BARBADOS PRIVATE SECTOR ASSOCIATION

BARBADOS PRIVATE SECTOR TRADE TEAM
A DIVISION OF THE BARBADOS PRIVATE SECTOR ASSOCIATION

EXPORTING TO THE EU

SECTOR STUDY

BEVERAGES

Prepared for the Barbados Private Sector Association (BPSA) with the support of the IADB project "Building Capacity to increase exports"

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CHAPTER 1 INTRODUCTION

This report presents a sector study of the non-alcoholic beverage industry in the European Union (EU 27), with a special focus on the market prospects for Barbadian producers. It is intended to elaborate possible opportunities for building export capacity among Barbadian producers to access the EU market, within the context of the Economic Partnership Agreement (EPA). The research is sponsored by the Barbados Private Sector Association (BPSA), through the support of the Inter-American Development Bank and is part of a series of four projects that will strengthen the BPSA in its role as a key participant in public policy debates affecting private sector development; while increasing awareness of changes and challenges that confront the sector. These four component projects involve:

- Improving private sector development and competitiveness;
- Providing information on the challenges and opportunities of the EPA to business owners, managers and workers;
- Building capacity to increase exports; and
- Supporting the Institutional strengthening of the BPSA.

This report contains four Chapters. Chapter 1 provides an introduction to the EU market for non-alcoholic beverages, including an overview of the current situation in the beverage market and a study of the key issues facing the sector, concluding with a summary list of critical success factors for exporting beverages to the EU based on the research. Chapter 2 outlines the various types of market requirements which producers may be required to meet, that is, important quality standards and their certification, sanitary and phytosanitary (SPS) regulations and technical barriers to trade (TBT). Chapter 3 provides a summary of standards applicable to the export of non-alcoholic beverages to the EU, across the value chain extending from primary production to retail environments. Chapter 4 identifies EU technical regulations for the processing, packaging and presentation of beverages. This sector study is the product of rigorous research and cross referencing of multiple sources conducted over three months in mid 2012. While every attempt has been made to verify the published information as accurate at the time of writing, the environment is very dynamic and subject to frequent changes at short notice. Exporters are therefore advised to remain in close communication on these issues with potential buyers. The manual is not intended as a substitute for legal or marketing advice and no liability will be assumed by the BPSA or its authors arising from the use or interpretation of the information contained herein.

CHAPTER 2: THE EU MARKET FOR BEVERAGES

Definitions

The Union of European Soft Drinks Associations (http://www.unesda.org) defines a beverage as a drink specifically prepared for human consumption. It specifically excludes plain water, but can refer to soft drinks, teas, coffees, juices or milk-based drinks such as shakes. Generally speaking, wines, beers and spirits are classified specifically as alcoholic beverages. The word beverage comes from the Old French word beverage (modern version *boivre*), meaning 'to drink'. The modern French equivalent is *'breuvage'*. Other expressions include '*bebida*' in Spain and Portugal, *'bevanda'* in Italy, *'getränk'* in Germany and *'drank'* in Dutch.

Overview of the European Drink Industry

As a result of the recent financial crisis in the Eurozone, the market for 'soft drinks' or non-alcoholic beverages across the EU-27 has seen flat growth to date in 2012. Increased taxation levied on carbonated drinks, rising manufacturing costs and low consumer confidence have created a general slowdown in the growth of the non-alcoholic beverage sector in the EU in recent years. Despite these factors, Europe is still one of the biggest markets for non-alcoholic drinks.

Although this report does not focus on alcoholic drinks, it is useful to consider that the European Union occupies a leading position on the world wine market, accounting for 45 % of wine-growing areas, 65 % of production, 57 % of global consumption and 70% of exports in global terms.

Market and Growth forecast

Canadean, a leading strategy research firm, forecasts that the Western European soft drinks market will reach about 103 billion litres in 2012, while Eastern Europe will account for 46 billion litres [1]. Compared to other big markets such as Asia and Latin America, growth has been much slower, particularly in countries such as Greece, Portugal, Ireland and Spain. Canadean proposes that on a regional level, Asia is now the biggest soft drinks producer at about 150 billion litres, followed by North America and Latin America and then Western Europe and Eastern Europe. The biggest difference between these regions is that Europe is experiencing relatively flat growth in soft drinks; 2012 growth is forecast at about 0.6% on 2011 figures in Western Europe, for Eastern Europe about 0.5%. Asia and Latin American markets currently have the strongest growth forecasts; driven by their growing populations and economies, as well as bigger increases in disposable income. In contrast, Western and Eastern Europe are already much more developed markets. Very cold weather conditions are another factor which impact market performance.

In Eastern Europe, Turkey is one of the beverage markets expected to grow, based on healthy national GDP growth during the last few years. However, authorities have recently placed a ban on carbonated drinks in school canteens due to health and wellness concerns, which have slowed growth in the first quarter of 2012 compared to 2011. Poland and the Ukraine are also expected to offer some growth

[1] Source: http://www.foodprocessing-technology.com

opportunities. In Western Europe, France, Germany, UK, Benelux, Austria and Norway may have prospects for growth in the market for drinks despite the recessionary environment. This is in contrast to Greece, Portugal, Ireland, Spain and Denmark where economic conditions will encourage slow recovery.

Health and wellness concerns, in particular related to sugar and obesity in children are a growing influence on the performance of the market. In decisions reportedly aimed at controlling public preferences, the governments of France and Denmark have imposed significant taxes on carbonated drinks. In the case of Denmark, the tax on sweet and soft drinks has increased by 50%. In both countries, the tax has resulted in contraction in the market for these drinks. Forecasters state that it is possible that taxes on carbonated drinks will develop to become a trend within Western Europe because the articulated health concerns are high priority issues on government agendas. Based on the experience to date, this will result in market contraction.

Market Segmentation

The Global Beverages Report in 2009 stated that until recent times, the beverages market was divided simply between alcoholic and non-alcoholic beverages. However, increasing sophistication in consumers' tastes has prompted burgeoning demand in a variety of beverage options catering to lifestyle changes and health concerns and the beverages industry has responded with an overwhelming array of options to choose from. The report proposes that the beverages markets may be disaggregated into the following product segments;

i. alcoholic beverages such as wines, beers and spirits;
ii. non-alcoholic beverages such as bottled water and milk;
iii. brewed beverages such as coffees and teas;
iv. carbonated beverages such as sodas and soft drinks;
v. non-carbonated juice products both fresh and pre-packaged; and
vi. energy drinks which are generally caffeinated beverages in both carbonated and non-carbonated forms.

Domestic production of milk and dairy products under the EU Common Agricultural Policy

The operation of EU markets for agricultural products and fresh foods, including dairy and milk production, are significantly influenced by the EU Common Agricultural Policy (CAP). The CAP has roots in the 1950 war-damaged societies of Western Europe, where agriculture had been crippled and food supplies could not be guaranteed. The CAP offered subsidies and systems guaranteeing high prices to farmers, thereby providing incentives for them to produce more. Financial assistance was provided for the restructuring of farming, for example by subsidizing farm investment in favour of farm growth and management of technology skills so that they were adapted to the economic and social conditions at the time. Certain measures were introduced in the form of help for early retirement, professional training and in favour of less favoured regions.

The CAP was very successful in meeting its objective of moving the EU towards self-sufficiency from the 1980s onwards. In the 1990's however, the EU had to contend with almost permanent surpluses of the major farm commodities, some of which were exported (with the help of subsidies), others of which had to be stored or disposed of within the EU. These measures had a high budgetary cost, distorted world markets, did not always serve the best interests of farmers and quickly became unpopular with consumers and taxpayers. At the same time, there was increasing concern about the environmental sustainability of agriculture, with the Rio Earth Summit (1992) being a defining event in this regard. Consequently, ongoing reforms have resulted in the current version of the CAP, which is more demand driven. Under the new system farmers still receive direct income payments to maintain income stability, but the link to production has been severed. In addition, farmers have to respect environmental, food safety, phytosanitary and animal welfare standards as a condition of receiving assistance.

In order to enable the coordination of subsidies and production within the internal market, the common organization of agricultural markets is a feature of EU fresh food markets, linked to the CAP. The framework for common organization is supported by legislation, mainly Regulation (EC) No 1234/2007 on the common organization of agricultural markets and Regulation (EC) No 1782/2003 on establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers. There are also a number of separate pieces of legislation, establishing rules for product-specific common marketing organizations (CMOs). Regulation (EC) No 1234/2007 establishes a common organization of the markets for milk and milk products (Part XVI of Annex I).

In principle, the CMOs manage and implement a trading system at the external borders of the Community, consistent with the EU single market, which includes import duties and export refunds; the major objectives being to stabilize Community markets, enhance food security and ensure a fair standard of living for the internal agricultural community. These measures take the form of public intervention or the payment of aid for the private storage of products of the cereals, rice, sugar, olive oil and table olives, beef and veal, milk and milk products, pig meat and sheep meat and goat meat sectors. A differentiated system of price support for each sector has been developed, in parallel to the introduction of direct support schemes, taking account of the different needs in each of these sectors on the one hand and the inter-dependence between different sectors on the other. The exceptional market support measures are administered and monitored through respective CMOs, established according to the rules prescribed in the relevant legislation as indicated above.

As one component of the system for monitoring the volume in trade in agricultural products with third countries in the CMOs for the named product groups, imports and exports have to date been subject to either compulsory licence systems or to systems where the Commission was empowered to provide for licence requirements. Imports of such products can be subject to payment of an additional duty, in order to prevent or counteract adverse effects on the Community market, if certain conditions are fulfilled. Under certain conditions, the Commission is empowered to open and administer import tariff quotas. To ensure the proper functioning of the CMOs and, in particular, avoid market disturbance, the CMOs for a number of products traditionally provided for the possibility of prohibiting the use of inward

and outward processing arrangements. Subsidized exports are therefore subject to limits in terms of value and quantity.

In summary, agricultural production in the EU has traditionally been and remains, protected by a complex tariff structure, with high rates and tariff quotas, and benefits from high levels of domestic support and export subsidies. The system features of subsidies, import duties and differentiated price support, weigh the balance of market opportunities, heavily in favour of EU producers. Despite the stated intention that the CAP system should be based on the undertakings accepted under the Uruguay Round of multilateral trade negotiations, the policy has always been somewhat controversial, since its operation creates significant obstacles for market entry for agricultural products from other countries, in effect a system of non-tariff barriers. As such, with the continued maintenance of the CAP, it will be challenging for developing countries to gain market entry in these sensitive sectors and compete, particularly in the areas of primary production. This is because the CAP incentives and subsidies to date have frequently resulted in surplus production at subsidized costs. Despite this, in principle, under the EPA, the EU has liberalized, duty-free and quota free (DFQF), 98% of trade in goods and 94% of trade in services immediately, effective January 1, 2008. This includes agricultural products such as beef, dairy, cereals, fruits and vegetables which can meet the marketing standards established in the relevant sectors. Custom duties have been removed from sugar and rice, while quotas will be eliminated on a phase basis. Bananas will be afforded DFQF access to the EU market (CAPRI, 2009).[2] Article 130 of Regulation (EC) No 1234/2007 states that imports of one or more products of the sectors identified are subject to import licences, which are in turn subject to the lodging of a security guaranteeing that the products will be imported during the term of validity of the licence. Except in cases of force majeure, the security shall be forfeited in whole or in part if the import is not carried out, or is carried out only partially, within the period of validity of the licence.

EU 27 Major Imports by product

Table 2 below shows the value of various categories of beverages imported to the EU27 as identified by the ITC TradeMaps. All drink categories show increased imports between 2010 and 2011. Fresh fruit and vegetable juices were the leading non-alcoholic category and had the largest category increase in value among all the segments shown. Fermented beverages showed a similar rate of growth at about 23%.

[2] Source: CAPRI (2009), The Long-term Impact of EPA in the Caribbean: Jamaica and St. Lucia, A Working Paper, retrieved from http://www.slideshare.net/testing123456/economic-partnership-agreement-epa-st-lucia

Major Imports by market

Table 3 below shows top 10 importers for beverages, spirits and vinegar (HS22 code) as recorded by the International Trade Centre (ITC) TradeMaps. The data shows that in 2011, Germany was the largest market for this products followed by the United Kingdom, France, the Netherlands and Belgium. Between 2009 and 2011, the EU 27 aggregated market for imports declined from 47 percent of world trade to 42 percent of world trade, remaining a significant market for exporters of beverages, spirits and vinegar.

Table 2: Value of selected beverage products imported by European Union (EU 27)						
Imported value * (US Dollar thousand)						
HS Code	**Product label**	**2007**	**2008**	**2009**	**2010**	**2011**
'2009	Fruit & vegetable juices, unfermented	8282438	9491639	7665989	7608449	9422628
'2204	Wine of fresh grapes	15086783	16342909	13829355	13710476	15501269
'2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	8469900	9405733	7825943	8084132	9118823
'2202	Non-alcoholic beverages (excl. milk an not stated elsewhere)	6591745	7333544	6858941	6716955	7315684
'2203	Beer made from malt	3739602	4032695	3748403	3835474	4253094
'2201	Mineral & aerated waters	1325360	1372233	1150488	1000754	1176964
'2206	Fermented beverages, nes	447972	472838	428453	450879	557962
'2205	Vermouth& other grape wine flavoured with plants or aromatic substances	363753	428433	375122	362626	474104
Source: ITC TradeMaps *including intra-EU imports						

Table 3: Top 10 importers for beverages, spirits and vinegar (HS 22)					
	Imported value (US Dollar thousand)				
Importers	**2007**	**2008**	**2009**	**2010**	**2011**
World	**83686204**	**92721867**	**81377293**	**87650225**	**103189702**
European Union (EU 27) Aggregation	**39337795**	**43757553**	**38558370**	**38657622**	**43786157**
Germany	6587396	7544613	7335833	7500016	8702583
United Kingdom	8348007	8236620	7120469	7547156	8160263
France	3362293	3881012	3578769	3483987	4198213
Netherlands	3623359	4095066	3715922	3450818	3814848
Belgium	3210643	3643614	2795232	2706726	3045156
Spain	2522528	2685681	2358752	2263032	2643279
Italy	2025364	2115850	1828026	1882436	2121403
Sweden	1287977	1590445	1351414	1332968	1535930
Austria	1045555	1275827	1209729	1216211	1321452
Denmark	1056112	1190575	1016930	1097248	1213300
Sources : ITC calculations based on UN COMTRADE statistics.					

Major suppliers

Table 4 below shows the top ten supplying markets for products defined by HS Code 22 as beverages, spirits and vinegar. The data shows that in 2011, the total EU-27 market for imports of these products was valued in excess of US$43.78 billion; increasing from US$38.65 billion in 2010 or by just over 13%. Leading EU-27 suppliers are France with its well developed spirits market, Italy, Germany and other Western European markets, the UK and Ireland as well as the United States of America.

Table 4: Top 10 supplying markets for beverages, spirits and vinegar (HS Code: 22) imported by European Union (EU 27)

	Imported value (US Dollar thousand)				
Exporters	**2007**	**2008**	**2009**	**2010**	**2011**
World	**39337795**	**43757553**	**38558370**	**38657622**	**43786157**
France	8904460	9708050	7631375	7693652	8770821
Italy	3757923	4382908	4160398	4206981	4968392
Germany	3442678	3861457	3629555	3695399	4102684
United Kingdom	3714212	4039305	3314362	3350051	3981111
Netherlands	2162082	2615397	2697508	2664982	3173890
Spain	2184850	2441264	2138589	2191997	2633087
Belgium	1789568	1842580	1660869	1717120	1943440
Austria	1357437	1662850	1550750	1512843	1655585
United States of America	1165217	1167532	1107097	1438411	1560221
Ireland	1356974	1259495	965736	990179	1025956

High potential product segments in the EU

Energy drinks

Energy drinks have maintained their growth in Western Europe, estimated at a 19% increase in the first quarter of 2012 from 2011; with a 16.5% increase in Eastern Europe. This small segment/category was formerly dominated by premium brands but has recently been the target for the launch of lower-priced brands, which have made the products more affordable for a larger audience of people. Sales of energy drinks are expected to continue to grow.

Soft drinks and juices

According to a 2009 market study by Food for Thought (FFT), an independent, international food and drink consultancy based in Geneva, Switzerland, the "soft drinks and juices" market in Europe, comprising sales of mineral water, soft drinks, fruit juices, fruit drinks, squashes and concentrates, health and sports drinks and iced supply of soft drinks and juice products across the sixteen countries in Europe covered by the survey; with the top10 companies supplying 49.6% of the market. Major players in 2009 were Coca-Cola with a market share of 21.5%, followed by PepsiCo (7.9%) and Nestlé (4.8%).

The European Fruit Juice Association (AIJN) 2012 Liquid Fruit Market Report with data from market research leader Canadean provides a comprehensive overview of market and sector developments for

juices and nectars across the EU 27 countries and Norway, Switzerland and Turkey. It also highlights the raw material flow on which the industry relies, indicating that the EU fruit juice industry is truly a global business which processes fruit juice raw materials sourced from around the globe. Other issues which get special attention in this report are tea, which accounted for Euros 72.9 billion of consumption in 2009; or 6.6% of the all food and drink market of Euros 1111 billion. Recently, more than 784 companies in the industry were involved in the creation of a sustainability policy and initiatives by the carton packaging industry that produces the packaging format the majority of juices uses, and the contribution of fruit and vegetable juices to a healthy nutrition. The full report is available online at http://www.aijn.org/pages/main/facts-figures.html.

In addition, Fischer (2012) advises that the prices of juice concentrate have been trending high, resulting in increased input costs for juice producers and therefore higher prices of these products in the EU market. In reaction to increased prices, consumers have been attracted to lower-priced categories, such as nectar and fruit drinks. EU fruit juice and nectar consumption stood at 10.7 billion litres in 2011. When Turkey, Norway and Switzerland are included the figure climbs to 11.8 billion litres (AIJN, 2012). This shift to lower priced categories has been seen in Germany, which is the largest Western European market for juice, accounting for more than a quarter of all juice sales. Given its significant market size, the impact of consumer choices in Germany tends to affect the sales numbers for the entire Western Europe. In Eastern Europe, the costs of juice and nectar have been increasing to the benefit of sales in other still drinks with reduced juice content.

Despite the imposition of taxation increases, many carbonated drinks have been heavily promoted in the market by strong campaigns. If this continues, sales are expected to be maintained at reasonable levels. Iced tea, including prominent brands Nestea and Lipton have continued to grow sales, consistent with the consumer appetites for products linked to health and wellness.

Catering and Foodservice

FFT estimated that the total foodservice market was valued at Euros 14.9 billion or 20.4% of the overall food and beverage market, while the retail market was worth Euros 58.1 billion or about 79.6% of the overall food and beverage sales.

Own/ Private Labels

As a proportion of the total market by value in 2009, distributors' own label products made up 17%, with manufacturers' branded products making up 83% of the total market. Retail distributors' own label products continued to make inroads into manufacturers' branded products in many products. Artisanal products (own-produced for own sale) and unbranded products (important in say fresh fruit and vegetable markets) make up the rest of distribution.

How consumers buy: critical trends and opportunities affecting the EU-27 beverage market

The Growth of Private Labelling

Private label products were once considered cheaper alternatives to brands, which were generally perceived to offer a superior quality promise. While private label products are still value-for-money alternatives, quality is generally much higher, and they are competing with premium brands across different kinds of soft drinks segments. Retailers such as Tesco and Carrefour have actively pursued the development of private labels and retailer-owned brands, driven in large part by economic conditions but also by the increasingly sophisticated product offerings required on the part of retailers to compete effectively for consumer's euros. The prevailing economic conditions and recession have pushed consumers into buying private label products and there has been an accompanying change in perception and attitudes. A few years ago, it may have been considered an inferior choice to buy a private label product or shop at discounters, such as Aldi or Lidl. Today, consumers are much more accepting of these alternatives as they hunt for value and there is no negative stigma attached to them.

Effect of recessionary economic conditions

According to Canadean (2011), the European Beverage category performance has been affected by a number of key factors as a result of:

- Consumer disposable incomes under pressure in the face of austerity measures
- Rising commodity prices
- Declining business in the on-trade segment
- Increased penetration of discounters and private label.

In 2011, the soft drinks market is experiencing a slow and uneven recovery across the region. In 2010, Eastern Europe consumption was up by 1% in 2010, while West Europe was still showing a marginal decline. However, soft drinks, dilutes and one shot drinks are all growing in value and volume.

Health and Wellness

Health and Wellness has become one of the most important trends guiding product development and consumer purchases in the soft drinks market. Manufacturers are substituting *fructose* and *aspartame* with low calorie "natural" sweeteners such as *stevia* and *agave*. The trend is moving beyond basic low calorie beverages and towards fat blocking and burning drinks.

Interesting product launches within the soft drinks category include Mio, launched by Kraft in March 2011. Mio allows consumers to put a few drops of flavouring in water to suit their tastes. It is packaged in a palm-sized bottle which is shaped like a water droplet, and there are six variants. Also launched in March was Pepsico's new Diet Pepsi "skinny can" which offers the same ingredients and volume as traditional Diet Pepsi, but with a slimmer silhouette.

Soya and Non-Dairy Drinks

There is growing popularity of soya and non-dairy drinks. Initially most consumer demand for non-dairy drinks was from Europeans suffering from lactose intolerance; however demand has broadened in recent years. Non-dairy drinks are increasingly bought as healthy alternatives to dairy milk.

Manufacturers are focusing on new product development with new launches including soya juice mixes and fresh soya drinks.

Mainstream retailers account for most non-dairy drink sales and dairy alternatives including chilled soya drinks and rice drinks have found increasing acceptance in the marketplace, particularly in the German and British markets. With expanded domestic production in Germany and the UK, and steadily increasing demand from consumers, manufacturers and retailers have launched new products with private labels competing with manufacturer brands on supermarket shelves. Prior to the recession, the fastest growing non-dairy drinks market was Spain. Large food companies have launched soya drinks and soya juice mixes. *Leche Pascual*, a leading dairy, is a market leader since 2002 due to its pricing strategy.

Organics

European organic food and drink sales are bouncing back from the economic slowdown. Consumer demand for organic products has been affected by declining disposable incomes and retailers reducing their organic product ranges. The UK and German organic product markets were the most adversely affected. Healthy market growth rates are returning with higher consumer confidence The French and Nordic markets are the frontrunners, with demand outpacing supply across product categories. Rising market growth rates are expected to cause organic product shortages in the coming years.

A major driver of market growth is increasing distribution. Organic foods are making inroads in supermarkets, hypermarkets, convenience stores and discount stores. Many such retailers are launching private labels, making organic foods available at affordable prices. The Catering and Foodservice sector is becoming an important channel for organic products. The market share of this channel has already reached 10 percent in the Netherlands, Sweden and other countries. The market share is rising as the penetration of organic ingredients and products increases in restaurants, bars, cafés and public canteens (Organic Monitor, 2010).

Dairy Drinks

Fortified dairy drinks are strong in Europe. Milk represents the second largest segment of the global dairy market in value term. However, in Western Europe premium-priced, added-value drinks, in particular some with built-in health benefits are driving growth in liquid dairy products. Eastern Europe is also showing strong growth potential. Added-value drinks include:

- fortified flavored milks,
- yogurt enriched with vitamin D3 and calcium
- yogurt flavored milk drinks with omega-3 fatty acids
- probiotics
- ‘smoothie’ blends fortified with B vitamins and
- drinking yogurts.

Probiotics have been an important segment in functional dairy drinks so far, based on the benefits claimed to healthy digestion and immunity, and spearheaded by market leaders such as *Danone, Yakult Honsha*, and *Valio*. In 2010, the global market for probiotic yogurt drinks was valued at USD$2.75 billion,

in comparison with very modest levels a decade ago. Within Europe, Spain, Germany, and the UK are the largest markets for probiotic yogurt drinks, worth USD$700 million, USD$515 million, and USD$500 million, respectively. However, there are signs that growth is starting to stagnate. In the UK, for example, Mars withdrew its Galaxy probiotic shot drink late in 2010, barely a year after its launch, following disappointing sales (Searby, 2012). Despite this the benefits delivered to consumers should ensure that this product category remains in a value-driven market, despite the intense competition. A major obstacle to the future development of probiotic dairy is that the European Food Safety Authority (EFSA) has yet to approve a probiotic health claim; however significant investments have been made in clinical trials which are underway. There is also research and development in progress to determine the application of probiotics to bone health, reduced sugar diets, sports nutrition, added vitamins and minerals and senior citizen health. In general, research and development is a critical driver of the innovation process in the functional dairy drinks sector.

Energy Drinks

Market research firm Zenith International, in its 2008 report on the West European energy drinks market, notes that this segment has continued to exhibit stable growth over the last five years, and has continually outperformed mainstream carbonated soft drinks. Sustained growth in the United Kingdom since 2005 and new product launches specially tailored for the French market have boosted average growth rates. West European energy drink volume sales grew by 10.6% in 2007 to 486.7 million litres to give a market value of just under €3.8 billion (Zenith, 2008). Thus, the energy drinks phenomenon continues to endure, silencing those critics who have argued that energy drinks are just a passing fad. In an energy drinks landscape still dominated by Red Bull, the major soft drink multinationals have struggled to make headway, so there could exist an opportunity for niche offerings. The West European energy drinks market has been boosted by a number of factors. These include: strong branding, intensified marketing activity, the targeting of key consumer groups, such as motorists, the expansion of distribution, packaging innovation and a stream of new entrants, albeit at a slower rate. Although faced with growing competition from pre-mixed spirits and other functional soft drinks, energy drinks continue to demonstrate solid growth potential.

Production Requirements and Supply Chain Issues

Supply of Inputs

Growing concerns over health and wellness are moving the EU consumer market away from ingredients with sugary content and basic artificial additives and flavourings into more scientifically engineered options. This will have implications for sourcing of supplies of ingredients and inputs, which are trending towards natural ingredients, biotechnology derivatives and value-enhancing additives. Producers will have to adjust their product formulations, plans for sourcing of inputs and in some cases the beverage production processes accordingly, in order to successfully target the EU market.

Packaging

Smithers Pira, a global authority on packaging, paper and print industry supply chains publishes a market research report on The Future of European Food and Drink Packaging to 2015, which provides a complete guide to food and drink packaging markets across Western and Eastern Europe. Available for

sale online, the report provides a market forecasts to 2015 broken down by packaging end-use sector, pack type and twelve national markets, along with analysis of key market drivers and trends. Coverage includes the UK, France, Germany, Italy, Spain, Belgium, the Netherlands, Scandinavia (Denmark, Finland, Norway and Sweden), Poland, Russia, the Czech Republic and Turkey.

In an excerpt posted online, the research company states that the market for rigid plastic packaging for food and drink in Europe is expected to achieve above average growth in volume terms between 2010 and 2015 (Leatherhead, 2011). By 2015 the annual volume of packaging units consumed is expected to exceed 858 billion; 75 billion more than in 2010. According to *Smithers Pira*, plastic bottles are the strongest performers in the larger packaging sectors. They added nearly 12 billion units to annual volumes between 2005 and 2010 and are forecast to add more than 17 billion a year by 2015 and look poised to overtake glass bottles and jars by 2020.

PET is the most widely used and fastest-growing polymer for the manufacture of plastic bottles and jars. In recent years, PET bottles have shown the strongest growth in the drinks sector by replacing glass bottles, liquid cartons and metal cans in many applications. PET bottles have several advantages over competing products, such as clarity, non-breakability, design flexibility, light weight, recyclability and economical production. *Smithers Pira* expects that technology will continue to play a vital role in future prospects for PET bottles. The uptake of increasingly sophisticated and expensive products will be required to maintain momentum being created by new developments in research and technology, including better gas barriers and UV light protection which can extend the shelf life of PET packaged products. New hot-filling processes are creating new opportunities for PET packaging of pasta, sauces, fruit juices, sports and energy drinks, ready-to-drink teas and beer. There have also been critical improvements in aseptic cold-filling processes. The online extract highlights a number of trends in the study as follows:

- Flexible packaging will continue to grow at a little above the market average. There are good growth prospects for plastic films, particularly films for stand-up pouches and shrink and stretch sleeve labels.
- Rigid plastic packaging will continue to replace other pack types such as glass bottles and jars for various food and drink products.
- Folding cartons (Tetra Pack brand name type) will continue to grow at below average market rates. Further losses of market share to flexible plastics are expected, although there will be opportunities for growth in some applications such as sleeving.
- Liquid carton consumption is expected to reduce a little between 2010 and 2015. Liquid cartons are losing share to plastic bottles and stand-up pouches. Key applications for liquid cartons such as milk are also very mature and suppliers need to find different technologies and new sectors in which they can be applied.
- Glass bottles and jars will see further declines between 2010 and 2015. Cans are likely to take their place as the single largest category, with plastic bottles also poised to overtake them before 2020. PET bottles will continue to replace glass bottles for carbonated soft drinks, mineral water and milk, while plastic jars and bottles will replace a growing number of glass jars for food products.

- Metal can consumption for food and drinks is projected to grow at 2.3% per year to 2015. Slow growth in the use of metal cans for the mature canned food products market will be bolstered by higher than average growth in the use of metal cans for beverages.
- Metal trays growth will be in line with overall average annual advances, the format expected to lose out marginally to plastic trays.

Across all packaging sectors, suppliers are constantly refining their offerings through research and development and are actively seeking to add value through innovation. *Smithers Pira* has identified ten themes having an influence on packaging choice in the twelve countries/regions covered in this report. They are a mix of drivers from consumers, suppliers, producers and retailers, but the most important of these is the consumer. Historically, power has been held by producers, then retailers. While these two continue to play a very important role in shaping and delivering food and drink today, they are each increasingly paying attention to the expectations of the consumer. The consumer will not always say what is right, but they will say when something is wrong, not necessarily by writing a letter or joining a protest, but by no longer buying the offending products or by shopping at another store. The key food and drink industry drivers and their implications for food and drink packaging are as follows:

- ***Healthy value:*** More basic packaging required, decelerated demand for complex packaging
- ***Affordable quality:*** Visibility to reinforce quality; multipacking to deliver affordability
- ***Appropriate packaging:*** Portion control delivered through optimized pack sizes; new, more difficult channels accessed similarly
- ***Lightweighting:*** Reduction in materials usage
- ***Bottled water***: The perceived environmental impact of a product's packaging influencing consumer perceptions of the industry itself
- ***Systems, tariffs and commitments:*** Different stakeholders identifying packaging as the principal area to target environmental initiatives, especially retailers
- ***Recycling and biodegradability:*** Greater use of recycled materials or the loss of materials from the recycling systems through degradability
- ***Cost-driven innovation:*** New developments driven by cost implications, particularly where there is volatility in raw-material costs
- ***Consolidating retailers:*** Adapting to individual retailer requirements driven by their own logistics; tailor-making for each retailer
- ***Sustainability:*** A focus on all aspects of packaging design, use, function and afterlife.

These themes are explored in detail in the study with an assessment of the corresponding opportunities and threats facing the packaging industry.

Logistics and Distribution

UK-based industry website just-drinks.com states that changes in drink industry logistics in Europe have largely been driven by two factors in recent years: the broad economic recession, and the growing importance of green policies (Osborn, 2012). In the wine and spirits sector, these influences have led to a fairly constant switch to bulk shipments. It is expected that the wine industry will look more closely at the whole supply chain and develop infrastructure to drive efficiency and better environmental benchmarks, including options for light weighting and material substitution in packaging.

These factors have had less impact in the soft drinks, bottled water and juice sectors, where logistics matter proportionately less based on the fact that sites for domestic production within the EU are located relatively near to the market. However, the non-alcoholic drinks logistics sector is subject to the same pressures that have influenced the wider warehousing industry, including shorter lead times, increased online ordering, advanced stock control and greater use of automation. A wider range of beverage products are now being handled in warehouses than ever before. Stock picking is being pushed back from distributors and retailers to manufacturers who now produce more to order, thus producing in smaller batch sizes and small production runs. This means that there is less room for error in terms of the accuracy of both orders and picking.

In keeping pace with developments in the materials used for packaging beverage products, including an overall reduction in materials and a growth in cartons or 'bag-in-box' packaging, warehouses are required to deal with a greater range of material and cargo handling requirements, including the greater use of totes and bins. Producer/ manufacturers may need to consider where the most efficiency can be achieved along the supply chain from procurement through to sales and to the end consumer. A standard container makes automated handling easier in the suppliers' and producers' systems, as well as for any intermediate distribution platforms in the chain. This includes the individual shops in which, in an ideal world, the goods arriving can be placed straight from the lorry onto the display without further handling, unpacking, or assembly. Overall, the critical factors in retaining business under the challenging trading conditions in the EU markets of today are customer awareness, management of the supply chain and customer service.

Competition and Key Players

Consistent with the entire food and drink industry, the EU beverage industry is well organized in terms of advocacy and lobby representing various food and drink sub-sectors are shown in below.

- ***Dairy Products:*** European Dairy Association (EDA), http://www.euromilk.org/
- ***Beer:*** The Brewers of Europe, http://www.brewersofeurope.org/
- ***Bottled Waters:*** European Federation of Bottled Water (EFBW), http://www.efbw.eu/
- ***Fruit & Vegetable Juices:*** European Fruit Juice Association (AIJN), http://www.aijn.org/
- ***Soft Drink:*** Union of European Soft Drinks Associations (UNESDA), http://www.unesda.org/
- ***Tea & Herbal Infusions:*** European Tea Committee (ETC), http://www.etc-online.org/; European Herbal Infusions Association (EHIA), http://www.ehia-online.org/

Annex 1 show the ranking of top food and drink companies by European food and drink sales for the period 2010 to 2011.

Pricing

The Export Helpdesk for developing countries (http://exporthelp.europa.eu) provides trade statistics for EU imports from developing countries compiled by the European Commission. The Commission admits in the disclaimer provided in the Helpdesk User Guide that this information is of a general nature, for guidance only, and is not intended "to address the specific circumstances of any particular individual or entity" and "not necessarily comprehensive, complete, accurate or up to date". In practice there are

variances between the values reflected on this portal as oppose to those indicated in data provided by the International Trade Centre (ITC) based on the following:

- Helpdesk values are reflected in Euro, ITC data is reflected in US dollars
- Helpdesk data covers imports from all countries, while ITC data reflects imports from World Trade Organization (WTO) members.

A very general idea of pricing conditions in the market for imports can be obtained by using Helpdesk data to obtain the price per kilo for imports or exports by dividing the figure for imports value by the appropriate figure for imports quantity as shown in Table 5 below. Note that the prices are related to kilos or the mass of the goods, not litres as a measure of beverage volume. The Helpdesk is designed to provide an indication of supplementary measurement of quantity, in this case litres, but at the time of research, this field in the database was observed to be blank.

Table 5: Estimated average import wholesale prices for selected beverages

HS Code	Product label	2011 EXTRA-EUR27 Import Value (1000 EURO) (A)	2011 EXTRA-EUR27 Import Qty (1000 kg) (B)	Average import (wholesale) price (EURO/kg) (=A/B)
'2009	Fruit & vegetable juices, unfermented	1966181.37	1955378.8	1.01
'2204	Wine of fresh grapes	2392642.64	1427266.1	1.68
'2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	1145307.92	249186.8	4.60
'2202	Non-alcoholic beverages (excl. water, fruit or vegetable juices and milk)	726109.87	662648.9	1.10
'2203	Beer made from malt	218990.46	280248.7	0.78
'2201	Mineral & aerated waters	42090.76	377667.9	0.11
'2206	Fermented beverages, not elsewhere stated	26573.14	24843.4	1.07
'2205	Vermouth& other grape wine flavoured with plants or aromatic substances	3470.54	1765.2	1.97

Source: Export Helpdesk

Conclusion: Critical Success Factors in Developing Export Industries in non-alcoholic beverages

In developing export industries in processed and specialty food, there are several basic requirements to enable producers to enter the value chain. Basic optimal conditions include:

- sustainable supply of quality agricultural inputs and other raw materials
- packaging sourced from suppliers compliant with GMP and EU standards
- adherence to packaging and labelling regulations and composition requirements for foods
- adequate transportation infrastructure: roads, ports and airports
- refrigerated cargo facilities to enable maintenance of the cold chain in transport
- sanitary and phytosanitary regulatory systems
- appropriate testing systems to monitor compliance with technical regulations
- ability to target specific niches and develop partnerships with buyers in the target markets; convenience, health and wellness, organic, fair trade, etc.
- trade policies which favour suppliers entering the market on competitive terms
- understanding market needs and requirements in the context of the buyer-driven supply chain; maintenance of open lines of communication regarding demand preferences in products, quality and packaging requirements and fostering buyer involvement at all stages of the chain
- particularly in the case of processing, willingness to meet hygiene requirements, manage food safety and develop on site laboratories for testing of product and staff and support Hazard Analysis and Critical Control Pont (HAACP) analysis
- understanding of the role of investments in new technologies and good quality packaging materials in preserving quality and increasing shelf life and the ability to source these good quality packaging materials economically
- understanding the role of workforce training and development to meet the needs of a more highly developed and competitive value chain
- understanding the role of research and development, innovation and technology as driving forces in new product development
- recognition of the role of economies of scale and by extension, collaboration among small producers in convincing the market of the ability to deliver consistent quality supply on a timely basis
- need for sector-specific collaboration among SMEs in the areas of advocacy, lobby, trade promotion, brand development and integration with global supply chains.

CHAPTER 2 UNDERSTANDING MARKET REQUIREMENTS

General

EU market requirements can be legal requirements or non-legal requirements. Legal requirements, otherwise known as technical regulations are trending towards harmonization across EU states. Legal requirements represent the minimum requirements that products marketed in the EU must meet. Products that fail to meet these requirements are not allowed on the EU market. Non-legal requirements offer buyers and producers various options in the form of standards and may have varying preferred status across countries. Non-legal requirements go beyond legislation, as companies (buyers) can go further in their requirements than legislation. The main categories of additional requirements are environmental requirements and social (labour) requirements. **The difference between a standard and a technical regulation therefore lies in the issue of compliance. While conformity with standards is voluntary, technical regulations are by nature mandatory**.

About Quality Standards and Certification

A standard is a document approved through stakeholder consultation and consensus by a recognized standardization body. The document describes features of a product, process, service, interface, or material as well as rules, guidelines or characteristics for products or related processes and production methods which provide for repeated and common use.

Standards are embodied in several forms, such as the definition of terms; specifications for design and construction; detailing of procedures; or performance criteria against which a product, process, etc., can be measured. They may also include or deal exclusively with terminology, symbols, and packaging, marking or labelling requirements as they apply to a product, process or production method.

With increasing concern for management of quality across the supply chain, in the context of the legal responsibility on the part of importers for food safety, there has been a proliferation of private standards, which are in principle voluntary standards, but are in fact basic requirements of various supply chains in order to access consumer markets. In a competitive marketplace, standards increasingly offer important possibilities for product differentiation and quality assurance in meeting the needs of specific niches. Despite this, the investment in standards compliance and certification, in particular the initial investments can be costly to producers; therefore it is recommended that the decision to pursue certification in relation to standards should be an outcome of research on specific buyer interests and quantification of the potential market value of the investment in standards.

In order to avoid the challenges of food suppliers having to conform with different food safety standards, major retailers have joined together to form the Global Food Safety Initiative (GFSI), which aims to establish a recognition scheme for food safety management standards. GFSI provides a platform for collaboration between some of the world's leading food safety experts from retailer, manufacturer and food service companies, and service providers associated with the food supply chain, international organizations, academia and government. The initiative was launched in 2000 following a number of food safety crises when consumer confidence was at an all-time low. Since then, experts have been

collaborating in numerous Technical Working Groups to tackle current food safety issues defined by GFSI stakeholders head on. Current activities within GFSI include the definition of food safety requirements along the entire food supply chain to cover scopes such as feed, distribution and packaging. The development of a capacity building programme for small and/or less developed businesses is facilitating their access to local markets and a focus on food safety auditors is bringing industry experts to common consensus on the skills, knowledge and attributes that a competent auditor should possess. The GFSI recognizes the following food safety management standards: BRC and IFS (food processing), FSSC and GlobeGAP (fresh food). At least seven major global retailers have agreed to accept any of the benchmarked schemes: Walmart, Tesco, Carrefour, Metro, Migros, Ahold and Delhaize.

Given the ongoing introduction of new standards, the International Trade Centre (ITC) has embarked on the creation of a Standards Map to provide users with information enabling them to analyze and compare information on more than 70 voluntary standards operating in over 200 countries, and certifying products and services in more than 80 economic sectors. The interactive tool is available free of charge to registered users in developing countries through the website http://www.standardsmap.org.

About Sanitary and phytosanitary (SPS) measures

"Sanitary measures" are concerned with the life or health of humans or animals; "phytosanitary measures" are concerned with plant health. SPS measures take many different forms and include any measure applied, to protect:

- animal or plant life or health against entry, establishment or spread of pests, diseases, disease-causing organisms, etc.
- human or animal life or health against risks from additives, contaminants, toxins or disease-causing organisms in foods, beverages, etc.
- human life/health against risks from diseases carried by animals, plants or their products, or from pests
- prevent or limit other damage from pests

All SPS measures have the common purpose of protecting something (human, animal or plant life or health) against certain specified risks.

In general terms, the WTO Agreement on the Application of Sanitary and Phytosanitary Measures defines the rights and obligations of the Member countries of the World Trade Organization in relation to their use of food safety requirements, and biosecurity controls. The basic aim of the SPS Agreement is to maintain the sovereign right of any government to provide the level of health protection it deems appropriate while ensuring that these sovereign rights are not misused for protectionist purposes and do not result in unnecessary barriers to international trade. The SPS Agreement requires that SPS measures have an objective basis. In particular, all SPS measures must be based on scientific principles, and cannot be maintained without sufficient scientific evidence unless they are provisional measures that have been put in place until the relevant information can be collected.

About Technical Barriers to Trade (TBTs)

Barriers to trade are measures in place in export target markets which make it difficult, even impossible, for products to gain market entry. These measures are considered undesirable in the context of world trade, because they restrict the flow of goods, drive prices up and are detrimental to the consumer. Barriers may take many forms, but are generally divided into two broad types, namely tariff barriers and non-tariff barriers. Standards, sanitary and phytosanitary measures and technical regulations are considered non-tariff barriers.

Technical barriers to trade generally result from the preparation, adoption and application of different technical regulations and conformity assessment procedures. If a producer in Barbados wants to export to Germany, s/he will be obliged to satisfy the technical requirements that apply in Germany, with all the financial consequences this entails. Differences between one country and another in their technical regulations and conformity assessment procedures may have legitimate origins such as differences in local tastes or levels of income, as well as geographical or other factors. High levels of per capita income in relatively rich countries generally result in higher demand for high-quality and safe products and higher penalties are typically enshrined in legislation for quality and safety failures.

The aim of the WTO Agreement on TBT is to ensure that technical regulations and standards (including packaging, marking and labelling), and assessing conformity with these regulations and standards, are not formulated and applied in order to create unnecessary technical barriers to trade. To provide an incentive to countries to use international standards, the Agreement provides that where international standards or guidelines or a conformity assessment system has been used as a basis for a technical regulation, it shall be presumed that they do not create unnecessary obstacles to trade. In all cases where proposed technical regulations or conformity assessment measures are not based on international standards and are expected to have a significant effect on trade, such regulations mush be, where relevant, based on scientific and technical information. Moreover, countries, under these circumstances are obliged to publish notifications of the proposed technical regulations and conformity assessment procedure. The WTO Agreement on TBT recognizes that no country should be prevented from taking measures to ensure the quality of its exports, protection of human life or health, protection of animal or plant life or health, protection of the environment, prevention of deceptive practices, protection of its essential security interests, which are considered legitimate interests. As a result, any measure taken by a country with the above in view will not be considered as a technical barrier to trade.

CHAPTER 3: SUMMARY OF STANDARDS APPLICABLE TO THE EXPORT OF NON-ALCOHOLIC BEVERAGES TO THE EU

British Retail Consortium (BRC) Global Standards

Product Category

Manufacturers of food, consumer goods, packaging, storage and distribution services

Scope

The BRC global standard is a private, for profit, membership-based association. It represents the whole range of retailers for the UK retail industry, from the large department stores through to independents. Originally developed in response to the needs of UK members of the British Retail Consortium, the standards have gained usage world-wide and are specified by retailers and branded manufacturers in the EU, North America and elsewhere. The Global standards are applicable to manufacturers producing all types of consumer goods such as toys, textiles, electrical items, kitchenware and do-it-yourself (DIY) items. A few products, however, are excluded from the scope (motor vehicles, bulk fuel, services, pharmaceuticals dispensed by doctors, vitamins & minerals, plants & flowers, live animals and pets). Currently there are over 13,000 certified suppliers in over 100 countries and a network of over 80 accredited and BRC recognized certification bodies. The Global standards are available 10 languages.

Summary Rationale/ Associated Issues

Over the past thirteen years, BRC has developed the BRC global standards, a suite of four industry-leading Technical Standards that specify production, packaging, storage and distribution requirements to guarantee safe food and consumer products. These are, the:

- Global standards for Food Safety (1998)
- Global standard for Consumer Products (2003)
- Global standard for Packaging and Packaging Materials (2002)
- Global standard for Storage and Distribution (2006)

No labels appear on BRC certified products since it is a business-to-business (B2B) standard. The BRC maintains a directory of certified suppliers which enables manufacturers to advertise their achievement.

How to Comply

Step 1: Getting prepared: Order a copy of the Standard and assess the compliance of the site to its requirements. The BRC have published guidance documents on best practice and on the use of standards for some sectors which may also be of assistance. A wide range of practical training courses has also been developed

Step 2: Self assessment: Review the site's current systems and practices against the requirements of the standard in order to identify areas which may need further work before undertaking a full audit.

Step 3: Select a certification body through the BRC website: Select an accredited certification body to carry out the evaluation of the site. Only certification bodies that are registered by the BRC can undertake audits.

Step 4: Audit: A plan for the audit should be provided by the selected certification body to ensure that the applicant is properly prepared. It is important that the site is in production at the time of the audit otherwise a further audit will be required.
Step 5: Corrective actions: At the end of the audit the certification body should provide a written list of any areas which need improvement in order to gain certification. These will also be discussed at the closing meeting. Where non-compliance has been identified, the issues must be addressed and suitable evidence provided to the certification body for assessment within 28 days.
Step 6: Certification decision: The certification body will review the audit report from the auditor and corrective action documentation provided in order to make a certification decision.
Step 7: Issue of report and certificate (if applicable): The audit report and certificate (if applicable) should be issued within 42 days of the original audit date to the person who paid for the audit. A copy of the report is automatically sent to the BRC to allow quality control checking of the certification body undertaking the audit. Certified companies are invited to have site details placed on the BRC Directory website to advertise their achievements.
Step 8: Issue of report to customers: It is a principle of the BRC scheme that the audit report is owned by the company paying for the audit and copies can only be provided to other parties at the request of the company (a copy is provided to the BRC which is held confidentially). It is normal practice to authorize the release of a copy of the report and/or certificate for customers.

For further information
BRC global standards, England www.brcglobalstandards.com
+44 20 7854 8900, brcglobalstandards@brc.org.uk
ITC Standards Map http://www.standardsmap.org/
Source: ITC Standards Map

Fairtrade International/ Fairtrade Labelling Organization (FLO)

Product Category

All products

Scope

Fairtrade covers a wide range of product categories within agriculture, composite and manufactured goods including bananas, cocoa, coffee, cotton, flowers, fresh fruits, honey, juices, rice, spice and herbs, sport balls, sugar, tea and wine. FLO is a non-profit, multi-stakeholder organization responsible for the strategic direction of Fairtrade, setting the Fairtrade standards, and supporting producers in the global south. FLO strives for improved terms of trade and fair prices for farmers and workers in developing countries. Nineteen national organizations, called Fairtrade Labelling Initiatives, market Fairtrade certified products in 23 countries in Europe, North America, Japan, Australia and New Zealand. One organization, FLO-CERT is responsible for inspection and certification of compliance against the Fairtrade standards. Globally, more than 27,000 Fairtrade products are sold in more than 70 countries accounting for an estimated €3.4 billion in global Fairtrade retail sales. Some 827 Fairtrade certified farmer and worker organizations in 58 producing countries represent more than 1 million producers and workers.

Summary Rationale/ Associated Issues

Fairtrade provides producers with access to a fast growing market segment that is highly recognized by consumers in the global North. The system provides a Fairtrade Premium or additional funds available to producers above the selling price for social and business development projects. A price floor (Fairtrade Minimum Price) is available to producers in order to cover average costs of sustainable production (for most products). The Fairtrade Minimum Price and Fairtrade Premium are set at either country specific, regional or global levels. Access for sales pre-financing is available to producers in the form of credit provided in advance of sale. Contracts with buyers tend to be long-term and stable.

The standards are developed through a collaborative and voluntary process by members, farmers, industry, scientists and advisors from the private and public sector. There are two types of standards: *generic* standards which apply regardless of the products to be certified and *product specific* standards. In general, there are three types of requirements:

- General requirements, which must be met from the moment they join Fairtrade;
- Minimum requirements, which must be met before initial certification; and
- Progress requirements, against which compliance must be demonstrated over time and by means of continuous improvement.

How to Comply

Step 1: Review Fairtrade standards application for (i) product in question, (ii) type of organization and (iii) country (See http://www.flo-cert.net).

Step 2: Contact Fairtade directly to receive an information package (via applications@flo-cert.net).

Step 3: Fill in and send back to FLO-CERT the registration form included in the information package.

Step 4: Pay the Initial Certification Fee covering the auditing procedure. The fee differs depending on the organizational structure of the production unit
Step 5: Set a date for the first audit exercise: auditors will check if you adhere to the requirements listed in the standard documents applying to the product and type of organization.
Step 6: The audit report will then be sent to FLO-CERT for evaluation and determination of compliance in order to award certification.
Step 7: In case of non-compliance, a plan of corrective actions needs to be set-up that addresses the identified non conformities with the standard.
Step 8: Once the proposed corrective measures have been approved by FLO-CERT, a certificate is delivered.

For more information
Fairtrade International
Bonner Talweg 177
53129 Bonn, Germany
+49 228 949 230
info@fairtrade.net
www.fairtrade.net

ITC Standards Map http://www.standardsmap.org/
Centre for the Promotion of Imports from Developing Countries (CBI) www.cbi.eu/

Food Safety System Certification 22000 (FSSC 22000)

Product Category

All food

Scope

The FSSC 22000 standard covers the food safety systems of food manufacturers that process or manufacture animal products, perishable vegetal products, products with a long shelf life and (other) food ingredients including additives, vitamins and bio-cultures and food packaging manufacturing. In addition to operations, FSSC 22000 spans transportation and on site storage if these activities are integrated with the operation and is applicable to all food manufacturers, regardless of size and complexity, profit-making or not, public or private. More than 600 organizations are FSSC 22000-certified. Sixteen accreditation bodies recognize FSSC 22000 as a certification scheme that can be certified under ISO/IEC 17021 accreditation. Twenty five certification bodies are licensed to issue accredited certificates based on FSSC 22000, and thirty certification bodies with a provisional license.

Summary Rationale/ Associated Issues

FSSC 22000 is based on the food safety management standard ISO22000: 2005 "Requirements for any organization in the food chain" as well as technical specifications for sector responsible parties. The standard was developed by the Netherlands-based Foundation for the Certification of Food Safety Systems, a non-profit organization founded in 2004. Its development is supported by the Confederation of the FoodDrinkEurope. The Foundation also facilitates and owns the HACCP food safety systems approved by the Global Food Safety Initiative (GFSI) certification scheme. The FSSC 22000 certification scheme has been given full recognition by the GFSI Board of Directors. The FSSC 22000 certification scheme was the first standard accepted by the European Cooperation for Accreditation (EA). The scheme specifies detailed requirements for the food safety system of the food organizations to be certified, the certification system of the certification bodies; and the system of accreditation by the accreditation bodies. Manufacturers that are already certified against ISO 22000 only need an additional review against the applicable technical specifications for sector responsible parties in order to fulfill FSSC 22000 certification criteria.

How to Comply

Step 1: Visit the FSSC 22000 website to obtain a copy of the scheme requirements.
Step 2: Complete a Self Assessment to determine compliance with the requirements in section 3 of Part 1 of the scheme documents.
Step 3: Visit the FSSC 22000 website and select an approved Certification Body.
Step 4: Undergo Initial Audit Stage 1 [Evaluation of Food Safety Management System (FSMS) documentation, scope, resources and preparedness for stage 2].
Step 5: Undergo Initial Audit Stage 2 (Evaluation of the implementation and effectiveness of the FSMS).
Step 6: Attend closing meeting and obtain confirmation of any non conformities.

Step 7: Complete initial audit corrections and corrective action. Corrections and corrective action evidence is assessed by certification body by documented evidence or revisit. Successful close out is documented.
Step 8: Independent certification review is completed and the certification decision is made by the certification body.
Step 9: After successful certification, undergo ongoing surveillance audits.

Further Information
Foundation for Food Safety Certification, The Netherlands, www.fssc22000.com
+31 (0)183 - 64 50 28; info@fssc22000.com
Source: ITC Standards Map

Hazard Analysis Critical Control Point (HACCP)

Product Category

Processed food

Scope

Except for growers of primary food products, HACCP is globally applied throughout al organizations active in the food chain, including processors, suppliers of additives, colourings or other substances, canners, packaging suppliers, warehouses and distributors. Every food business active in the EU, except for primary producers of non-animal origin, is **legally** required to implement a management system based on HACCP. While EU law cannot extend outside of the EU and in principle there is no obligation to implement HACCP, food safety is a legal requirement and since the importer bears the responsibility for compliance of food placed on the market with food safety regulations, it has become a significant part of buyer requirements in order to minimize safety risks.

Summary Rationale/ Associated Issues

HACCP is a tool to control food hygiene and ensure food safety by :

- Identifying the points in the production or handling process where food hazards can be introduced (Critical Control Points) and
- Determining and implementing procedures to prevent or eliminate those hazards.

As such a management system based on HACCP is a preventative system. By troubleshooting the potential hazards at every stage of the production process, the risk of food safety challenges is minimized. Through certificates and inspection reports, the system provides transparency in allowing buyers to check whether the food supplied is safe. This provides a strong selling point.

How to Comply

HACCP is based on seven principles which have to be included in a HACCP plan, once a decision is made to pursue HACCP in order to optimize food safety. The seven principles are:

1. Analyze the hazards
2. Identify the Critical Control Points
3. Establish critical limits
4. Establish monitoring procedures
5. Establish corrective actions
6. Establish record keeping procedures
7. Establish verification procedures.

General HACCP principles must be translated and interpreted to be aligned with specific activities and processes within an individual business.

For more Information

World Health Organization http://www.who.int/foodsafety/fs_management/haccp/en/

The International Federation of Organic Agriculture Movements (IFOAM)

Product Category

Organic food

Scope

The International Federation of Organic Agriculture Movements (IFOAM) is a membership-based organization that develops standards for organic agriculture and implements specific projects that facilitate the adoption of organic agriculture, particularly in developing countries. The IFOAM "Organic Guarantee System (OGS)" is based on two main components, together called the IFOAM Norms: the IFOAM Basic Standards (IBS) and the Accreditation Criteria. The IFOAM norms cover a wide range of products including crop production, livestock, wild products, processing, fiber processing, and aquaculture, among others. The accreditation of certification bodies is carried out by the International Organic Accreditation Service (IOAS), which operates independently from IFOAM. IFOAM counts 849 members in 113 countries and IOAS has accredited 35 certification bodies around the world.

Summary Rationale/ Associated Issues

The IFOAM Family of Standards contains all regulations and private standards approved by IFOAM. The "Family" was launched with all organic regulations older than 5 years of implementation, equivalent regulations and private standards of IFOAM Accredited Certification Bodies. Other standards will be approved on the basis of applications and of their equivalence with the Common Objectives and Requirements of Organic Standards (COROS). The IFOAM Principles for Organic Agriculture are:

- Principle of health;
- Principle of ecology;
- Principle of fairness;
- Principle of care

The IFOAM Basic Standards provide a framework for certification bodies and other organizations to develop their own standards that may take into consideration additional or more specific criteria.

How to Comply

Step 1: Identify the appropriate certification body operating in the region/country of interest (See http://www.ioas.org/xlistifo.pdf)

Step 2: Register with a certification body and review the specific requirements associated with that certification body in the local context

Step 3: Perform a self-assessment against the certification requirements and provide the results and background documents to the certification body (http://www.ioas.org/certbod.htm)

Step 4: Inspection is performed by the certification body, which will assess compliance with the standard requirements

Step 5: When the outcome of the inspection is positive, the organic certificate is delivered. The certificate is valid for a maximum period of 5 years, subject to annual surveillance audits.

For further information

IFOAM Head Office, Germany www.ifoam.org, 49 228 926 50 10, headoffice@ifoam.org

International Features Standard (IFS)

Product Category

Post farm gate food processing companies or companies that pack loose food products and non-food items, in particular for retail in France, Germany and Italy

Scope

In 2002, the associated members of the German retail federation (*Hauptverband des Deutschen Einzelhandels (HDE)*) and of its French counterpart (*Fédération des Entreprises du Commerce et de la Distribution (FCD)*) drew up a quality and food safety standard for retailer branded food products, named the IFS Food, intended to allow for the assessment of suppliers' food safety and quality systems, in accordance with a uniform approach. With the globalization of product supply through increased private labelling, outsourcing and sub-contracting arrangements, increasing demands for food safety assurance and mounting liabilities of retailers and wholesalers in the context of increasing of legal requirements, the stakeholders felt it was necessary to develop a uniform quality assurance and food safety standard to cut across the entire packaging supply chain. In addition, there was interest in reducing the time associated with multiple audits, for both retailers and suppliers. As such, the standard features an integrated approach to production and marketing efforts for brand safety and quality.

IFS started with the publication of IFS Food and then developed further standards, such as IFS Logistic, IFS Household and Personal care. Since 2003, more than 11,000 IFS Food audits and 800 IFS Logistic audits have been conducted in more than 96 countries, with the number of audits increasing by 9% in the first eight months of 2011. The standard, which has been made available in 20 languages including Chinese, the European languages and Vietnamese, is supported by major retail groups such as Aldi, Carrefour, Migros,Lidl, WalMart, among others and is one of the few standards accepted by the Global Food Safety Initiative (GFSI).

The IFS Food Standard system applies to all the post-farm gate stages of food processing. IFS Food applies when products are "processed" or when there is a hazard for product contamination during primary packing. The IFS Food Standard is important for all food manufacturers, especially those producing private labels, because it contains many requirements related to specifications' compliance.

Recently, IFS Food standard version 6 has been developed with full and active involvement of certification bodies, retailers, industry and food service companies from all over the world. It represents an upgrade of Version 5, which has been on the market since 2007. It also upgrades the standard to full compliance with a newly released GFSI Guidance Document, as is required for all benchmark standards. The GFSI benchmark is only concerned with food safety requirements; quality requirements are outside of the GFSI domain.

Certified companies are allowed to use the IFS logo and certificate to demonstrate compliance with the standards.

Summary Rationale/ Associated Issues

The basic objectives of the International Features Standard are:

- to establish a common standard with a uniform evaluation system,
- to work with accredited certification bodies and qualified auditors,
- to ensure comparability and transparency throughout the entire supply chain,
- to reduce costs and time for both suppliers and retailers
- to ensure that IFS-certified companies can deliver products or services which are in line with the defined specifications of their customers, and continuously (improve non) food product safety and quality for the consumers
- Efficient and secure process for choosing the right supplier(s), especially for private label products as well as choosing the right service provider(s),
- Secure (non) food safety and quality assessment of the supplier(s) and the production process,
- Safe retailer, wholesaler, industry or food services branded products,
- Liability coverage.

The standard includes requirements related to:

- Senior management responsibility
- Quality and food safety management systems
- Resource management
- Production process
- Measurements, analysis, improvements
- Food defense (counter bioterrorism).

The IFS is divided into four main parts:

- Part 1: audit protocol (scoring of the audit, audit duration, different steps from the audit until the issue of the certificate, etc.)
- Part 2: technical requirements. The check-list contains 250 requirements, which deal with five main subjects: Senior management responsibility, Quality management system, Resource management, Production process, Measurements, analyses, improvements
- Part 3: requirements for accreditation bodies, certification bodies and auditors
- Part 4: reporting (layout of audit report, certificate, etc.)

New features of Version 6, which will apply from 1st July 2012 include:

- A slightly revised scoring system will be implemented to better identify companies implementing best practices
- Clear rules for determining audit duration have been created, based on a pragmatic calculation tool, which will provide the minimum mandatory audit duration to be applied by all certification bodies,
- IFS Integrity Program, which was created in 2010 to monitor performance of certification bodies and of auditors, will be described in the new audit protocol
- As IFS Food is not only a food safety but also a quality standard, version 6 will include more quality requirements (e.g. nutritional analyses, more requirements on weight control, more requirements on the quality/quantity of information provided on labelling, etc.
- In order to comply with GFSI Guidance document version 6, food defense (counter bioterrorism) requirements will be introduced in IFS Food audit check-list. Exhaustive guidelines will also be

developed in order to help companies implement those requirements, based on risk assessment and very importantly, the legislation of destination country.

- IFS auditors will be approved for products and technology scopes. Technology scopes are newly introduced to improve auditors' expertise even more on products and processes.

How to Comply

The initial steps are:

1. Decide which standard is more suitable for the company (IFS Food or IFS Logistic)
2. Order the most recent version of the standard from the website
3. Evaluate the current status (internal evaluation by the company)
4. Select the certification body (quotation, decision and signature of contract)
5. Determine the audit date, the audit times and the audit scope
6. Voluntary: pre-audit to get the status quo
7. Realize the on-site audit at the determined audit date by an auditor competent for the respective product category

For more information

International Features Standard http://www.ifs-certification.com

CHAPTER 4: EU TECHNICAL REGULATIONS FOR THE PROCESSING, PACKAGING AND PRESENTATION OF NON-ALCOHOLIC BEVERAGES

Table 6 below provides a list of the applicable EU technical regulations across various elements of the value chain for the food and drink industry.

TABLE 6: SUMMARY OF EU TECHNICAL REGULATIONS

INPUTS & PRIMARY PRODUCTION	PROCESSING	PACKAGING AND PRESENTATION	LABELLING
• Food additives • Food enzymes • Food flavourings • Food supplements • Novel foods and food ingredients • Protection of Geographical Indications and Designations of Origin • The addition of vitamins, minerals and certain other substances to foods • Traceability and labelling of GMOs	• Edible caseins and caseinates • Extraction solvents used in foodstuffs • Good manufacturing practice for materials and articles intended to come into contact with food • Quick frozen food and drink	• Active and intelligent materials and articles • Caffeine and quinine (until 2014) • Cocoa and chocolate • Coffee and chicory extracts • Deregulation of pack sizes • Gluten-free foodstuffs • Honey • Materials and articles which come into contact with foodstuffs • Plastic materials and articles coming into contact with food • Prepacked products • Preserved milk • Prices of products offered to consumers • Sugars	• Dietary foods for special medical purposes • Foods used in energy-restricted diets for weight reduction • Foodstuffs for particular nutritional uses • Labelling, presentation and advertising of foodstuffs • Nutrition and health claims • Nutrition labelling (until 2014) • Production and labelling of organic products

1. INPUTS & PRIMARY PRODUCTION

i. Food additives

A food additive is any substance not normally consumed as a food in itself and not normally used as a characteristic ingredient of food, the intentional addition of which to food for a technological purpose in the manufacture, processing, preparation, treatment, packaging, transport or storage of such food, results in it or its by-products becoming directly or indirectly a component of such foods. Regulation (EC) 1333/2008 of 16 December 2008 on food additives replaces previous directives and decisions concerning food additives permitted for use in foods. Its aim is to harmonize the use of food additives in foods and food enzymes, at Community level and brings together in a single legislative act all types of food additives, including colours and sweeteners. Food enzymes are covered by a separate Regulation (EC) 1332/2008. The Regulation simplifies the approval procedure for the use of food additives and procedures for the update and supplementation of the European food additives list. Risk assessment and the authorization of food additives are integrated into a common authorization procedure for food additives, enzymes and flavourings, established by Regulation (EC) No 1331/2008.

A food additive may only be approved if it does not pose a safety concern to the health of consumers, if there is a reasonable technological need that cannot be achieved by other economically and technologically practicable means and if its use does not mislead the consumer. Annex I defines the different functional classes of food additives: sweeteners, colours, preservatives, antioxidants, carriers, acids, acidity regulators, anti-caking agents, anti-foaming agents, bulking agents, etc. Annex II lists additives which are authorized at Community level giving details of their conditions of use. In addition, the Regulation creates a list of food additives for use in other additives and in food enzymes, as well as their conditions of use (Annex III). Labelling of food additives must comply with the general labelling conditions defined in Directive 2000/13/EC. It must include, in particular, the information necessary for their identification (name, batch, manufacturer, etc.).

ii. Food enzymes

A food enzyme is a product obtained from plants, animals or micro-organisms or products thereof including a product obtained by a fermentation process using micro-organisms, containing one or more enzymes capable of catalyzing a specific biochemical reaction and which is added to food for a technological purpose at any stage of the manufacturing, processing, preparation, treatment, packing, transport or storage of foods. Regulation (EC) 1332/2008 of 16 December 2008 on food enzymes lays down the rules on food enzymes used in foods, including where such enzymes used as processing aids. Processing aids are substances which are present in the food in the form of a residue, if at all, but have no technological effect on the finished product. The regulation does not cover food enzymes used in the production of food additives falling within the scope of Regulation (EC) No 1333/2008, or those used in the production of processing aids.

Regulation (EC) 1332/2008 amends Council Directive 83/417/EEC, Council Regulation (EC) 1493/1999, Directive 2000/13/EC, Council Directive 2001/112/EC and Regulation (EC) 258/97. It aims to create a harmonized list of authorized enzymes, to lay down the conditions for the use of food enzymes and to define rules for their labelling. Only the enzymes mentioned in the Community list may be placed on the market and added to food. An enzyme may only be included in the Community list if:

- it does not pose a concern to the health of the consumer, in the concentration used and on the basis of the existing scientific information;

- its use is justified by a technological need;
- its use does not mislead the consumer.

The labelling of food enzymes intended for sale to the final consumer should comply with the general conditions for labelling laid down in Directive 2000/13/EC, including the requirement that the information should be easily visible, clearly legible, indelible and written in a language easily understood by the consumer. Furthermore, the labelling should include the name of the food enzyme or the accepted name laid down in the nomenclature of the International Union of Biochemistry and Molecular Biology (IUBMB) and the statement 'for food' or the statement 'restricted use in food' or a more specific reference to its intended food use.

iii. Food flavourings

Flavourings are products which are added to food in order to impart or modify odour and/or taste. They generally consist of the following categories: flavouring substances, flavouring preparations, thermal process flavourings, smoke flavourings, flavour precursors or other flavourings or mixtures thereof. Regulation (EC) 1334/2008 on flavourings and certain food ingredients with flavouring properties for use in and on foods applies to flavourings used to impart odour and/or taste to food. It amends Regulation (EC) 1601/91, Regulation (EC) 2232/96, Regulation (EC) 110/2008 and Directive 2000/13/EC. Some flavourings or food ingredients with flavouring proprieties may be used in or on food without being subject to an assessment and an authorization as long as they present no risk for human health and their use does not mislead the consumer. The Regulation does not apply to:

- substances which have exclusively a sweet, sour or salty taste;
- raw foods;
- smoke flavourings;
- mixtures of spices and/or fresh, dried or frozen herbs,
- mixtures of teas and
- mixtures for infusion, as long as they have not been used as food ingredients.

This Regulation replaces the existing legislation on food flavourings to take into account scientific and technological developments and simplify the existing legislation concerning food additives, flavourings and enzymes. Its aim is to harmonize at Community level the use of food flavourings and ingredients with flavouring properties in and on foods. The new Regulation provides for the establishment of a Community list of authorized flavourings, conditions for their use and labelling rules. Other requirements of the regulation include:

- The marketing or use of flavourings which do not satisfy purity criteria and maximum levels for dangerous or undesirable elements or substances is prohibited.
- Only the flavourings and source materials on the Community list may be placed on the market and used in or on food under the conditions of use specified therein.
- Amendments to the list are ongoing according to the common authorization procedure for food additives, food enzymes and food flavourings as defined in Regulation (EC) No 1331/2008.
- Labels must include either the word "flavouring" or a more specific name or description of it; and either the statement "for food" or the statement "restricted use in food" or a more specific reference to its intended food use. Labelling of food flavourings must also comply with the general labelling conditions defined in Directive 2000/13/EC.

- The term “natural” may only be used for substances or preparations derived directly from an animal or vegetable material. The statement “identical to natural flavourings” has been removed.

iv. Food supplements

Directive 2002/46/EC of 10 June 2002 concerns food supplements, defined as concentrated sources of nutrients (vitamins and mineral salts) or other substances with a nutritional or physiological effect, alone or in combination, which are marketed in dose form (e.g. capsules, tablets, sachets, etc.) in order to supplement a normal diet. Proprietary medicinal products are covered by separate legislation in Directive 2001/83/EC, which establishes a Community Code relating to medicinal products for human use. The classification of food supplements (vitamins and mineral salts) are harmonized within the European Union (EU). They are analysed beforehand and approved by the European Food Safety Authority (EFSA). The Commission is responsible for establishing the purity criteria for substances contained in food supplements, and the maximum and minimum quantities authorised, with the assistance of the Standing Committee on the Food Chain and Animal Health. The requirements of the legislation are as follows:

- ***Composition of food supplements***: With regard to vitamins and minerals, food supplements may only contain the vitamins and mineral salts laid down in Annex I of the Directive, and the vitamin and mineral formulations listed in Annex II, singly or in combination.
- ***Labelling :*** without prejudice to the provisions of Directive 2000/13/EC relating to the labelling, presentation and advertising of foodstuffs, the labelling of food supplements must contain:
    a. the names of the categories of the nutrients or substances that characterize the product or an indication of the nature of those nutrients or substances;
    b. the portion of the product recommended for daily consumption and a warning of the risks to health if this is exceeded;
    c. a declaration to the effect that the supplement is not a substitute for a varied diet;
    d. the reference "This is not a medicinal product", where the presentation of the product is similar to that of a medicinal product;
    e. a warning to the effect that the product should be stored out of the reach of young children.

  The labelling of food supplements must not contain:
    a. any statement attributing to the product properties of preventing, treating or curing a human disease;
    b. any statement mentioning or implying that a balanced and varied diet cannot provide appropriate quantities of nutrients in general.
- ***Monitoring system***: In order to facilitate efficient monitoring of food supplements, the Directive provides that Member States may require the manufacturer or the person placing the product on the market in their territory to notify the competent authority of that placing on the market by forwarding it a model of the label used.

v. Novel foods and food ingredients

Regulation (EC) 258/97 of 27 January 1997 concerns harmonized rules for the placement of novel foods and novel food ingredients on the EU market. The novel foods and food ingredients concerned by this Regulation are those which are not yet currently used for human consumption within the EU. Before

they are placed on the market, newly introduced foods, even if they are traditional in their countries of origin must undergo tests carried out by the European Food Safety Authority, in order to demonstrate that these products do not pose any risk to human health or the environment.

The Regulation is not applicable to food additives, flavourings, extraction solvents, nor to food enzymes (which are the subject of Regulation (EC) No 1332/2008). Genetically Modified Organisms (GMOs) are no longer covered by this Regulation, but by Regulation (EC) No 1823/2003 instead. Foods and food ingredients covered by this Regulation must not present a danger for the consumer, mislead them or be nutritionally disadvantageous. The Regulation lays down specific requirements concerning the labelling of novel food and food ingredients which have been added to the European general requirements on food labelling (Directive 2000/13/EC). Without prejudice to the general requirements of European legislation concerning the labelling of foodstuffs, the labelling of novel food and food ingredients must mention:

- any characteristics such as composition, nutritional value or the intended use of the foodstuff;
- the presence of materials which may have implications for the health of some individuals;
- the presence of materials which give rise to ethical concerns.

vi. Protection of Geographical Indications and Designations of Origin

Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, (amended by Regulation (EC) No 1791/2006) establishes the rules for protecting designations of origin and geographical indications for agricultural products and foodstuffs intended for human consumption.

A geographical indication is an intellectual property registration that is used to describe an agricultural product or a foodstuff, which is linked to the name of a region, a specific place or, in exceptional cases, a country. To be eligible for registration, the product must:

- originate in that region, specific place or country, and
- possess a specific quality, reputation or other characteristics attributable to that geographical origin, and
- have the production, processing and/or preparation located within the defined geographical area.

A designation of origin is an intellectual property registration that is linked to the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff. To be eligible for registration, the product must:

- originate in that region, specific place or country, and
- exhibit quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and
- have the production, processing and preparation of the product located in the defined geographical area.

The two types of geographical description are different. A PDO (Protected Designation of Origin) covers the term used to describe foodstuffs which are produced, processed and prepared in a given geographical area using recognized know-how (such as Mozzarella di Bufala Campana). A PGI indicates a

link with the area in at least one of the stages of production, processing or preparation (such as Turrón de Alicante). The link with the area is therefore stronger for PDOs.

- Names that have become generic, i.e. those that, although linked to the place or region where the product was initially produced or sold, denote the common name of a product in the EU (such as Dijon mustard) may not be registered.
- Names that conflict with the name of a plant variety or an animal breed and as a result are likely to mislead the consumer as to the true origin of the product may not be registered.
- A name wholly or partially homonymous with that of a name already registered under this Regulation must only be registered with due regard for local and traditional usage and the actual risk of confusion.
- A PDO or PGI may not be registered where the reputation and the length of time it has been used are liable to mislead the consumer as to the true identity of the product.

This Regulation (EC) No 510/2006 sets out provisions for registration of agricultural products and foodstuffs (excluding all wine-sector products, except wine vinegar) from a defined geographical area. If there is a link between the characteristics of certain products and their geographical origin, they may qualify for either a protected geographical indication (PGI) or a protected designation of origin (PDO). The use of corresponding EU symbols on the labels of such products provides consumers with clear and concise information on their origin, and where significant market interest in the quality of the reputation exists, producers may obtain premium pricing. Registered names are protected against:

- any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation" or similar;
- any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- any other practice liable to mislead the consumer as to the true origin of the product;
- commercial use of a registered name in respect of products not covered by the registration if they are comparable to the products registered under that name or if this use exploits the reputation of the protected name.

Applications for registration may only be made by a group of producers or processors or, in exceptional cases, natural or legal persons. If the application concerns a cross-border area, it may be made jointly by several groups. Where a PDO or a PGI is registered, applications to register trademarks corresponding to one of the above situations and relating to the same class of product are refused if they are submitted after the date of submission of the registration application to the Commission. In certain cases specified in the Regulation, a trade mark may co-exist with a geographical indication or a designation of origin.

Within the EU, applications are made to the Member State on whose territory the geographical area is situated. Where an application for registration concerns a geographical area in a third country, it has to be sent to the European Commission either directly or through the authorities of that country. The

Commission checks that the application is justified and that it meets all the necessary conditions. This check must be carried out within twelve months. Each month, the Commission publishes the list of the names for which registration applications have been submitted. If the conditions are met, it publishes in the Official Journal of the European Union (OJ) the single document and the publication reference of the product specification. If the conditions are not met, the Commission will reject the application for registration. Within six months from the date of publication in the OJ, any Member State, third country, natural or legal person having a legitimate interest may object to the registration proposed by lodging a duly substantiated statement. Proof must be given that either the product specification fails to meet the required conditions, or that the name conflicts with a trade mark or agricultural product or has become a generic name. Where the Commission receives no admissible objection, it will register the name.
A registered name may be used by any operator marketing products conforming to the corresponding specification. The terms "protected designation of origin" and "protected geographical indication" or the associated EU symbols must be included on the labelling of products originating in the EU and may be included on those originating in third countries and sold under these designations.

A group may request the product specification to be amended to take into account technical or scientific developments or to revise the definition of the geographical area. Applications for amendments are made in accordance with procedures similar to those for registering a designation. Controls on the requirements set out in this Regulation are carried out under Regulation (EC) No 882/2004. Verification of compliance of a product with its product specification may be ensured by one or more public authorities set up for this purpose or by one or more product certification bodies.

vii. The addition of vitamins, minerals and certain other substances to foods

Regulation (EC) 1925/2006 on the addition of vitamins and minerals and of certain other substances to foods establishes common rules concerning the addition of vitamins, minerals and certain other substances in foods. This Regulation harmonizes the different rules in force in Member States in order to facilitate the free movement of foods within the European Union (EU) and to improve consumer protection. It also establishes the list of vitamins and minerals which are authorized to be added to foods. Furthermore, it lays down rules for additional labelling to provide consumers with better information on the nutrients added to foods.

The Regulation applies in all instances where vitamins, minerals and other substances are added to foods, including in the cases of genetically modified foods, additives, flavourings, novel foods and food ingredients, among others. The provisions of this Regulation relating to vitamins and to minerals do not apply to food supplements covered by Directive 2002/46/EC. The main provisions are summarized below.

- Only vitamins and/or minerals listed in Annex I, in the form detailed in Annex II, may be added to foods, subject to the rules laid down in this Regulation.
- The modifications to the lists are adopted taking account of the opinion of the European Food Safety Authority (EFSA). However, until 19 January 2014 Member States may allow in their territory the use of vitamins and minerals not listed in Annex I, or in forms not listed in Annex II, under specific conditions

- The nutrition labelling of products which vitamins and minerals have been added to and which are covered by the Regulation is compulsory. Labels must contain the following information:
    a. the total amounts of vitamins and minerals where they are added to a food;
    b. the amount of protein, carbohydrate, sugars, fat, saturates, fibre and sodium (in accordance with Directive 90/496/EEC on nutritional labelling of foods);
    c. the energy value of the product (in accordance with the same Directive on nutritional labelling).
- The labelling, presentation and advertising of foods to which vitamins and minerals have been added shall not mislead or deceive the consumer as to their nutritional merit.
- Similarly, the labelling, presentation and advertising of foods to which vitamins and minerals have been added shall not include any mention stating or implying that a balanced and varied diet is not an adequate source of nutritional substances.
- ***Maximum and minimum levels***: Foods to which vitamins and minerals have been added voluntarily can make a contribution to achieving adequate intakes of these substances, consequently reducing the risk of deficiencies. However, the Regulation specifies that excessive intakes of vitamins and minerals may result in adverse health effects. For this reason, the Regulation provides for the setting of maximum quantities of vitamins and minerals added to foods. The maximum amounts take account of the upper safe levels for vitamins and minerals following a scientific risk assessment, the potential intake of vitamins and minerals from other foods and the reference intakes of vitamins and minerals recommended for the population. Furthermore, if necessary, it also takes account of the contribution of individual products to the overall diet of the population and of the nutrient profile established in accordance with Regulation (EC) 1924/2006.
- The addition of a vitamin or a mineral to a food shall result in the presence in the food in at least a significant amount of that vitamin or that mineral substance, where this quantity has been defined according to the Annex to Directive 90/496/EEC on the nutritional labelling of food.
- Vitamins and minerals may not be added to unprocessed foodstuffs, including fruit, vegetables, meat, poultry and fish; and without exception, beverages containing more than 1.2 % by volume of alcohol and provided that no nutrition or health claim is made.
- The Regulation provides for a procedure to prohibit or restrict the use of substances other than vitamins or minerals which have a nutritional or physiological effect. For some substances, these procedures are accompanied by other specific European control measures.

viii. Traceability and labelling of GMOs

Regulation (EC) No 1830/2003 of 22 September 2003 (amending Directive 2001/18/EC) concerns the traceability and labelling of genetically modified organisms and the traceability of food and feed products produced from genetically modified organisms. The legislation sets out a framework for guaranteeing the traceability of GMOs throughout the food chain, including in processed foods in which the production methods have destroyed or altered the genetically modified DNA (e.g. in oils). These rules apply not only to GMOs to be used in food, but also those intended to be used in crops (e.g. seeds), products destined for industrial processing for uses other than consumption (e.g. in the production of biofuel) or even products destined to be used ornamentally (e.g. in the production of cut flowers), foodstuffs and animal feed products made from GMOs. Traceability of GMOs allows the monitoring and checking of information given on labels by consumers, as well as the monitoring of

effects on the environment and the withdrawal of products from the market by regulators in cases where new scientific data demonstrate that the GMOs used in the product present an environmental or human health risk. The legislation imposes the following requirements:

- All the products covered by this Regulation are subject to compulsory labelling, to enable consumers to be better informed and offer them the freedom to choose to buy products consisting of, containing or made from GMOs.
- The specific requirements of this Regulation related to labelling shall not apply in isolation as these rules are in addition to the following rules which also concern labelling: i.e. the general labelling rules applicable to foodstuffs generally intended for human consumption (Directive 2000/13/EC); the general labelling rules provided for the marketing of feed (Regulation (EC) 767/2009) and the specific labelling rules applicable to GMO food and feed (Regulation (EC) 1829/2003).
- Traceability enables GMOs and their products to be traced throughout the production chain. This system is based on the transmission and holding of information by each operator. Operators must transmit the following information in writing: an indication that the products consist of or contain GMOs; the unique identifiers/codes assigned to the GMOs (Regulation (EC) No 65/2004); if the product is a mixture of GMOs, the industrial operator may submit a declaration of use of these products, together with a list of the unique identifiers assigned to all the GMOs used to constitute the mixture. This information must also be held for five years.
- The operators who place on the market a pre-packaged product consisting of or containing GMOs must, at all stages of the production and distribution chain, ensure that the words "This product contains genetically modified organisms" or "Product produced from GM (name of organism)" appear on a label of the product. In the case of products, including in large quantities, which are not packaged and/or if the use of a label is impossible, the operator must ensure that this information is transmitted with the product. For example, it may take the form of accompanying documents.
- When placing a product produced from GMOs on the market, the operator must transmit the following information in writing to the operator receiving the product: an indication of each food ingredient produced from GMOs; an indication of each raw material or additive for feeding stuff produced from GMOs; if there is no list of ingredients, the product must bear an indication that it is produced from GMOs. This information must also be held for five years.
- Only traces of GMOs which do not exceed the threshold of 0.9 % are exempt from the labelling obligation and if their presence is technically unavoidable.

2. PROCESSING

i. Edible caseins and caseinates

Caseins and caseinates intended for human consumption are a type of lactoprotein (proteins founds in milk). Caseins are the principal protein constituent of milk, washed and dried, they are insoluble in water, and obtained from skimmed milk by precipitation, either by the addition of acid, or by microbial acidification, or by using rennet, or by using other milk-coagulating enzymes. Caseinates are products obtained by drying caseins treated with neutralizing agents. The composition and manufacturing of

caseins and caseinates have been harmonized at European level. The Commission has proposed a revision of the legislation (Directive 83/417/EEC) to establish a list of authorized enzymes in the manufacturing of caseins and harmonize their labelling. Enzymes authorized in the manufacturing of caseins must comply with the provisions laid down in Regulation (EC) 1332/2008 on food enzymes.
The Directive defines the lactoproteins to which it applies and reserves the names corresponding to those definitions. These names must be used in trade to designate products conforming to the rules of the Directive

- The products defined by the directive may not be placed on the market unless they conform to the definitions and rules laid down in the directive.
- Products which are not covered by the directive must be named and labelled in such a way that the buyer is not misled as to their nature, quality or use
- The composition characteristics and processing specifications of caseins and caseinates are laid down and included in the definition of the products concerned
- In addition, caseins and caseinates are subjected to heat treatment for health and hygiene reasons.
- Without prejudice to Community provisions on the labelling of foodstuffs, labelling of caseins and caseinates must include:
    a. for caseinates: the cation or cations;
    b. for mixtures: the words "mixture of…" the products which make up the mixture, the cation or cations for caseinates, and the protein content in the case of mixtures containing caseinates.
    c. the net quantity expressed in kilograms or grams;
    d. the name or company name and address of the manufacturer or packager, or seller established within the Community;
    e. the name of the country of origin for products imported from third countries;
    f. the manufacturing date or an indication identifying the batch or lot.

    The directive also requires that the indications on the label should also be easily understood by consumers.
- Purity criteria for edible caseins and caseinates and sampling procedures are adopted by the Council, acting on a proposal from the Commission

ii. Extraction solvents used in foodstuffs

Extraction solvents are used in an extraction procedure during the processing of raw materials, of foodstuffs, or of components or ingredients of these products. They are typically removed but may result in the unintentional, but technically unavoidable, presence of residues or derivatives in the foodstuff or food ingredient. Directive 2009/32/EC of 23 April 2009 on extraction solvents used in the production of foodstuffs and food ingredients aims at harmonizing legislation on extraction solvents, in order to facilitate the free movement of foodstuffs within the European Union whilst ensuring that human health is protected. The Directive replaces Directive 88/344/EEC and establishes a single list of extraction solvents for foodstuffs.

Directive 2009/32/EC applies to extraction solvents used in the production of foodstuffs or food ingredients and imported into the European Union (EU). Only extraction solvents listed in Annex I may be used. Water to which substances regulating acidity or alkalinity may have been added and other food substances which possess solvent properties are authorized as extraction solvents in the manufacture of foodstuffs or food ingredients. The legislation enables the establishment of specific purity criteria and maximum permitted limits of mercury and cadmium. This Directive lays down labelling requirements including:

- the commercial name as indicated in Annex I;
- a clear indication that the extraction solvent is of a quality suitable for use for the extraction of food or food ingredients;
- the number of the batch or lot;
- the commercial name of the manufacturer or packer;
- the net quantity;
- where required, the special storage conditions or conditions of use.

There may be exemptions from these labelling rules. Only the first two particulars (the commercial name and use) may appear on the label if the extraction solvents are accompanied by commercial documents for the batch or lot which include the remaining information. The particulars must be easily visible, clearly legible and indelible. They must be expressed in a language which can be easily understood by the purchaser.

iii. Good manufacturing practice for materials and articles intended to come into contact with food

From 1 August 2008, the manufacture of materials intended to come into contact with food must comply with the regulations on good manufacturing practice harmonized for the entire European Union (EU), so that these materials do not represent a danger for the consumer, neither change the composition of food nor the organoleptic characteristics of same.

Regulation (EC) 2023/2006 of 22 December 2006 on good manufacturing practice for materials and articles intended to come into contact with food establishes “good manufacturing practice” for materials and articles intended to come into contact with food. “Good practice” harmonizes manufacturing procedures in the European Union for the aforementioned materials at all stages of production, from manufacture to distribution. Manufacturers must establish a quality assurance system and a quality control system following the detailed manufacturing regulations, for example the processes involving printing inks. In addition, manufacturers shall create and maintain documentation regarding the specifications, manufacturing formulae and product processing which are important for the compliance and safety of the finished article, as well as those related to the various manufacturing operations. They are required to make the documentation available to the competent authorities at their request.

Materials in contact with food include objects such as containers and packaging, but also all materials in contact with foodstuffs, such as paper and cardboard or those which could possibly transfer their constituents to food, for example inks and adhesives. Annex 1 to Regulation (EC) 1935/2004 includes a

list of the materials covered by this Regulation: active and intelligent objects, adhesives, ceramics, cork, rubbers, glass, ion-exchange resins, metals and alloys, paper and cardboard, plastics, printing inks, regenerated cellulose, silicones, textiles, varnishes and coatings, waxes and wood.

iv. Quick-frozen food and drink

Quick-frozen foodstuffs are those subjected to the "quick-freezing" process, in which the temperature zone of maximum crystallisation is spanned as rapidly as possible and the product is then held (after thermal stabilization) at a temperature of -18°C or lower. Directive 89/108/EEC of 21 December 1988 relating to quick-frozen foodstuffs for human consumption lays down the rules for the quick-freezing, packaging, labelling and inspection of quick-frozen foodstuffs. Rules are harmonized at European level.

- Quick freezing must be carried out promptly, using appropriate technical equipment, on raw materials of sound, genuine and merchantable quality.
- Quick-frozen foodstuffs must be labelled as "quick-frozen" and indicate the batch identification.
- The freezing temperature must be -18°C or lower, except during transport and delivery. Deviations from the temperature of -18°C for quick-frozen foods are permitted during transport and local distribution and in retail display cabinets. The temperature in such instances must not exceed 3°C. However, it may be as much as 6°C in retail display cabinets if Member States so decide.
- Only air, nitrogen and carbon dioxide meeting specific purity criteria may be employed as cryogenic media. The purity criteria are set by the Commission.
- Quick-frozen foods must be packaged in pre-packaging which protects them against external contamination and drying.
- The labelling of quick-frozen foods must include the sales name, the indication "quick-frozen" and the batch identification. The other compulsory information varies according to whom the product is intended for:
    a. *For ultimate consumers, restaurants, hospitals, canteens*: the date of minimum durability, the period during which the product may be stored by the purchaser, the storage temperature and the storage equipment required;
    b. *In other cases*: the net quantity and the identity of the manufacturer, packer or seller.

3. PACKAGING AND PRESENTATION OF FOOD

i. Active and intelligent materials and articles

Active materials and articles are intended to extend the shelf-life or to maintain or improve the condition of packaged food. They are designed to deliberately incorporate components that would release substances into or onto the packaged food or the environment surrounding the food. Intelligent materials and articles are materials and articles which monitor the condition of packaged food or the environment surrounding the food.

Regulation (EC) 450/2009 of 29 May 2009 on active and intelligent materials and articles intended to come into contact with food lays down specific provisions for their marketing, supplementing the general principles defined in Regulation (EC) 1935/2004 (materials and articles that are intended to

come into contact with food) and describes the procedure for the authorization of substances at Community level. The requirements for active and intelligent materials and articles include:

a. Active and intelligent materials and articles:
b. must be suitable and effective for the intended purpose of use;
c. must not release to the food any components in sufficient quantity as to endanger human health or to bring about an unacceptable change in the composition or organoleptic characteristics of food;
d. must not mislead consumers through their labelling, presentation or advertising material.

- Only substances which are included in the Community list of authorized substances may be used in components of active and intelligent materials and articles.
- However, the following substances may be used in components of active and intelligent materials and articles without being included in the Community list:
    a. released active substances, added or incorporated by techniques such as grafting or immobilization which are used in full compliance with the relevant Community and national provisions (for example, legislation on food additives and food enzymes);
    b. substances used in the components which are not in direct contact with food or the environment surrounding the food; and if they are not "mutagenic", "carcinogenic", or "toxic to reproduction" or substances produced deliberately in a particle size that exhibits chemical and physical properties that significantly differ from those at a larger scale.
- In order to be included in the Community list, substances constituting the components of active and intelligent materials and articles must meet the requirements that apply to the said products. The applicant sends the application to the European Food Safety Authority which is responsible for assessing whether the substance meets the above conditions.
- The Commission shall adopt the Community list after the Authority has delivered its opinion on all substances for which a valid application for market authorization has been submitted. The Community list shall specify:
    a. the identity of the substance(s);
    b. the function of the substance(s);
    c. the reference number;
    d. if necessary, the conditions of use of the substance(s) or component.
- Active and intelligent materials and articles in contact with food are to be labelled appropriately to allow the consumer to identify the non-edible parts. In this case the words “DO NOT EAT” must be added to the label as well as (if possible) the symbol reproduced in Annex I; labelled so that it is clear that they are active and/or intelligent.
- Released active substances are considered as ingredients and are to be labelled pursuant to the general rules for the labelling of foodstuffs.

ii. Caffeine and quinine (until 2014)

Directive 2002/67/EC of 18 July 2002 on the labelling of foodstuffs containing quinine, and of foodstuffs containing caffeine provides for consumers to be given clear and precise information on the presence of caffeine or quinine in a foodstuff. This Directive is replaced by Regulation (EU) No 1169/2011 on the provision of food information to consumers, effective 13 December 2014.

The labelling of drinks containing a proportion of more than 150 milligrams of caffeine per litre must contain the wording 'High caffeine content', followed by the quantity of caffeine expressed in milligrams per 100 millimetres. This wording must appear in the same field of vision as the name of the drink. These provisions apply to dinks which are ready for consumption, as well as those reconstituted from a concentrated or dried product. However, these provisions shall not apply to beverages based on coffee, tea or coffee or tea extract where the name under which the product is sold includes the term 'coffee' or 'tea'. Quinine and caffeine which are used as flavouring in the production or preparation of a foodstuff must be mentioned by name in the list of ingredients immediately after the term 'flavouring'.

iii. Cocoa and chocolate

The European Union (EU) defines a number of specific common rules for cocoa and chocolate products which complement the legislation applicable to foodstuffs. These rules concern composition, sales names, labelling and presentation. Directive 2000/36/EC of 23 June 2000 relating to cocoa and chocolate products intended for human consumption harmonizes the labelling of cocoa and chocolate products, and establishes definitions for these products in order to enable consumers to make informed choices. This Directive applies to cocoa and chocolate products intended for human consumption as specified in Annex I to the Directive.

This Directive adopts into legislation the composition of cocoa and chocolate products. In particular, for certain products it determines the minimum percentage of cocoa butter which can be used. It also determines the possibility to use a quantity of vegetable fats which does not exceed 5 % of the end product. The vegetables fats (other than cocoa butter) which can be used are listed in Annex II to the Directive. Only products manufactured according to the compositional rules laid down by this Directive may be marketed under one of the following names (see Annex I to the Directive):

- cocoa butter;
- cocoa powder, cocoa;
- fat-reduced cocoa powder, fat-reduced cocoa;
- powdered chocolate;
- powdered drinking chocolate, sweetened cocoa, sweetened cocoa powder (possibly supplemented by the term "fat-reduced");
- chocolate (possibly supplemented by the terms "vermicelli" or "flakes", "couverture", and "gianduja");
- milk, cream or skimmed milk chocolate (possibly supplemented by the terms "vermicelli" or "flakes", "couverture" and "gianduja");
- family milk chocolate;
- white chocolate;
- filled chocolate;
- chocolate a la taza;
- chocolate familiar a la taza;
- chocolates or pralines.

The labelling of cocoa and chocolate products may include additional information. For example, the labelling of chocolate products containing vegetable fats other than cocoa butter must bear the statement "contains vegetable fat in addition to cocoa butter" in the same field of vision as the list of ingredients, clearly separated from that list. The labelling of powdered chocolate, of sweetened cocoas, as well as of chocolate, milk chocolate, family milk chocolate, chocolate a la taza and chocolate familiar a la taza must indicate the total dry cocoa solids content. In addition, the labelling of non-fat and reduced-fat cocoas and powdered chocolate must indicate the cocoa butter content.

iv. Coffee and chicory extracts

Directive 99/4/EC of 22 February 1999 relating to coffee extracts and chicory extracts simplifies the legislation relating to extracts of coffee and extracts of chicory (previously regulated by Directive 77/436/EEC). It is aimed at protecting the interests of consumers and producers by establishing rules on the description, definition and characteristics of these products. The harmonization of the legislation on trade in coffee extracts and chicory extracts also promotes the common market for products in this sector. The Directive covers the following products:

- coffee extract and soluble coffee extract;
- soluble or instant coffee (with the exception of café torrefacto soluble);
- chicory extract;
- soluble chicory;
- instant chicory.

These products must comply with certain minimum composition requirements, in particular as regards the dry matter content. Coffee and chicory extracts must be labelled in accordance with the provisions of Directive 2000/13/EC, which relates to the labelling, presentation and advertising of foodstuffs. However, only the above-mentioned descriptions may be used in trade in these products, possibly accompanied by information concerning the form ("paste", "liquid", "concentrated", etc.), any added substances, and the caffeine content. An indication of the minimum coffee- or chicory-based dry matter content as a percentage by weight of the finished product is also obligatory.

v. Deregulation of pack sizes

Directive 2007/45/EC of 5 September 2007 lays down rules on nominal quantities for pre-packed products, repealing Council Directives 75/106/EEC (making-up of certain liquids) and 80/232/EEC (ranges of nominal quantities and nominal capacities applicable to certain product), and amending Council Directive 76/211/EEC. The liberalisation of pack sizes promotes the free circulation of products in the internal market. This Directive therefore aims to remove the potential obstacles to competitiveness and to facilitate access by European enterprises to the markets of the different European Union (EU) countries.

Member States may not prohibit or restrict the placing into circulation of prepacked products and pre-packages within the internal market of the European Union (EU). However, up until 11 October 2012 they may continue to set quotas for the placing into circulation of milk, butter, dried pasta and coffee. Similarly, States which set quotas for white sugar may continue to apply them until 11 October 2013. Wines and spirits (see Annex) which are presented pre-packaged are subject to rates and quotas for

placing on the market. This Directive does not apply to this category of products when they are sold in duty-free shops for consumption outside the European market. Aerosol dispensers must indicate the nominal total capacity of the container in addition to the indication of the nominal volume of the contents. Indication of the nominal weight of the contents is optional.

vi. Gluten-free foodstuffs

Gluten refers to a protein fraction from wheat, rye, barley, oats or their crossbred varieties and derivatives thereof, to which some persons are intolerant. Regulation (EC) 41/2009 of 20 January 2009 concerning the composition and labelling of foodstuffs suitable for people intolerant to gluten, applies to all foodstuffs with the exception of infant formulae and follow-on formulae. The harmonized European legislation lays down two thresholds suited to the degree of intolerance to gluten in consumers affected by coeliac disease. These thresholds comply with the standards adopted by the Codex Alimentarius Commission in July 2008 and are effective from 1 January 2012. They are as follows.

- Gluten-free foodstuffs must contain less than 20 mg/kg of gluten in the finished product.
- 'Very low gluten' foodstuffs must contain less than 100 mg/kg of gluten in the finished product.

vii. Honey

Honey is the natural sweet substance produced by *Apis mellifera* bees from the nectar of plants or from secretions of living parts of plants or excretions of plant-sucking insects on the living parts of plants, which the bees collect, transform by combining with specific substances of their own, deposit, dehydrate, store and leave in honeycombs to ripen and mature. Council Directive 2001/110/EC of 20 December 2001 relating to honey establishes common rules concerning the composition and definition of honey, supplementing the legislation applicable to foodstuffs. Furthermore, it specifies the different types of products which can be placed on the market under appropriate names, as well as the rules concerning labelling, presentation and information on origin. When placed on the market as honey or used in a product intended for human consumption, honey must meet the composition criteria set out in Annex II to this Directive. Directive 2001/110/EC repeals Directive 74/409/EEC from 1 August 2003.

This Directive supplements the general rules relating to the labelling of foodstuffs as provided for in Directive 2000/13/EC by requiring that essential consumer information is included on the labelling. In particular, the labelling must include the country of origin of the honey (with a degree of flexibility for a blend of honeys from different origins), and the product names as set out in Annex I. However, these names may be replaced in certain cases by the simple product name 'honey' (except in the case of 'filtered honey', 'comb honey', 'chunk honey or cut comb in honey' or 'baker's honey'). Information on regional, territorial or topographical origin, or on floral or vegetable origin, or on specific quality criteria may supplement this labelling (except for 'filtered honey' and 'baker's honey').

i. Materials and articles which come into contact with foodstuffs

Regulation (EC) 1935/2004 of 27 October 2004 on materials and articles intended to come into contact with food, which repeals Directives 80/590/EEC and 89/109/EEC, aims at guaranteeing a high level of protection of human health and the interests of consumers. The Regulation covers all materials and articles that are intended to come into contact with food: all types of packaging, bottles (plastic and

glass), cutlery, and even adhesives and inks for printing labels. The Regulation also introduces specific provisions concerning “active” and “intelligent” packaging which extends the shelf-life of food or which reacts when food has gone off (packaging which changes colour, for example).

Materials and articles which come into contact with food shall be produced in line with good manufacturing practice. They must under no circumstances transfer substances to the food with which they are in contact in quantities likely to:

- endanger human health;
- bring about an unacceptable change in the composition of the food; or
- bring about deterioration in the organoleptic characteristics thereof.

If “active” materials and articles change the composition or organoleptic characteristics of food, they must comply with Directive 89/107/EEC on additives and/or any national rules. The labelling, advertising and presentation of a material or article shall not mislead consumers under any circumstances.

Annex I of Regulation 1935/2004 identifies 17 groups of materials and articles for which specific measures may be adopted, as follows:

- intelligent materials and articles;
- adhesives;
- ceramics;
- cork;
- rubbers;
- glass;
- ion-exchange resins;
- metals and alloys;
- paper and cardboard;
- plastic materials;
- printing inks;
- regenerated cellulose;
- silicones;
- textiles;
- varnishing and coatings;
- waxes;
- wood.

These specific measures may include:

- the list of substances authorized for use in the manufacture of materials and articles that are intended to come into contact with food;
- criteria of purity;
- specific conditions of use;
- limits on the migration of certain constituents into or on to food;
- provisions aimed at protecting human health or ensuring compliance with requirements for materials and articles that are intended to come into contact with food;
- basic rules for checking compliance with the provisions above;

- rules concerning the collection of samples;
- provisions for ensuring traceability;
- additional provisions of labelling for active and intelligent materials and articles;
- provisions concerning the establishment of a Community Register of authorized substances, processes, materials or articles;
- specific procedural rules for the authorization of a substance, process, material or article.

In the absence of specific measures, Member States may maintain or adopt national provisions.

The Regulation also establishes the requirements to be met regarding the traceability of food contact materials from production to sale. The labelling or documentation accompanying materials and articles placed on the market in the Community should guarantee the traceability of the said materials and articles. This facilitates control, the recall of defective products, consumer information and the attribution of responsibility. The nature of materials and articles intended to come into contact with food is to be described on their labelling. Materials and articles which are not clearly intended to contain or to package food must bear the words “For food contact” or the symbol given in Annex II (the symbol represents a glass and a fork).

Earlier legislation on materials in contact with foodstuffs protected the health of consumers by ensuring that no material or article in contact with foodstuffs could bring about chemical reactions which would change the composition or organoleptic properties of these foodstuffs (taste, appearance, texture or even smell). This Regulation repeals this legislation in order to allow the introduction of “active” and “intelligent” packaging.

ii. Plastic materials and articles coming into contact with food

Plastic materials and articles coming into contact with food may transfer toxic substances to them. In order to prevent any danger to human health, the European Union (EU) establishes migration limits applicable to substances constituting the materials and articles in question and defines specific conditions of use to guarantee food safety. These specific requirements are contained in Commission Regulation (EU) 10/2011 of 14 January 2011 on plastic materials and articles intended to come into contact with food. These requirements supplement the general provisions laid down in Regulation (EC) 1935/2004 on materials and articles used for the packaging of food. The Regulation 10/2011 applies to plastic materials and articles intended to come into contact with food. It establishes specific requirements applicable to their manufacture and marketing. These materials and articles and parts thereof may be composed:

- exclusively of plastics;
- of several layers of plastics; or
- plastics combined with other materials.

This Regulation does not apply to ion exchange resins, rubber, or silicones. The provisions on printing inks, adhesives or coatings supplement the requirements laid down in this Regulation.

Plastic materials and articles intended to come into contact with food must comply with:

- the requirements for use, labelling and traceability set out in Regulation (EC) No 1935/2004;

- the good manufacturing practice defined in Regulation (EC) No 2023/2006;
- the compositional and declaration requirements set out in this Regulation.

Only the substances included in the list set out in Annex I may be intentionally used in the manufacture of plastic materials and articles. The list includes:

- monomers;
- additives (excluding colorants);
- polymer production aids (excluding solvents); and
- macromolecules obtained from microbial fermentation.

By way of derogation, substances not included on this list may be authorized under certain conditions. The Regulation lays down the conditions of use for authorized substances (see Annex II) and migration limits (see Annex I). These migration limits correspond to the maximum amount of substances that materials and articles may transfer to food. They are expressed in mg of substance per kg of food (mg/kg). All plastic materials and articles must comply with specific migration limits and overall migration limits. The composition of each plastic layer in direct contact with food, constituting a material or article must comply with this Regulation.

The original packaging manufacturer is required to draw up a written declaration containing the information set out in Annex IV. The information provided shall identify the materials, articles and products from intermediate stages of their manufacturing as well as the substances themselves. This declaration shall be renewed when substantial changes in the composition or production occur.

iii. Prepacked products

A pre-package is the combination of a product and the individual package in which it is prepacked. A product is prepacked when it is placed in a package of whatever nature without the purchaser being present and the quantity of product contained in the package has a predetermined value and cannot be altered without the package either being opened or undergoing a perceptible modification. Pre-packages (or packages prepared in advance) and their contents must indicate in the labelling the weight or volume they contain using a harmonized format, taking account of specific metrological conditions.

Council Directive 76/211/EEC of 20 January 1976 relating to the making-up by weight or by volume of certain pre-packaged products requires that the labelling of pre-packages and prepacked products must contain specific information relevant to the consumer. Prepacked products are sold individually at a constant weight or volume chosen in advance by the filler. The weight or volume must be:

- at least 5 grams or 5 millilitres for the smallest packages;
- no more than 10 kilograms or 10 litres for the largest packages.

Prepacked products may bear the lower case letter “e” of a minimum height of 3 mm certifying that under the responsibility of the packer or the importer that the pre-packages meet the requirements of this Directive in terms of quality and metrological controls (Annex I point 5 and Annex II). The letter must be placed in the same field of vision as the indication of the nominal weight or nominal volume. The labelling must indicate the volume in the case of liquid products and the weight in the case of other products. The label of the prepacked product must also bear the weight and volume indications used in

trade practice or comply with the national regulations of the destination country if such indications vary in the Member States.

iv. Preserved milk

Directive 2001/114/EC of 20 December 2001 relating to certain partly or wholly dehydrated preserved milk for human consumption defines preserved milk on the basis of its composition and the preparation processes it undergoes, with the aim of promoting a correct and non-misleading commercial use of designations. The products covered by this Directive are:

- partly dehydrated milk (sweetened or not);
- wholly dehydrated milk (containing different percentages of fats).

Furthermore, the Directive defines the specific designations used in certain EU countries and certain languages (see Annex II to the Directive).

Marketing of the products governed by this Directive must comply with the Directive on the labelling and presentation of foodstuffs. The labelling on preserved milk must state:

a. the percentage of fat (except for condensed milk, sweetened condensed partly skimmed milk, and dried skimmed milk);
b. the percentage of fat-free dried milk extract (for the different types of partially dehydrated milk);
c. the method of dilution or reconstitution (for dehydrated milk);
d. that the product 'is not intended as a food for infants under twelve months' (for dehydrated milk).

v. Prices of products offered to consumers

Through Directive 98/6/EC of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers it is compulsory for the selling price and the unit price to be indicated in an unambiguous, easily identifiable and clearly legible manner for all products offered by traders to consumers ("unambiguous" meaning the final price including VAT and all other taxes). The unit price need not be indicated if it is identical to the selling price. However, Member States may decide not to apply this rule to products supplied in the course of the provision of a service; and to sales by auction and sales of works of art and antiques. For products sold in bulk, only the unit price must be indicated. Any advertising which mentions the selling price must also indicate the unit price. This Directive repeals Directives 79/581/EEC (foodstuff prices) and 88/314/EEC (non-food product prices) with effect from 18 March 2000.

vi. Sugars

Directive 2001/111/EC of 20 December 2001 defines common rules for certain sugars intended for human consumption, in compliance with the general legislation applicable to foodstuffs. The rules improve the labelling of certain edible sugars in order to better inform consumers and to prevent them from being misled by the products they buy. Directive 2001/111/EC defines eleven sugar varieties:

- semi-white sugar;
- sugar (white sugar);

- extra-white sugar;
- sugar solution;
- invert sugar solution;
- invert sugar syrup;
- glucose syrup;
- dried glucose syrup;
- dextrose monohydrate;
- dextrose or dextrose anhydrous;
- fructose.

Each variety has corresponding compositional characteristics and rules relating the composition, sales name, labelling and presentation of foodstuffs.

Directive 2001/111/EC lays down certain specific provisions for pre-packaged products weighing less than 20 g, for sugar solutions, for invert sugar syrup containing crystals as well as for certain products containing more than 5 % fructose. The net weight of pre-packaged products weighing less than 20 g need not be indicated on the labelling. However, the labelling of invert sugar solutions and invert sugar syrup must indicate the levels of dry matter and invert sugar content. Furthermore, the labelling of invert sugar syrup containing crystals must include the qualifying term 'crystallized'. Finally, glucose syrups (including dried glucose syrups) which contain more than 5 % of fructose (dry matter) must be labelled as 'glucose-fructose syrup' or 'fructose-glucose syrup' and 'dried glucose-fructose syrup' or 'dried fructose-glucose syrup', to reflect whether the glucose component or the fructose component is in greater proportion.

4. LABELLING

i. Dietary foods for special medical purposes

Directive 1999/21/EC of 25 March 1999 on dietary foods for special medical purposes lays down compositional and labelling requirements for these foods. Dietary foods for special medical purposes are a category of foods for particular nutritional uses specially processed or formulated and intended for the dietary management of patients and to be used under medical supervision. They are intended for the exclusive or partial feeding of patients with a limited, impaired or disturbed capacity to take, digest, absorb, metabolize or excrete ordinary foodstuffs or certain nutrients contained therein or metabolites, or with other medically-determined nutrient requirements, whose dietary management cannot be achieved only by modification of the normal diet, by other foods for particular nutritional uses, or by a combination of the two. This Directive is a specific directive as described in Article 4 of Directive 2009/39/EC.

- Member States shall ensure that dietary foods for special medical purposes may be marketed within the European Union (EU) only if they comply with the rules laid down in this Directive.
- The formulation of dietary foods for special medical purposes shall be based on sound medical and nutritional principles. Their use, in accordance with the manufacturer's instructions, shall be safe and beneficial and effective in meeting the particular nutritional requirements of the

persons for whom they are intended, as demonstrated by generally accepted scientific data. They must comply with the compositional criteria specified in the Annex.

- This Directive specifies the name under which dietary foods for special medical purposes are sold in the 22 official languages of the EU.
- In addition to the particulars provided for in Article 3 of Directive 79/112/EC, the labelling of dietary foods for special medical purposes shall bear the following mandatory particulars:
    a. the available energy value expressed in kJ and kcal, and the content of protein, carbohydrate and fat, expressed in numerical form, per 100 g or per 100 ml of the product as sold and where appropriate per 100 g or per 100 ml of the product ready for use in accordance with the manufacturer's instructions. This information may in addition be provided per serving as quantified on the label or per portion, provided that the number of portions contained in the package is stated;
    b. the average quantity of each mineral substance and each vitamin mentioned in the Annex present in the product, expressed in numerical form per 100 g or per 100 ml of the product as sold and where appropriate per 100 g or per 100 ml of the product ready for use in accordance with the manufacturer's instructions. This information may in addition be provided per serving as quantified on the label or per portion, provided that the number of portions contained in the package is stated;
    c. selectively, the content of components of protein, carbohydrate and fat and/or of other nutrients and their components the declaration of which would be necessary for the appropriate intended use of the product, expressed in numerical form, per 100 g or per 100 ml of the product as sold and where appropriate per 100 g or per 100 ml of the product ready for use in accordance with the manufacturer's instructions. This information may in addition be provided per serving as quantified on the label or per portion, provided that the number of portions contained in the package is stated;
    d. information on the osmolality or the osmolarity of the product, where appropriate;
    e. information on the origin and the nature of the protein and/or protein hydrolysates contained in the product.
- The labelling must also include the following mandatory particulars, preceded by the words "important notice" or their equivalent:
    a. a statement that the product must be used under medical supervision;
    b. a statement as to whether the product is suitable for use as the sole source of nourishment;
    c. where appropriate, a statement that the product is intended for a specific age group;
    d. where appropriate, a statement that the product poses a health hazard when consumed by persons who do not have the diseases, disorders or medical conditions for which the product is intended.
- The labelling shall also include:
    a. the statement "For the dietary management of...", where the blank shall be filled in with the diseases, disorders or medical conditions for which the product is intended;
    b. where appropriate, a statement concerning adequate precautions and contra-indications;

c. a description of the properties and/or characteristics that make the product useful in particular, as the case may be, relating to the nutrients which have been increased, reduced, eliminated or otherwise modified and the rationale of the use of the product;
d. where appropriate, a warning that the product is not for parental use.

The labelling shall bear instructions for the appropriate preparation, use and storage of the product after the opening of the container, as appropriate.

- This Directive also sets maximum and minimum values for vitamins, minerals and trace elements in nutritionally complete foods intended for use by infants. Directive 2006/141/EC adapts one of its values, the minimum level of manganese in foods intended for infants, to take account of the latest scientific advice. The new requirements for infant formulae manufactured from cows' milk proteins or based on protein hydrolysates shall apply mandatorily to infant dietary foods for special medical purposes as of 1 January 2012.
- To facilitate efficient official monitoring of dietary foods for special medical purposes, when a product is placed on the market, the manufacturer or, where a product is manufactured in a third country, the importer shall notify the competent authority of the Member States where the product is being marketed by forwarding to it a model of the label used for the product. Member States may, if they can demonstrate that notification is not necessary in order to monitor those products efficiently in their territory, not impose that obligation.

ii. Foods used in energy-restricted diets for weight reduction

Directive 96/8/EC of 26 February 1996 on foods intended for use in energy-restricted diets for weight reduction lays down relevant compositional and labelling requirements. Foods for use in energy-restricted diets for weight reduction are specially formulated foods which, when used as instructed by the manufacturer, replace the whole or part of the total daily diet. They are divided in two categories:

a. products presented as a replacement for the whole of the daily diet;
b. products presented as a replacement for one or more meals of the daily diet.

Member States shall ensure that these foods may be marketed within the Community only if they conform to the rules laid down in this Directive. Foods covered by this Directive shall comply with the compositional criteria specified in Annex 1. The name under which the product is sold shall be:

i. for products presented as a replacement for the whole of the daily diet: 'Total diet replacement for weight control';
ii. for products presented as a replacement for one or more meals of the daily diet: 'Meal replacement for weight control'.

The labelling of the products concerned shall bear, in addition to those particulars provided for in Article 3 of Directive 79/112/EEC on labelling, presentation and advertising of foodstuffs, the following mandatory particulars:

- the available energy value expressed in kJ and kcal, and the content of proteins, carbohydrates and fat, expressed in numerical form, per specified quantity of the product ready for use as proposed for consumption;
- the average quantity of each mineral and each vitamin for which mandatory requirements are stipulated in paragraph 5 of Annex 1, expressed in numerical form, per specified quantity of the product ready for use as proposed for consumption. In addition, for products presented as a

replacement for one or more meals of the daily diet, information on vitamins and minerals listed in the Table of point 5 of Annex I shall also be expressed as a percentage of the values as defined in the Annex to Directive 90/496/EEC;

- instructions for appropriate preparation, where necessary, and a statement as to the importance of following those instructions;
- if a product, when used as instructed by the manufacturer, provides a daily intake of polyols in excess of 20 g per day, there shall be a statement to the effect that the food may have a laxative effect;
- a statement on the importance of maintaining an adequate daily fluid intake;
- for products presented as a replacement for the whole of the daily diet: a statement that the product provides adequate amounts of all essential nutrients for the day and a statement that the product should not be used for more than three weeks without medical advice;
- for products presented as a replacement for one or more meals of the daily diet: a statement to the effect that the products are useful for the intended use only as part of an energy-restricted diet and that other foodstuffs should be a necessary part of such diet.
- The labelling, advertising and presentation of the products concerned shall not make any reference to the rate or amount of weight loss which may result from their use.

iii. Foodstuffs for particular nutritional uses

Directive 2009/39/EC of 6 May 2009 on foodstuffs intended for particular nutritional uses provides the rules relating to foodstuffs intended for particular nutritional uses. These foodstuffs are clearly distinguishable from foodstuffs for normal consumption owing to their composition or manufacturing process. Moreover, they must meet the particular nutritional requirements of the following categories of person: those whose digestive processes or metabolisms are disturbed; those suffering from a particular physiological condition; and infants or young children in good health. These rules have been harmonized at European level and are summarized below.

- Only foodstuffs which meet the nutritional requirements of the two first categories of person mentioned above may bear the words “dietetic” or “dietary”.
- The labelling of these products should include information concerning the particular characteristics of the product, the energy value or carbohydrate, protein and fat content, etc.
- Specific provisions apply to the following groups of foodstuffs for particular nutritional uses: infant formulae and follow-on formulae; processed cereal-based foods and baby foods for infants and young children; foods intended for weight reduction; dietary foods for special medical purposes and foodstuffs for persons who are gluten-intolerant. Detailed provisions are laid down in specific directives or regulations which may include provisions mainly relating to the nature or composition of products and to labelling.
- It is possible to enrich foodstuffs by adding nutritional substances in order to meet particular nutritional needs and/or particular legal requirements. These enriched foods must be safe for consumption and be prepared on the basis of scientific data. Their composition must comply with the purity criteria laid down by European legislation and national law, or those recommended by international bodies.

- Foodstuffs intended for particular nutritional uses which have not been regulated by a specific directive shall comply with the rules on labelling, presentation and advertising of foodstuffs for general consumption. Nonetheless, the designation under which a dietetic product is sold must be accompanied by an indication of its particular nutritional characteristics and include additional information concerning:
    i. the composition or manufacturing process which gives the product its particular nutritional characteristics;
    ii. the energy value in kilojoules (kj) and kilocalories (kcal);
    iii. the carbohydrate, protein and fat content per 100 grams or 100 millilitres of product.
- Foodstuffs intended for particular nutritional uses shall only be allowed on the market in pre-packaged form, and the packaging shall completely cover the products, except for the retail trade or if a specific directive provides otherwise.
- When a foodstuff that does not belong to the groups of foodstuffs for which specific provisions apply is placed on the market, the manufacturer or importer of the said product shall notify the competent authority of the Member State where the product is marketed for the first time and forward a label of the label used. Where the product is subsequently placed on the market in another Member State, the manufacturer or importer shall send the competent authority of that Member State the model of the label together with an indication of the recipient of the first notification. The competent authority may require the manufacturer or importer to produce the scientific work and data establishing the foodstuff's compliance with a particular nutritional objective for one of the three categories of consumer identified above.
- A Member State may suspend or restrict trade in a foodstuff intended for particular nutritional uses if the latter endangers human health or if it does not comply with this Directive or the specific directives adopted in implementation of this Directive.

iv. Labelling, presentation and advertising of foodstuffs

Directive 2000/13/EC of 20 March 2000 on the labelling, presentation and advertising of foodstuffs applies to pre-packaged foodstuffs to be delivered to the final consumer or to restaurants, hospitals, canteens and other similar mass caterers. It does not apply to products intended for export outside the European Union (EU). **Pre-packaged foodstuffs must comply with the rules on labelling, presentation and advertising of foodstuffs**. These rules are harmonized at European Union (EU) level to enable European consumers to make informed choices and to remove obstacles to the free circulation of foodstuffs and unequal conditions of competition. Directive 2000/13/EC replaces Council Directive 79/112/EEC on the labelling, presentation and advertising of foodstuffs.

The labelling, presentation and advertising of foodstuffs must not:

- mislead the consumer as to the foodstuff's characteristics or effects;
- attribute to a foodstuff (except for natural mineral waters and foodstuffs intended for special diets, which are covered by specific Community provisions) properties for the prevention, treatment or cure of a human illness.

The labelling of foodstuffs must include compulsory information. The particulars indicated on products must be easy to understand, visible, legible and indelible. Some of them must appear in the same field of vision. The **compulsory particulars** include:

a. ***Name under which the product is sold***;
b. ***List of ingredients***, which are listed in descending order of weight and designated by their specific name, subject to the derogations provided in Annexes I, II, III and III a). Ingredients which belong to more than one category are indicated according to their principal function. Under certain conditions, the listing of ingredients is not required for:
c. fresh fruit and vegetables,
d. carbonated water,
e. fermentation vinegars,
f. cheese, butter, fermented milk and cream,
g. products comprising a single ingredient, where the trade name is identical with the ingredient name, or the trade name enables the nature of the ingredient to be clearly identified.
h. Certain additives and enzymes are not considered as ingredients; this relates to those which are used as processing aids or those contained in an ingredient, which serve no technological function in the finished product;
i. ***Quantity of ingredients*** or categories of ingredients expressed as a percentage. This requirement applies when an ingredient or a category of ingredients:
j. appears in the name under which the foodstuff is sold or is usually associated with that name by the consumer,
k. is emphasised on the labelling in words, pictures or graphics, or
l. is essential to characterize an indicated foodstuff (but certain exceptions may be provided);
m. ***Net quantity expressed in units of volume*** in the case of liquids and units of mass in the case of other products. However, there are specific provisions for foodstuffs sold by number and solid foodstuffs presented in a liquid medium;
n. ***Date of minimum durability***; This date consists of the day, month and year, except in the case of foodstuffs that will not keep for more than three months (the day and month are sufficient), foodstuffs which will not keep for more than 18 months (the month and year are sufficient), and foodstuffs which will keep for more than 18 months (year is sufficient).
The date shall be preceded by the words: 'Best before …' when the date includes an indication of the day or 'Best before end …' in other cases.
The date of durability is not required for the following products:
    - untreated fresh fruits and vegetables,
    - wines and beverages containing 10 % or more by volume of alcohol,
    - non-alcoholic soft drinks,
    - fruit juices and alcoholic beverages in individual containers of more than five litres, intended for supply to mass caterers,
    - bakers' or pastry cooks' wares which are normally consumed within 24 hours of their manufacture,
    - vinegar,
    - cooking salt,

- solid sugar,
- confectionery products consisting almost solely of flavoured and/or coloured sugars,
- chewing gums and similar chewing products,
- individual portions of ice-cream.

i. In the case of foodstuffs which are highly perishable, the date of minimum durability shall be replaced by the 'use by' date;
ii. ***any special storage conditions*** or conditions of use;
iii. ***the name or business name and address of the manufacturer*** or packager, or of a seller established within the Community. However, Member States shall be authorised, in respect of butter produced in their territory, to require only an indication of the manufacturer, packager or seller;
iv. the ***place of origin*** or provenance where failure to give such particulars might mislead the consumer;
v. ***instructions for use*** should be included to enable appropriate use of the foodstuff;
vi. ***indication of the acquired alcoholic strength*** of beverages containing more than 1.2 % by volume of alcohol.

The European provisions applicable to specific foodstuffs may authorize making particulars such as the list of ingredients and date of minimum durability optional. These provisions may provide for other compulsory particulars, provided this does not result in the purchaser being inadequately informed.
Special provisions apply to:

- reusable glass bottles and small packaging items or containers;
- pre-packaged foodstuffs. Where pre-packaged foodstuffs are marketed at a stage prior to sale to the final consumer or are supplied to mass caterers for processing, the particulars need appear only on the commercial documents, provided that the name under which the product is sold, the date of minimum durability and the details of the manufacturer or packager appear on the outer packaging of the foodstuff;
- foodstuffs offered for sale without pre-packaging and foodstuffs packaged on the sales premises at the consumer's request.

On 10 November 1993 the Commission adopted an interpretative communication concerning the use of languages in the marketing of foodstuffs. In this communication the Commission points out that the labelling of foodstuffs for sale to the final consumer must be in an easily understood language, which generally means the official language(s) of the country of marketing. However, foreign terms or expressions easily understood by the purchaser must be allowed.

vii. Nutrition and health claims

Regulation (EC) No 1924/2006 of 20 December 2006 on nutrition and health claims made on foods establishes rules aimed at harmonizing nutrition and health claims at a European level for the first time. This type of claim on food labelling, presentation and advertising must be **clear**, **concise** and **based on evidence accepted by the whole scientific community**. Nutrition and health claims of the type "with no added sugar", "fat-free" and "calcium is needed for the normal growth and development of bone in children", etc. are harmonized at European level in order to guarantee the functioning of the internal

market, whilst ensuring a high level of consumer protection. The Regulation applies to all nutrition and health claims including:

- commercial communications (labelling, presentation and promotional campaigns);
- trademarks and other brand names which may be construed as nutrition or health claims.

It applies to claims relating to all types of food intended for final consumers, including foods intended for supply to restaurants, hospitals, canteens etc. The legislation on nutrition and health claims protects consumers by prohibiting any information which:

- is false, difficult to understand or misleading (e.g. which attributes medicinal properties to food wrongly or without scientific evidence);
- casts doubt on the safety or nutritional adequacy of other foods;
- encourages or condones excessive consumption of a food;
- encourages consumption of a food by stating or suggesting directly or indirectly that a balanced diet does not provide all the nutrients that are needed;
- attempts to scare consumers by mentioning changes in bodily functions.

Nutrition labelling is **mandatory** on products for which a nutritional claim and/or health claim is made, with the exception of generic advertising. In accordance with the provisions of Directive 90/496/EEC relating to nutrition labelling on foodstuffs, the mandatory nutrition declaration must include the following information:

- the energy value; and
- the amounts of fats, carbohydrates, sugars, proteins and salt.

Effective 13 December 2016, Regulation (EU) No 1169/2011 will make nutrition labelling obligatory, whether or not the foodstuff carries nutrition or health claims. Nutritional and health claims must meet the following conditions:

- the presence, absence or reduced content of a nutrient or other substance in respect of which the claim is made must have a beneficial nutritional or physiological effect, and be scientifically proven;
- the nutrient or substance in respect of which the claim is made is present in significant quantities in order to produce the nutritional or physiological effect claimed;
- the nutrient or substance in respect of which the claim is made is in an immediately consumable form;
- the specific conditions of use must be complied with, for example, the active substance (e.g. vitamins, fibres, etc.) must be present in sufficient quantity in the food to have beneficial effects.

Nutritional and health claims relating to beverages containing more than 1.2 % of alcohol by volume are prohibited, with the exception of those which refer to a reduction in the alcohol or energy content of an alcoholic beverage.

Only the nutritional claims listed in the Annex to this Regulation are authorized. Comparative nutritional claims are possible for foods in the same category. Moreover, if the claim relates to a reduction of the energy value or the nutrient content, it must correspond to a reduction of at least 30 % (25 % for salt) in

comparison to a similar product. Health claims are subject to specific requirements. The labelling, presentation and publicity related to them must provide certain obligatory information:

- a statement indicating the importance of a varied and balanced diet and a healthy lifestyle;
- the quantity of the food and pattern of consumption which will ensure the claimed beneficial effect;
- a statement addressed to persons who should avoid the substance concerned;
- a warning of the health risks caused by excessive consumption.

The Regulation prohibits health claims which refer to the rate ("lose 3 kg in one week") or amount ("lose 3 kg") of weight loss or suggest it is detrimental to health not to consume a certain type of food, references to an individual doctor or health professional or to associations other than national medical associations and health-related charities, and claims which suggest that health could be affected by not consuming the food.

Following Directive 2000/13/EC on labelling and Regulation (EU) No 1169/2011 which will replace it from 13 December 2014, any reference to properties for the prevention, treatment or cure of a human disease is prohibited. However, in contrast, the Regulation authorizes claims concerning the reduction of the risk of a disease, provided that an application for authorization has been approved. To obtain authorization for a new claim or amend the existing list, the manufacturer must submit an application to the Member State concerned, which will forward it to the European Food Safety Authority (EFSA). The Commission then makes a decision on the use of the claim on the basis of the EFSA's opinion.

viii. Nutrition labelling (until 2014)

Nutrition labelling refers to the provision of any information relating to the energy value of foods or the following nutrients: proteins, carbohydrates, fat, dietary fibres, sodium, vitamins and minerals. Rules for nutrition labelling are harmonized throughout the European Union. Member States may not introduce nutrition labelling specifications that are more detailed than those contained in this Directive. The information is optional, but becomes compulsory if a nutrition claim appears on the label or in advertising. Council Directive 90/496/EEC of 24 September 1990 concerns nutrition labelling of foodstuffs for the final consumer and for mass caterers (restaurants, hospitals, canteens, etc.).The Directive does not apply to natural mineral waters or other waters intended for human consumption or food supplements. The main requirements for nutrition labelling are indicated below.

- Nutrition claims are only allowed in relation to the energy value and the nutrients referred to in the Annex to the Directive (i.e. proteins, carbohydrates, fat, dietary fibres, sodium, vitamins and minerals) or to substances which belong to one of the categories of these nutrients or which are components of them.
- The information in nutrition labelling comes under group 1 or group 2, as indicated below:
  a. Group 1: the energy value, and the amount of protein, carbohydrate and fat,
  b. Group 2: the energy value, the amount of protein, carbohydrate, sugar, fat, saturated fatty acids, dietary fibre and sodium.
- Where the nutrition claim refers to sugars, saturated fatty acids, dietary fibres or sodium, group 2 information must be provided. The declared energy value and amount of nutrients must be given in figures using specific units of measurement. The information must be expressed per 100g or per 100ml. They can also be expressed per package or per portion. Information on vitamins and minerals must, in addition, be expressed as a percentage of the recommended daily allowance (RDA), which may also be given in graphic form.
- Nutrition labelling may also include the quantities of amidone, polyols, monounsaturated fatty acids, polyunsaturated fatty acids, cholesterol and the mineral salts and vitamins specified in the Annex to the Directive.
- All of the above information must be grouped together in a clearly visible place and must be in legible, indelible characters and in a language easily understood by the purchaser.
- With regard to foodstuffs which are not pre-packaged when sold to the final consumer and mass caterers and foodstuffs which are packaged at the places of immediate sale, the scope of the information in food labelling and the manner in which it is provided may be laid down in national provisions until Community measures are possibly adopted in accordance with the procedure provided for in this Directive.

Effective the 13 December 2014, this Directive will be replaced by Regulation (EU) No 1169/2011 on the provision of food information to consumers. The proposed Regulation combines this current Directive and Directive 2000/13/EC relating to the labelling, presentation and advertising of foodstuffs.

ix. Production and labelling of organic products

Regulation (EC) 834/2007 of 28 June 2007 on organic production and labelling of organic products (repealing Regulation (EEC) 2092/91) lays down a new legal framework for organic products. It sets out the objectives and principles applicable to this type of production and illustrates the rules on production, labelling, controls and trade with third countries. This Regulation entered into application on 1 January 2009.The harmonization of the production, labelling and control of organic products ensures that there is fair competition between producers and strengthens the confidence of consumers

within the increasing market for organic products. The framework established by this Regulation governs:

- agricultural products (including aquaculture products), either processed or unprocessed and intended for human consumption;
- animal feed;
- vegetative propagating material and seed used for crops;
- yeasts used as food or feed.

This Regulation contains the basic objectives and general principles for organic farming. The objectives focus on sustainable agriculture and production quality, which must meet consumers' needs. The general principles concern, *inter alia*, specific production methods, the use of natural resources and stringent restrictions on synthetic chemical inputs. Furthermore, the Regulation lays down specific principles concerning farming, the processing of organic food and organic animal feed.

According to the general rules for organic production, genetically modified organisms (GMOs) are prohibited in all their forms. Rules concerning the labelling of food allow operators to ensure compliance with this prohibition. Treatment by ionizing radiation is also prohibited. Those wishing to operate both types of agricultural production (organic and non-organic) must ensure that animals and land for these two activities are separated. Organic plant production must comply with certain rules concerning:

- ground treatment, which must preserve life and the natural fertility of the ground;
- the prevention of damage, which must be based on natural methods but which can make use of a limited number of plant protection products authorised by the Commission;
- seed and plant propagation material, which must be produced using organic methods;
- wild plants collected in some areas are also classified as organic products if they comply with certain conditions relating to their harvest and provenance. Seaweed may also be considered as an organic product as long as its area of production and harvest comply with certain conditions.
- Organic livestock production must comply with certain rules concerning:
- the animals' origin - they must have been born and reared in organic holdings;
- livestock husbandry practices, which, inter alia, relate to certain features of animal housing;
- animal breeding methods, generally natural;
- animal feed, which must be organic;
- the prevention of disease;
- cleaning and disinfection, involving the exclusive use of products authorised by the Commission.

Similar specific rules apply to aquaculture animals. The Commission authorizes the use of a limited number of products and substances in organic farming. These products may be for plant care, animal feed and the cleaning of buildings used for livestock and plant production. The Commission may also set certain limits and conditions for the application of these products. Holdings which are entering into a new organic farming activity must comply with a conversion period. The rules laid down in the Regulation also govern this conversion period. Organic processed feed must contain organic raw materials and may not be processed using chemical solvents. Processed food must contain mainly

ingredients of agricultural origin. Other ingredients are permitted if authorization has been requested from the Commission. Organic yeast must be produced from organic substrates and other authorized ingredients.

ABOVE: NEW EU ORGANIC LOGO

Labelling, advertising or commercial documents may use terms such as “eco” and “bio” to describe an organic product, its ingredients, or raw materials. The labelling of an organic product must be clearly visible on the packaging and contain a reference to the control body that certifies the product concerned. Effective 1 July 2010, the use of the European Union logo on organic food products will be mandatory, as will an indication of the provenance of raw materials used in the product. This indication must be shown in the same field of vision as the Community logo.

Compliance with the provisions contained in this Regulation will be guaranteed by a system of controls based on Regulation (EC) 882/2004 and precautionary and control measures established by the Commission. Products from third countries may also be placed on the Community market as organic products as long as they comply with the provisions of this Regulation and if they have been subject to control. This control may be carried out either by a body recognized by the European Community, or by an accredited control body.

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ANNEX 1 RANKING OF TOP FOOD AND DRINK COMPANIES BY EUROPEAN FOOD AND DRINK SALES (2010- 2011)

NAME OF COMPANY	HEADQUARTER LOCATION	SALES IN € BILLION	NET GROWTH OVER PREVIOUS YEAR (%)	EMPLOYEES (x1000)	MAIN SECTORS
Nestle	Switzerland	12.4	4.0	95	*multi-product*
Heineken N.V.	Netherlands	11.0	0.0	36	*Beer*
Lactalis	France	9.4	NA	31	*dairy products*
Group Danone	France	9.4	1.9	46	*dairy, waters, baby and medical nutrition*
Associated British Food	UK	8.7	10.1	NA	*sugar, starch, prepared foods*
Unilever PLC./ Unilever NV	Netherlands/ UK	8.2	0.0	29	*multi-product*
Vion	Netherlands	8.0	-2.0	NA	*multi-products, ingredients*
Carlsberg	Denmark	7.6		14	*beer*
Danish Crown	Denmark	7.0	14.0	24	*meat products*
Sudzucker	Germany	6.2	8.0	18	*sugar, multi-product*
FrieslandCampina	Netherlands	5.9	3.5	13	*dairy products*
Oetker Group	Denmark	5.8	13.7	26	*multi-product*
Nutreco	Netherlands	4.7	NA	5	*meat products*
Anheuaser- Busch In Bev	Belgium	4.1	4.6	NA	*beer*
Barilla	Italy	3.9	NA	14	*beverages, confectionery*
SABMiller Plc	UK	3.5	NA	14	*beer*
Diageo Plc	UK	3.1	3.0	3	*alcoholic beverages*
Kerry Group	Ireland	3.0	9.7	23	*multi-product*
Pernod Ricard	France	2.9	2.0	3	*alcoholic beverages*
Bongrain	France	2.8	8.9	14	*dairy products*
Barry Callebaut	Switzerland	1.8	-5.3	3	*confectionery*
Parmalat	Italy	1.2	4.4	2	*milk, fruit-based drinks*
Ebro Foods	Spain	1.0	3.6	NA	*rice, sugar, dairy*
Tate & Lyle	UK	0.6	NA	2	*ingredients, prepared foods*

NA- not indicated

Source: Food DrinkEurope (2011), Data and Trends of the European Food & Drink Industry 2011, retrieved from http://www.fooddrinkeurope.eu/publication/data-trends-of-the-european-food-and-drink-industry-2011/ in August 2012