

5 March 2021

PROMOTION FoodDrinkEurope feedback on the Inception Impact Assessment

FoodDrinkEurope, the organisation representing Europe's food and drink industry, welcomes the opportunity to contribute to the European Commission's Inception Impact Assessment on "EU farm and food products – review of policy on promotion inside and outside the EU".

The food and drink industry is the largest manufacturing sector and leading employer in the EU with 291,000 companies (99% SMEs) and 4.8 million workers. The EU is moreover the world's largest exporter of food and drinks in the world. In 2019, food and drink exports reached a value of €120 billion, generated by businesses of all sizes.¹

Sustainable growth

Europe's food and drink industry is conscious of the important role it needs to play in supporting the Green Deal as the growth strategy to re-boot the economic sustainability of the EU, to help reach climate neutrality in 2050 and to contribute to healthier living.

The evaluation of the current promotion policy, carried out by the Commission, found no major inconsistencies with other EU policies, but noted that it could be better aligned with the Green Deal.

European food is famous for being safe, nutritious and of high quality. The EU promotion policy plays an essential role in strengthening the position of EU agri-food products on traditional and emerging markets.

Hence, FoodDrinkEurope welcomes that "the policy's review should enhance its contribution to sustainable production and consumption, [...] while maintaining or even increasing the policy's effectiveness in supporting the agri-food sector's competitiveness". **A strong promotion policy will require an adequate budget.**

Support the entire agri-food sector

Europe is renowned for its rich and diverse food culture, combining tradition and innovation, and for its high production standards in terms of food safety and environment. The promotion policy plays a key role in raising consumers' awareness of the diversity and merits of EU agri-food products and production methods. To that effect, **all eligible products, including processed food and drinks, must be equally able to apply and qualify for the promotion funding.** The Commission should avoid discriminating certain products over others when promoting their consumption and should not leave any product behind. This implies:

- ✓ The review should **focus on diets** and not on single nutrients/ingredients or foods: a healthy, balanced diet means eating a wide variety of foods in the right proportions. Every food and drink product has a role in a balanced diet when consumed in moderation.

¹ Source: FoodDrinkEurope, 2020. *Data and Trends report* ([link](#)).

- ✓ Likewise, when it comes to the effects on climate, biodiversity or environment, there are no sustainable or unsustainable sectors. Furthermore, all EU agri-food products must comply with EU Regulations and Directives in the field of climate, environment protection and animal welfare. Besides, there are various sustainable business practices, either regulated at EU level or private initiatives going beyond EU legislation. Hence the review should **focus on EU production methods**, not on sectors.
- ✓ A **balanced budget allocation** between actions on Geographical Indications (GIs) or organic, and generic promotion is needed, because economic, environmental and social sustainability is much wider than local products or organic farming alone. Besides, the promotion policy should remain demand-driven and operators should be able to respond to the opportunities offered by the market.²
- ✓ **Expand the list of eligible products** for funding under promotion **to include a wider range of processed food and drink products**, since 70% of EU agricultural raw materials are processed by food and drink companies.³

The EU: a global leader in sustainability

Building on the high reputation and excellence of Europe's food as safe, nutritious, culturally-diverse and of high quality, FoodDrinkEurope recognises the need and supports the EU's commitment to strengthen our global leadership in sustainability.

A level playing field for domestic producers will determine the success in the EU and global transition to more sustainable food systems. By promoting the high EU standards on climate and environment in third countries, the promotion policy sends a strong signal to other countries to follow suit. Measures on the initiative of the Commission can in particular contribute to bolster EU outreach efforts and build "Green Alliances". At the same time, no products should be excluded *per se* from the EU promotion policy, or it would leave EU producers exposed to unfair competition from promotion efforts by third countries.

² GIs and TSGs represent 7% of the overall sales of EU food and drinks and organic 8% of the EU agricultural area. Source: FoodDrinkEurope, 2020. *Data and Trends report* ([link](#)).

³ Source: Wageningen University, 2018. *The EU food and drink industry use of domestic raw material* ([link](#)).