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Food supply chain: MEPs want better balance among the players

The AGRI committee of the European Parliament adopted, on 28 June 2010, a report on “Fair revenues for farmers: a better functioning food supply chain in Europe”. With 230 amendments on the text, drafted by José Bové (Greens-EFA, France), it is a final report which has been extensively modified by the AGRI Committee adopted, by 32 votes for, 4 against and 2 abstentions.

The report as adopted is critical to the functioning of the food supply chain, including the role of retailers.

The following points were mainly treated by MEPs:

- * **Price transparency:** MEPs urge the Commission to conduct a study on margins throughout the chain. They also note an imbalance in transparency and, in some countries, higher margins in the food chain obtained by the food processing industry, and ask for a study on this subject;
- * **Competition:** MEPs call on national and European competition authorities, to address the dominant position and significant market share of agribusiness traders, input companies processors and retailers operating in the food supply chain;
- * **Abuse of power by the buyer and contracts:** MEPs ask in particular that payment periods along the food supply chain should be shortened to maximum 30 days for all foodstuffs and less for highly perishable agricultural products. They also welcome with satisfaction the appointment of a mediator in the sector;
- * **Self-regulation:** MEPs encourage the preparation of codes of conduct on good business practices, including complaint mechanisms and penalties in case of unfair practices. They also call on the Commission to propose legislation for instruments to curb price volatility in order to reduce the vulnerability of producers.

The European Parliament, gathered in a plenary session, should then vote on the report on 6 September 2010.

The Agriculture Council debates on the competitiveness of the European Agro-food model

The Agriculture Council that gathered on June 29th in Luxembourg published [conclusions](#) on the **competitiveness of the European agro-food model**, following discussions undertaken under the Spanish Presidency.

A wide majority of Member states considers that the European production model constitutes a heritage that needs to be preserved and should be based on exacting sanitary and environmental rules. Nonetheless, these demanding rules are both an opportunity to modernize the agricultural sector and a challenge for the European agriculture as it is confronted with a strong international competition.

Solutions to promote the European agro-food model abroad have been put forward:

- * To increase the effectiveness of information tools, including promotion instruments ;
- * To recognize a fair competition between EU and non-EU producers regarding norms, taking into account consumers' demands and needs in terms of quality, healthy food, environment and animal welfare ;
- * To reinforce the effectiveness of control systems within Member states, notably those regarding sanitary and phytosanitary aspects at EU external borders or at the final destination of imports (the Commission will provide the Council with a report by the end of the year on the effectiveness of these controls) ;
- * To promote the European model in the framework of international negotiations, by insisting on the role of quality schemes, including IGP.

Possible actions to be developed within the EU:

- * Consumers should have the necessary information on the European agricultural system in order to be granted the possibility to make informed choices, notably through a proper labeling of products ;
- * Simplification, evaluation and impact analysis are instrumental to reducing superfluous costs and administrative burden for companies on a systematic basis ;
- * The functioning of the food chain should be improved ;
- * Research and innovation should be strengthened as they are critical tools to improve the competitiveness and sustainability of the internal and foreign markets ;
- * It is necessary to make sure that European instruments are available to help farmers responding to societal challenges and consumers' demands.

Dacian Ciolos for an agency responsible for the promotion of agricultural products

For the European Commissioner for Agriculture Dacian CIOLOS, "*our ability to better promote our products, not only on the European market but also internationally*" will be a key to our future, according to a statement made at the seminar of COCERAL (*Committee on Trade in cereals, feed, oil-seeds, olive oil, oils and fats and agricultural supply*) which was held on June 21st in Brussels.

That is why he asked his staff to consider the possibility of setting up a specific instrument to act more effectively, why not through a "*European level agency responsible for promoting and provided with a specific budget*". Indeed, for Dacian CIOLOS, "*the promotion must have a new powerful instrument at the European level*".

He also stressed that many contributions to public debate on the future of the CAP show the importance attributed by citizens to the diversity of products, quality and food safety. The European Commissioner for Agriculture said it was necessary to integrate competitiveness factors such as climate change, conservation of water, soils, biodiversity or the welfare of animals. Finally, the second pillar of the CAP (rural development) should contribute more to the modernization of the agriculture and food sector through research and innovation.

30 million Euros for the promotion of agricultural products within the EU

The European Commission made public on July 1st its approval of 19 programmes presented by 14 Member states (Austria, Belgium, Czech Republic, Denmark, France, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Slovenia, Spain and United Kingdom) aimed at providing citizens with information on agricultural products and ensuring their promotion within the EU. These programmes, which length usually lasts 3 years, correspond to a budget of 60,6 million Euros, half of which being financed by the EU budget through the CAP.

The following main programmes have been approved:

- * Programme submitted by 3 country (France, the Netherlands and Spain) to promote fresh fruits and vegetables in their country as well as in Germany (4,2 millions granted by the EU budget) ;
- * Programme from 3 countries (Belgium, France and the Netherlands) to promote processed vegetables (3,7 millions) ;
- * Dutch programme to promote fresh fruits and vegetables (2,5 million) ;
- * Programme submitted by 3 countries (Belgium, France and the United Kingdom) to favour the consumption of fresh fruits and vegetables (2,4 million) ;
- * Italian programme to promote the consumption of PROSCIUTTO SAN DANIELE et du GRANA PADANO in Italy and the UK (1,98 million) ;
- * Polish programme on quality meat (1,8 million).

The measures financed mostly consist of actions linked with public relations, promotion and advertisement underlining in particular the beneficial effects of the consumption of EU products, notably regarding quality, food security, hygiene, nutritive values, labeling, environment and animal welfare.

Commission withdraws draft proposals on organic wine

EU Commissioner for Agriculture & Rural Development Dacian Cioloş withdrew the draft proposal to introduce rules for the production of organic wine on 15 June.

The draft has been under discussion for several months within the Standing Committee on Organic Foodstuffs – and in a number of bilateral meetings - but it has not been possible to find a credible compromise which respects organic standards.

Commissioner Cioloş stated: *"It is clear that conditions for such new rules are not right in a majority of member states. I am not willing to compromise on organic standards because it sends the wrong signal to consumers on the importance we attach to quality policy. Our hope would be that the industry and research can make progress, and the Commission can come back to these proposals in future."*

Based on an independent study (Orwine), the draft proposals sought a number of changes, including:

- A lower limit for sulphites than in conventional wine;
- A smaller list of permitted additives and processing aids than in conventional wine;
- Not permitting 5 oenological practices, and restricting the use of 3 others

The only official reference to organic wine that currently exists relates to wine developed from organic grapes marketed as 'organically grown grapes'.

Cutting back on salt in Europe

During the Health Council, on 8 June, health ministers encouraged the member states to raise public awareness of the health benefits of reasonable salt consumption and invited the Member states to strengthen or develop their national nutritional policies. The European Commission is invited to analyse the lowest salt levels to identify what is feasible in each food category and to report on its findings in 2012. The high salt intake being seen across the EU is a key factor contributing to high blood pressure and consequently to cardiovascular disease.

According to the European Food Safety Agency, most Europeans' daily salt intake (3-5 g of sodium, or around 8-11 g of salt) is well above the recommended amount and the main source of the salt Europeans consume, around 70% to 75%, is processed foods.

Traceability and identification along the food chain as main themes of the Veterinary Week

The EU veterinary week 2010 "[animal + humans = one health](#)", opened by Commissioner for Health and Consumer Protection, John DALLI, took place in Brussels, from 14 to 20 June. Traceability of the origin of animals and foodstuffs was the main theme of this third edition. "*Traceability is a crucial tool for the control and eradication of animal diseases to ensure food security,*" according to Mr. DALLI, while underlining that the development of standards is associated to former health crises.

Other topics have been discussed, such as animal health (zoonoses), disease prevention and control, food safety and quality, labelling, consumer confidence, animal welfare and crisis management. Participants included representatives from the veterinary services of the Member states, MEPs, veterinary and medical associations, scientific experts and agricultural associations.

The week began with the signature by John DALLI and Bernard VALLAT, Director General of the World Organization for Animal Health (OIE), of a **Memorandum of Understanding to facilitate the attainment of common communication goals for the World Veterinary Year "Vet2011"**. Elena ESPINOSA MANGANA, Spanish Minister of Environment and Rural and Marine Affairs, recalled the challenge posed by the high level of food security in terms of global competition. She stressed that the events in Brussels and across the EU must help bringing the veterinary and the farming worlds together but also to make Europeans aware of the protection they benefit from.

Food prices much vary amongst Member states

According to a report from Eurostat published on June 28th, prices of similar foodstuffs and non-alcoholic beverages sometimes double from one EU country to another. Overall foodstuffs' and non-alcoholic beverages' prices are the most expensive in Denmark, while Poland experiences the lowest prices in the EU. In Denmark, these prices exceed the EU average by 40%. Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg and Sweden all exceed the EU average.

Prices' differences also much diverge depending on the products. For bread and cereals, prices in Bulgaria only reach 52% of the EU average and 58% in Poland, while they attain 132% in Ireland and 146% in Denmark. Prices also heavily fluctuate for meat, reaching 56% in Poland and 58% in Rumania, and 128% in Austria and 131% in Denmark. For milk and eggs, Poland experiences once again low prices (63%) as well as Lithuania (77%), whereas Ireland and Cyprus are at the top of the list with prices reaching 137%.

The variety of prices' levels for non-alcoholic beverages are even higher, with a ratio of 1 to 2,5. Highest prices were detected in Finland (170%), Ireland (167%), Sweden (138%), Denmark (135%) whereas Rumania was at the opposite side (77%), below Spain and Hungary (84% each).