

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

### CIAA submission and contribution to the discussions of the Working Group: “Enhancing R&D and Innovation”

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#### **Background and Issue**

Innovation remains a challenge for the food and drink industries, notably to deal with major economic, societal and demographic issues and to ensure that its many SMEs remain competitive. The amount of investment in research and innovation is still considered low compared to the main non-EU food and drink competitors. The ETP (European Technology Platform), supported by CIAA and many industries as well as SMEs, has brought together the main stakeholders of the food chain to work on the challenges that must be addressed to develop effectively a ‘fork to farm’ set of deliverables for Europe. The ETP highlighted in its Vision document the desire to deliver innovative, novel and improved food markets in line with consumer needs and expectations. The recognition of the role of the market in making the healthy choice the easy choice and ‘adding life to years’ as the major driver for the future was prominent in this Vision. The current EU food market is moving towards the supply of the healthy lifestyle market, based on increasing demand for fresh, convenient, sustainable produced, diversified and health-promoting foods.

Representatives of the Food and Drink Industry are currently in charge of so-called TRUEFOOD (T**raditional U**nited **E**uropean **F**ood) project which is aiming to improve quality and safety and introduce innovation into Traditional European Food production systems through:

- investigation and quantification of consumer perceptions, expectations and attitudes;
- identification, evaluation, and transfer of innovations which guarantee food safety; and/or which improve the nutritional quality;
- support of marketing and supply chain development,
- establishment of an effective and sustainable system of technology transfer

#### **Recommendations**

##### **R&D Programmes**

EU R&D funds of the 7<sup>th</sup> Framework Programme must continue to be oriented towards priority initiatives in food and health, food quality and manufacturing, food and consumer, food safety, sustainable food production and food chain management. A budget of € 320 million per year is considered to be the absolute minimum appropriate budget at a European level to accomplish, in FP7, the first step of the vision of the Knowledge Based Bio-Economy. This equates to a total FP7 budget for the Theme 2 “Food, Agriculture and Fisheries, and Biotechnology” of at least €2,250 million. As the industry has invested a considerable time and effort, it is hoped that the ETP “Food for Life” priorities will be reflected in the future calls for proposals in a balanced way with the other topics of Theme 2.

### **ETP Food for Life**

The ETP "Food for Life" continues to have a key role in determining future competitiveness by providing the necessary framework for the establishment of public-private R&D partnerships, and needs public recognition. The Implementation Plan of the strategic research agenda gives particular attention to the following areas of interest because of their high potential and expected market returns:

- I. improving health, well-being and longevity;
- II. building consumer trust un the food chain; and
- III. supporting sustainable and ethical production.

Each of these, represents an area where major resources are needed. Resources will have to be effectively used and a duplication of investment by national and European administration should be prevented. Particular attention needs to be drawn to the activities of ETP working groups, such as CTTT (Communication, Training and Technology Transfer) and its mirror group, as a means of optimising national funding of European food chain research. Considering the wide representation of the stakeholders involved in the ETP Board, the conclusions of the ETP should be given appropriate consideration and weight when making science and innovation based policy and legislation.

### **Lead Market Initiative**

The Commission funding mechanism should support the food and drink industry driven Lead Market Initiative. There will be no project funding in 2008; the importance of the topic is strongly emphasised with a view to its inclusion in 2009.

The proposed project will support the development of the KBBE (Knowledge Based Bio Economy) by bringing together science, industry and other stakeholders, to facilitate the expansion of existing markets and the exploitation of new and emerging market opportunities that will address the social demand for healthier, higher quality and enjoyable food. It will also address the economic demand resulting from the creation of a more favourable business environment in Europe to exploit the food for health market and the environmental demand through the sustainable production of raw materials and more environmentally-friendly food processes that respond to the specific dietary needs of the target sector of consumers.

### **Technology transfer to SMEs**

Projects aimed at facilitating technology transfer to SMEs and training are of key importance to help SME's ensure they can become more competitive. It is very important to develop and broaden the network of ETP National Platforms and to benchmark success, using also efficient communication tools.

### **European Institute for Innovation and Technology and Joint Technology Initiatives**

The European Institute for Innovation and Technology, (EIT) needs to become a flagship for excellence in higher education, research and innovation. The EIT with the first two Knowledge and Innovation Communities in place by 2010-2011, should give high priority to food related issues. In addition, the Joint technology Institutes (JTIs) are developing inew funding instruments for the EU with industry in the drivers´ seat. As various public-private partnerships are developing in area relating to Food & Nutrition, the possibility of developing a JTI covering this area should be seriously considered.

### **Other EU Funds and Initiatives**

CIAA welcomes the Competitiveness and Innovation Framework Programme (CIP), highlighting the simplification of Community programmes and the fact that

competitiveness is taken as the overriding theme that must inspire and drive all the sub-programmes. CIAA reiterates its demand that for the financial perspective 2007-2013 and beyond a sufficient allocation of resources to competitiveness-enhancing programmes should be the priority objective.

Other EU research funds are supportive and need also to be directed to food and drink related research and innovation projects.

New initiatives and comprehensive actions must be developed at EU level on education and training, with a view to also promote food science degrees at all major universities and colleges that are developed hand in hand with the requirements from business.

In general to move the R&D and Innovation agenda forward, it is important to

- Bring together all relevant stakeholders in the agro-food chain to ensure there is a fork to farm policy for the food for health and food for quality sector
- Engage the SME sector in initiatives that will offer new opportunities in generation of novel products, produced and processed in a sustainable manner
- Encourage a more coordinated European investment in food research and technology transfer through the identification of topics and whether they require national, trans-European, public or public-private partnership investment.