



**PUBLIC CONSULTATION
ON THE SUSTAINABILITY OF THE FOOD SYSTEM**

– RESPONSE –

1st October 2013

Union of Groups of Independent Retailers of Europe A.I.S.B.L.
Avenue des Gaulois, 3 boîte 3 Tél. : + 32 (0)2 732 46 60
B – 1040 BRUXELLES Fax : + 32 (0)2 735 86 23

info@ugal.eu
www.ugal.eu

Transparency Register ID Number 034546859-02

UGAL, the voice of groups of independent retailers at EU level, recognizes the crucial importance of sustainability issues as regards food production. This is a vast topic that concerns a wide amount of policy areas – social and consumer affairs, environment, internal market, trade, development, etc. – as well as sectors – farming, food industry, packaging industry, all forms of distribution, and trade. Particularly the economic component seems to be disregarded in this consultation. In UGAL’s opinion these many aspects cannot be seen in isolation, and can therefore not be prioritized or legislated in isolation. Before embarking on new aspects of sustainability, the Commission should first aim to streamline the different initiatives that it has already started and put them in their wider context in order to avoid duplications, contradictions or counter-effective measures in the future.

Sustainability experts in UGAL member organisations will respond separately to the consultation.

UGAL wishes to comment on the subject of food waste only, since certain stakeholders have already circulated opinions on this issue at EU level.

UGAL agrees that food waste should be avoided, where possible. In policy discussions, UGAL considers that misleading definitions on food waste are being used by certain stakeholders. The division of food waste and food loss over different parts of the food supply chain – as used, for instance, by the FAO – is in our view artificial, incorrect and irrelevant. It should be noted that the proportion of food wasted at retail level is very small compared to other levels (1).

UGAL members have recognised their responsibility to develop and enforce efficient measures to deal with food waste relevant to the activities under their control.

Misleading definitions of food waste should be avoided

A prerequisite for effectively dealing with food waste is a clear, commonly understandable EU definition of the problem. The definition currently used by the FAO, which artificially divides food wastage into food waste (created by retailers, restaurants and consumers) and food loss (created by producers) is incorrect and irrelevant. Both phenomena – food waste and loss – occur on all levels of the supply chain and stakeholders should do their utmost to avoid both since all waste is a loss just as all loss is a waste. As such, this misleading FAO definition of food waste and its distribution over different parts of the supply chain should be abandoned and the EU should develop a new definition of food waste in consultation with food business operators and their trade associations.

Existing principles on ‘responsibility’ should be recognised

As outlined by official studies, such as a recent report by the European Commission (2), only a small proportion of overall food waste is wasted at retail level. According to this report, only 5.5% is attributed to retail, whereas 42% is attributed to consumers/households. 39% is attributed to manufacturers and roughly 14% to the food service industry. UGAL calls on the Commission to remember this fact when developing measures in the area and actions should be accordingly targeted.

Examples of such actions could be education campaigns on how to avoid food waste e.g. through sensible, pre-planned grocery shopping; appropriate storage; and limiting confusion on date labels via public campaigns by EU, national or local authorities.

(1) European Commission. “Preparatory Study on Food Waste across EU 27”. European Communities 2011. Retrieved 13 September 2013: http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf

(2) European Commission. “Preparatory Study on Food Waste across EU 27”. European Communities 2011. Retrieved 13 September 2013: http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf

Responsibilities for food waste should be in accordance with the general food law principles of responsibility. That is to say, food business operators are only responsible for activities “within the business under their control” (article 17 Regulation 178/2002 (3)). Consequently, retail responsibilities for food waste should be limited to what they can actually control (i.e. their legal responsibilities elaborated in Regulation 178/2002).

Actions of UGAL members in the area of sustainability / reduction of food waste

UGAL members take their responsibilities seriously to limit food waste. They have developed and introduced many efficient measures in this area. For instance:

- Consumer education measures:
 - o Cooperation with kindergartens to raise children’s awareness on food sustainability issues at an early stage.
 - o Dedicated website areas and in-store nutritionists to inform consumers on sustainable food consumption as well as the avoidance of food waste.
- Intelligent supply chain management systems:
 - o Precise controls of food deliveries.
 - o Efficient use of expiry dates in storage rooms (“first in – first out” systems).
 - o ‘Zero inventory approach’.
- Improved packaging materials and new pack sizes suitable to consumer demand (less double packs, multi packs etc.).
- Effective training of all relevant staff (experts, sale staff) on waste sorting, rotation of the products on the shelves by expiry date etc.
- Work with external operators (specialized companies, local farmers) who are in charge of recycling biological waste which is often transformed into fertilizer or biogas.
- Promotion of the use, rather than disposal, of products that are past or close to their best-before date via donations to food banks and preferential sales to staff.
- Implementing new reporting tools and training.

Several UGAL members also cooperate with food banks. UGAL welcomes the Commission’s recognition of the need to clarify VAT rules for food bank donations and the publication of guidelines (4) in this respect.

It should be noted that the efficient use of consumer shopping data is essential for the reduction of food waste by supply chain operators. Data protection rules must be sufficiently flexible to allow personal data to be used for statistical and forecasting purposes. Allowing data usage for such activities can help supply chain operators to assess future product demand, prevent over-ordering/production and reduce food waste.

(3) Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, OJ L31 of 01.02.2002, page 1

(4) European Commission, Directorate-General Taxation and customs union. Indirect Taxation and Tax administration. “Value Added Tax Committee (Article 398 of Directive 2006/112/EC), working paper No. 745. Final – Guidelines 97th meeting of the VAT Committee”, Brussels, 7 December 2012. Retrieved 13 September 2013: http://ec.europa.eu/food/food/sustainability/docs/guidelines-vat-committee_en.pdf

→ Priority actions

- ✓ **Avoid misleading definitions of food waste and remove the artificial division between food loss and food waste over different parts of the food supply chain.**
- ✓ **Align responsibilities in accordance with the general food law (food business operators are responsible for activities “within the business under their control” – article 17 Regulation 178/2002 (5)).**
- ✓ **Focus on areas where most food is lost/wasted.**
- ✓ **Develop data protection legislation that allows for the efficient use of consumer data by supply chain operators for the avoidance of food waste.**

Original version: English – Brussels, 1st October 2013

*Established in 1963, **UGAL** – the **Union of groups of independent retailers of Europe** – is the European association that acts as an umbrella organisation for the main groups of independent retailers in the food and non-food sectors.*

These groups are set up like wholesale businesses by independent retailers and craftsmen. Their aim is not only to provide their members with the best purchasing conditions. What they are also seeking is to jointly contribute technical and material resources, together with all the services and the human capacity required to guarantee the operation and development of modern commercial and distribution enterprises for retailers to effectively respond to consumer expectations.

To achieve this, these groups seek economic performance through networks of points of sale – consisting of SMEs usually working under a common brand name.

UGAL represents nearly 300.000 independent retailers, who manage more than 545.000 sales outlets. This represents a total employment of more than 5.000.000 persons.

More information about UGAL under www.ugal.eu

(5) Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, OJ L31 of 01.02.2002, page 1