

High Level Group (HLG) on the Competitiveness of the Agro-Food Industry

CIAA contribution to the discussions of the Working Group: “Consumer Values and Perceptions”

Background

Consumers are more and more passionate about their food, how and where it is produced, its quality, its price and its effect on their health and that of their families. Despite security of supply, diversity and affordability of food products, over the last two decades consumer concerns have increased due to various food crises such as BSE, dioxin etc. Consumers temporarily lost trust in the public authorities and in the capacity of scientists and industry to deal with emerging risks. Media scare stories contributed to exacerbating the situation that, of course, further influenced consumers' perception of risks.

Consumers are also becoming increasingly aware of the importance of food and diet to healthy living, well-being and longevity. In addition, consumers are also demanding assurance from food producers that ethical and environmental concerns are reflected in the food products they purchase and consume. While these factors are exerting, consumers remain steadfast in their demand for affordable foods. This poses a great challenge to industry. Thus, new technologies and novel products need to be introduced together with establishing and maintaining consumer acceptance and confidence.

Building consumer trust in the safety of the food chain

- Consumers' response to real or perceived food safety issues is most important for the competitiveness of European food products. Highest standards of food safety will therefore always be important.
- Better communication is needed and an environment of trust and mutual confidence must be established. Consumers want clear messages, presented in simple language. EFSA assessments and scientific recommendations must be undisputed and give rise to consistent policy decisions. In turn, the media and politicians are expected to convey complex issues in a simple and unambiguous way. While efforts continue to make food safer than it has ever been, consumers should understand that it is nonetheless impossible to live in a world of “zero” risk.
- Counterfeiting and fraud is a major issue which undermines consumer trust in the quality and safety of a branded food product and lead to a loss in market share. It is, therefore, essential to build effective systems of product tracing and identification in which consumers can trust.

Issues of society

- There is a broad consensus that the causes of obesity and its related diseases are multifactorial. Effective self-regulation and voluntary cooperation with all stakeholders is the most effective way to bring together resources and achieve success in the promotion of healthy diets and physical activity. Any intervention must be evidence-based and will require the involvement of several sectors due to the multifactorial nature of the problem. CIAA believes that the responsibility of addressing this issue requires multiple strategies, the integrated efforts of many stakeholders and long-term resolve.
- Community strategy for the prevention of overweight, obesity and chronic diseases should be established in a way that respects: free and informed choice for all European consumers; dietary diversity and cultural identity in the member States and regions of Europe; the need for a strong scientific basis for all policy development; the need for EU policy to give added value over and above what is developed by the Member States; the principle of proportionality; the need for all policy options to be evaluated to determine whether or not they meet the health goals set out for them.
- Studies have shown that Corporate Social Responsibility (CSR) positively contributes to companies' competitiveness as it leads to a competitive advantage, particularly by improving the company's image, increasing its customers' loyalty and fostering the employees' motivation and workplace satisfaction. However, one of the problems for SMEs when they are seeking to address CSR issues is that many of the tools available are designed for large companies whereas SMEs need advice that is better tailored.

Environmental impact of modern food production

- The challenge is to achieve sustainable food chains that serve consumer needs and desires, and that balance environmental protection, social fairness and economic growth.
- The tendency towards production of high-yielding, disease-free, raw materials has led to less diversity and more intense production. All parts of food production and the supply chain will have to be more aware of their future use of resources and significant potential cost savings if usage can be reduced. Energy and water are vital components of safe food production and a fine balance between safety and environmental goals will need to be struck in order to ensure consumer trust in the food supply.
- While life-cycle assessments (LCAs) have been used by industry for many years as an internal management tool, there is currently no uniformly applied methodology to communicate environmental information at the food end product level; this is due to the complexity of the food chain and its environmental impacts, and to the enormous diversity of food products available. A structured dialogue among all food chain partners and policy makers should be established (in the framework of an SCP Roundtable to be established) to assess the practical implications of various routes to environmental consumer information in the food sector and to define effective and consistent strategies forward.
- It is essential that EU policy be geared to support companies in the transition towards a resource-restrained economy. New initiatives must not impose regulatory barriers that restrict the food industry's capability to innovate - not least seen against the backdrop of an increasingly challenging global competitive environment.

CIAA Priority Objectives and Recommendations

- Satisfying consumer interest in food and food production requires different sets of responses. Legislation is imperative in certain areas and it must be science-based, proportionate and enforceable. Scientific advice and recommendations of official bodies are an essential element of consumer's trust in the food chain and must be the basis for consistent and harmonized policy decisions.
- Communication on food and food production must be clear, coherent, and comprehensible for consumers. Benefits to consumers need to be explained and highlighted. This is particularly important for policy-makers and needs to be a guiding principle in the setting up of clear and comprehensible communication strategies on the different EU policies and their contribution to meeting specific food policy objectives.
- The framework within which the food and drink industry operates needs to be sufficiently flexible and business-friendly and also provide room for self-regulatory approaches. Multi-stakeholder experiences leading to jointly agreed self-regulatory commitments should be recognized as a comparable alternative or complementary option to serve policy objectives.
- Voluntary consumer information on all relevant product characteristics, including their environmental performance, should only be encouraged on the condition that it is: scientifically reliable; based on uniform methodologies across the EU - in line with international standards; relevant for the consumer and not misleading or confusing (e.g. proliferation of labels); covers the most significant environmental impacts along the supply chain; contributes effectively to environmental improvement; avoids disproportionate financial or administrative burden, especially on SMEs; safeguards innovation and the functioning of the internal market.
- Develop CSR tools that can be understood and used by Small businesses to engage and implement CSR activity, including guidelines or voluntary codes, best practices and toolboxes.
- ETP Food for Life research priorities are closely linked with consumer values and expectations: research priorities need to include consumer concerns and in turn consumers need to understand and be supportive of research and innovation.
- Consumer risk perception must be anticipated and managed efficiently, e.g. through dialogue with those concerned.
- Building trust and recognition of each other's values must prevent suspicion.