, etc.

One should not forget that the demanded font size of 3mm is not even fulfilled by the Official Journal of the European Union, which is the most important information source of the European citizens. The capitals have a size of 2mm and the lower case letters a size of 1mm.

EU guidelines for the presentation of mandatory indications should be preferred instead.

The proposed 3mm font size would be impossible on small packs. To enforce it would increase pack size and so waste packaging. We recommend a font size and colour contrast that the average person can read at 1500mm.

Cost

Figures vary between member states as to the number of products any one business may produce.

Austria 100-200, Netherlands 162-180, UK 20- 300. **A conservative estimate would be 50 products per business.** The cost of changing a label is put at €56 and the cost of providing nutritional information is put at €400. There are currently 296100 food producing businesses in the EU¹.

	enterprises	%	employees
Meat and meat products	46100	15.6%	10390000
Processing fish and products	4000	1.3%	1287000
Dairy products	12500	4.2%	4000000
Bread, sugar, confectionary and other food products	181300	61.2%	20431000
Miscellaneous food products	30000	10.1%	6000000
Beverages	21800	7.4%	4796000
Tobacco products	3000	0.1%	101000
Total	296100	100%	47721000

Thus the cost to small businesses of **changing the labels** alone would be
 $56 \times 50 \times 296100 = \mathbf{829 \text{ million } \text{€}}$

The cost of providing **nutritional information** for small businesses would be
 $400 \times 50 \times 296100 = \mathbf{5920 \text{ million } \text{€}}$

Business comments

If this came in we would stop using fresh ingredients and serve only factory frozen meals. Only then could we be sure that the labelling is right.

Any form of legislation that requires us to write/print and display the information outlined in this proposal would raise the on-to-shelf cost of a large proportion of our products to an uneconomical level and prevent our ability to innovate on a day by day basis.

If additional workload was imposed we would necessarily have to reduce our range to a very small proportion of its current level in order to keep our information current.

This proposal will cramp the flexibility and innovation that is a hall mark of our service: take away that and more of us will go to the wall.

¹ Eurostat 2006/7, restaurants and caterers not included.

We grow over 300 different varieties of vegetable and different varieties of the same crop will contain different nutrient values. Nutrient value will also vary according to the system of husbandry used to grow the crop, and indeed with the soil type and vagaries of weather.

All legitimate business people want to give consumers a fair deal but the proposals are madness and must not be allowed to succeed.

Conclusion

If the Regulation were to come into force in its present form, **the European culture reflected in the many small food businesses would be seriously damaged.**

UEAPME would welcome the opportunity of assisting in the redrafting to make the proposal workable.

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