

**EU FOOD LABELLING REVIEW****Executive Summary**

1. The purpose of this paper is to seek the Board's view on key strategic issues related to the EU Labelling Review. The basic food labelling provisions date back to the late 1970s and have evolved over the years in response to various issues and consumer demands. There is, therefore, a large amount of information available to consumers that will continue to increase and, it is suggested, the current approach is not sustainable for a paper-based food label. The EU review provides an opportunity to take a fresh look and prepare a 'future-proof' labelling and information strategic platform that anticipates the needs of consumers, rather than a short term approach that will need to be reviewed again in a few years' time. Within this, it will be necessary to consider the part that greater prescription or guidance could play and the impact on businesses, including small and medium-sized enterprises.
2. The European Commission is not expected to propose new measures until mid to late 2007. The outcome of the Board's discussion will be conveyed to the European Commission with the aim of informing its deliberations.
3. The Board's views are invited on:
  - The current and future information needs of consumers and how this can best be provided for.
  - Whether all the information required under current EU labelling requirements should still be on the label of a food or provided in some other way and whether a set of principles governing what must appear on the label could be established?
  - How other information might be provided (either on a mandatory or voluntary basis) and whether the Agency could investigate available 'off-label' approaches to assess the potential for greater use of other media to deliver consumer information at point of purchase (or elsewhere).
  - Whether it is appropriate to ask the European Commission to consider whether pan-European guidance in some areas is feasible.

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## EU FOOD LABELLING REVIEW

### Issue

1. To seek the Board's view on key strategic issues related to the EU Labelling Review. This paper does not seek comment on the detail of specific labelling areas, of which there are many, involving a number of Government Departments. It aims to seek the Board's views on a framework that might be considered and ideas that could be explored in order to make labelling law relevant to the needs of 21<sup>st</sup> century consumers and industry.

### Strategic Aims

2. To enable consumers to make informed food choices.

### Background

3. EC legislation requires that information on labels is easily visible, clearly legible and indelible. It also requires a number of mandatory declarations (Annex I) for pre-packed products that have developed over many years to meet consumer demands and protect public health. Other voluntary information may be provided as long as it is accurate and not misleading, but there is no obligation that this should be on the label<sup>1</sup>. Foods sold loose or pre-packed for direct sale in the UK are largely exempt from mandatory requirements, to allow flexibility for small businesses.
4. The majority of the main EU food labelling requirements date back to 1979<sup>2</sup>. Although there was a consolidation in 2000<sup>3</sup>, there have subsequently been a significant number of detailed amendments. Additional labelling requirements are contained in some 40 horizontal and vertical pieces of legislation – of which many are the responsibility of other Government Departments (e.g. Defra) - making it difficult for businesses and enforcers to identify requirements for individual products.
5. A great deal of work has already been undertaken in the UK on food labelling, in conjunction with the Board. Following the launch of the 'Better Labelling Initiative' in January 2000, the Board agreed to a fundamental review of food labelling policy. This resulted in the Agency's Food Labelling Action Plan (FLAP)<sup>4,5,6,7</sup>.

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<sup>1</sup> other than in the case of nutrition labelling where a claim will invoke required labelling declarations.

<sup>2</sup> Council Directive 79/112/EEC

<sup>3</sup> Council Directive 2000/13/EC

<sup>4</sup> Paper FSA 00/04/07

<sup>5</sup> Paper FSA 01/02/03

<sup>6</sup> Paper FSA 01/07/03

Consumer research and consultation exercises identified the key elements of concern that could be addressed either by changes in EU legislation or by the introduction of Agency Guidance.

6. The FLAP, which has been monitored by the Board since September 2000,<sup>8</sup> was sent to the European Commission in October 2000 with a note of those areas where the UK sought action at EU level. A number of these measures, such as full ingredient listing; allergen labelling; GM labelling; and nutrition labelling, have already been adopted or are being discussed in Brussels. Others, such as origin labelling, are reflected in the EU labelling discussion document<sup>9</sup>. A brief update on the FLAP is attached at Annex II.
7. The European Commission announced a review of labelling legislation in 2004, and published a consultation document<sup>10</sup> in February 2006. This was subject to a public consultation in the UK, and the Government's response setting out initial comments was sent to the Commission on 5 July<sup>11</sup>. This response stated that the UK would be exploring some of the issues in more depth in the coming months, and going back to the Commission in more detail on some areas to help inform further thinking. The Commission is now looking at responses from Member States and a wide range of other stakeholders. The earliest we expect a new proposal from the Commission is mid to late 2007.

## **Discussion**

8. Consumers' choices and purchasing decisions are influenced by an increasingly sophisticated range of information. Individual consumers will also have their own set of values that they think about when purchasing food, so their particular information requirements often reflect these.
9. Generally, consumers have become accustomed to the wide range of information primarily, although not exclusively, available through a paper label on products. There is common agreement amongst consumer, industry and enforcement bodies that labels need to be clear. Part of the difficulty is that food labelling rules have evolved piecemeal in response to a variety of issues and consumer demands. At the same time the preponderance of more complex/ready to eat foods and food traded by multinationals within the European Community Single Market bearing multi-language labels may have contributed to crowded labels resulting in a loss of clarity for the consumer. The key issues are therefore simplification of the label and clarity.

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<sup>7</sup> Paper FSA 02/11/02

<sup>8</sup> Paper FSA 04/02/05

<sup>9</sup> [http://europa.eu.int/comm/food/food/labellingnutrition/betterregulation/index\\_en.htm](http://europa.eu.int/comm/food/food/labellingnutrition/betterregulation/index_en.htm)

<sup>10</sup> [http://europa.eu.int/comm/food/food/labellingnutrition/betterregulation/index\\_en.htm](http://europa.eu.int/comm/food/food/labellingnutrition/betterregulation/index_en.htm)

<sup>11</sup> <http://www.food.gov.uk/multimedia/pdfs/labelresponsetoeu0607.pdf>

## ***Provision of Information versus Labelling of Products***

10. A distinction needs to be made between the provision of information that can be easily accessed by the consumer and the labelling of products. This would mean an acceptance that perhaps the label is not necessarily the only route for providing consumer information. Some key questions to ask are:

- i) What information is required by consumers to inform their purchasing decisions?
- ii) Does it need to be on the label or could it be provided elsewhere, other than on the label, and how?
- iii) What information is essential to appear on the label, and how should this be decided? (for example by perhaps establishing principles for the provision of information particularly in relation to relating to safety and health).

11. In discussing these questions, the Board will need to bear in mind a number of points. Consumers vary in their use of the label. Not all consumers are the same - some wish a full range of information whilst others are only interested in particular issues. Some consumers will make use of specific pieces of information on every purchase, whilst others will make use of this on first purchase only or when the product seems to have changed from their customary purchase. Furthermore, a label is an integral part of product marketing and 'cleaning up' the label could affect the industry's ability to attract consumers to their products. It should also be noted that labelling legislation provides exemptions for the labelling of loose foods and foods pre-packed for direct sale, including catering establishments. (see Annex I).

## ***Labelling Clarity***

12. In terms of labelling clarity, both consumer research and stakeholder meetings have indicated that presentation is one of the most important issues to consumers. This is not just a matter of print size alone - format, colour, contrast, information groupings and standardisation are also important. This issue was addressed in stakeholder workshops held in the Netherlands and London, earlier this year. Ideas for possible pan EU solutions such as grouping mandatory information in a box, prescribed print sizes or standard formats were considered. The view was, however, that prescription reduced flexibility in positioning of information and was not applicable across the broad range of food products and packaging. Nevertheless, some form of prescription may be an option.

## ***Non-Regulatory Approaches and Applicability at the EU Level***

13. In addition to Guidance on Regulatory Requirements, the UK has 'Best Practice' guidance in a number of areas<sup>12</sup>. The advantage of this Guidance is that it is more responsive than legislation and encourages the adoption of a common approach without placing regulatory burdens on food businesses. The disadvantage is that voluntary guidance may be followed by some but not others. There may be elements of guidance common across other EU Member States. The Board may consider it appropriate for the Agency to ask the European Commission to investigate the extent of labelling guidance produced in Member States and consider whether pan-European guidance in some areas is feasible. Such guidance might not necessarily be Government sponsored but EU wide industry codes. It should be noted that in the UK, any Member State sponsored guidance would be subject to a regulatory impact assessment.

### **Benefits and Risks**

14. Providing a European approach could be agreed, simplification of the label could benefit consumers, but those who required additional information to inform their purchasing choice would need to become accustomed to finding that information elsewhere. A lot of consumer research has been done in the area of consumer demands for information and a potential downside is that consumer groups may see any reduction of information as a loss of hard-won battles achieved over the years. This may depend on where that information is available. Previous indications have been that encouragement of 'off-label' provisions might not find favour with consumers. The general view of consumer groups is that consumers generally wish all the information they deem desirable (including voluntary indications) to be easily available in one place at point of purchase.

15. Industry would benefit from reduced printing and packaging costs and depending how much information was provided off-label would be more adaptable to labelling changes. However, depending on the conditions for off-label provision there may be an additional cost in terms of display material or information provision. There may also be an impact on marketing and the ability for producers and retailers to differentiate their products from others. It has to be acknowledged that much of the non-statutory labelling relates to marketing that would encompass a host of assurance labels governing ethical or other issues deemed important by some consumers. Finally, the ability of SMEs to absorb or meet change is an important factor.

16. In assessing 'off-label' approaches, consideration needs to be given to the use of new technologies, which are available but at present are somewhat limited in

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<sup>12</sup> Clear Food Labelling; Country of Origin Labelling; Criteria for the use of the Terms 'Fresh, Pure and Natural etc'; Use of the terms Vegetarian and Vegan; Allergens - May Contain; Allergens - Non pre-packed foods (out to consultation)

what they can deliver at point of purchase<sup>13</sup>. This situation is likely to change rapidly within the near future given the innovation in the area - so the impact of new technology should not be underestimated. It will be important that any future labelling framework does not prejudice through legislation the development or uptake of these technological approaches.

17. Care will also have to be taken that existing measures that provide real benefit are not lost and that full account is taken of the views of consumer, industry and enforcement interests.

18. The full range of economic, social and environmental impacts will be identified as part of a sustainability assessment as more detailed options are considered.

### **Next Steps**

19. After the meeting the Board's views will be relayed to the European Commission to aid its deliberations in shaping the proposal expected later in 2007. In November, Board members will be invited to attend a closed workshop to inform them of the current legislative requirements and the practical problems. A further discussion by the Board on labelling is scheduled for early 2007 so that the Board has a good understanding of the issues before the Commission comes forward with any proposals. When it does, there will, of course, be further consultation with stakeholders and other Government Departments and discussion by the Board in order to inform negotiating positions.

### **Board Action Required**

20. The Board's views are sought on:

- The current and future information needs of consumers and how this can best be provided for.
- Whether all the information required under current EU labelling requirements should still be on the label of a food or provided in some other way and whether a set of principles governing what must appear on the label could be established?
- How other information might be provided (either on a mandatory or voluntary basis) and whether the Agency could investigate available 'off-label' approaches to assess the potential for greater use of other media to deliver consumer information at point of purchase (or elsewhere).

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<sup>13</sup> Internet and customer care lines provide access to information but these may only be able to meet consumer demands for supplementary information, will not encompass all socio-economic groups and may disadvantage SMEs. In terms of technological developments for point of purchase information, some supermarkets have been trialling the use of bar codes and readers to provide more information 'off label'. New technology, involving the ubiquitous mobile phone to read new types of bar codes have been trialled but such technology is some way in the future.

- Whether it is appropriate to ask the European Commission to consider whether pan-European guidance in some areas is feasible.