

JOINT STATEMENT

of the Scientific Advisory Boards on Consumer and Food Policy and on Agricultural Policy at
the Federal Ministry of Food, Agriculture and Consumer Protection

Political Strategy for Food Labelling

This statement was prepared jointly by the two scientific advisory boards "Consumer and Food Policy" and "Agricultural Policy" at the Federal Ministry of Food, Agriculture and Consumer Protection. The work group was made up of Dr. Ulrike Eberle (Chair), Prof. Dr. Achim Spiller (Co-Chair), Prof. Dr. Tilman Becker, Prof. Dr. Alois Heissenhuber, Prof. Dr. Ingrid-Ute Leonhäuser and Prof. Dr. Albert Sundrum.

September 2011

Foreword

In political processes, especially on a European level, (quality policy, food information regulation) discussions are currently being held independently of one another on the labelling of foods (e.g. Guideline Daily Amount, origin marking, animal welfare, mountain regions, climate and environmental protection). Parallel to this, numerous private labels, brands and advertising slogans have come onto the food market in recent years, particularly on topics relating to sustainability (e.g. Pro Planet, StopClimate Change, Weidemilch).

Confusing product markings and a lack of information are the main criticisms of many consumers regarding agricultural and food policy, and this is also reflected in the so-called BMELV charter process in which selected topics (the environment, livestock farming, food security and global trade, food safety) are currently being discussed with a wide spectrum of citizens' representatives and interest groups. With the support of the BMELV, product marking and labelling issues are also becoming a centralized topic in the internet portal *Lebensmittelklarheit.de*, which is operated by the vzbv consumer association.

Against this background, the two scientific advisory boards "Consumer and Food Policy" and "Agricultural Policy" at the Federal Ministry of Food, Agriculture and Consumer Protection are presenting recommendations for the long term alignment of food labelling in a joint statement.

Overall, the two scientific advisory boards (hereinafter SABs) see a need for political action as even well-informed consumers find it difficult to maintain an overview in light of the barely comprehensible "label flood" and orientate in line with their preferences.

Politics can improve the effectiveness of labelling through better coordination of the political levels, concentration on a few eye-catching key labels, more information to the consumers about these marks and a better link between labelling and other information instruments, as well as graduated evaluation criteria with different incentive effects on producers.

The basically positive appraisal of labelling, however, must not be allowed to hide the fact that the instrument is merely a line of action in the mix of political tools, which means it can only have a supporting function in the protection of public (e.g. environmental protection, animal welfare, climate) and private resources (e.g. health). The basal difference between the vote in the role of the citizen and the decision to buy as a consumer can only be diminished through suitable food labels, as this gap is not only based on information deficits but also on budget restrictions, copycat effects and time limits on the part of the consumer. It is also difficult to create different incentive effects for a label and transport them along multi-stage food chains to the original place of production. For this reason, it may not be overlooked in the following appeal for a consistent food labelling strategy that in many cases additional instruments, including regulatory measures and/or monetary incentives, are (more) necessary.¹

¹ In several problem areas, labelling as a political tool can also have counterproductive effects if it is used as a symbolic policy in which it cannot take effect for certain reasons. The SABs see this kind of misuse in the certification and labelling of imported biomass from threshold and developing countries, for example, as leakage effects cannot be prevented for systematic reasons. Cf. expert report of the Scientific Advisory Board

Summary

Consumers in modern consumer societies are confronted with an abundance of largely similar products, especially in the food sector. They are usually completely unable to process the detailed, product-related information these products contain. In this context labels are an important information tool for consumers. They can bundle information and are thus used more often and at an earlier point in time than other information. They can play a key role when it comes to trust-related properties of products or services, as consumers do not have a reliable alternative source of this information.

To contribute to consumers being able to make an informed decision, however, labels must be easy to understand, based on sound verified criteria and familiar to consumers. In addition to this, they must not be allowed to get lost in a flood of similar and sometimes ambiguous labels. With regard to the supplier side it is essential that labels provide a range of economic incentives to continually increase quality. So far these challenges have not been sufficiently met by the agri-food industry and agri-food policy in Europe and Germany.

From the point of view of the Scientific Advisory Boards, what is required is a long-term, consistent food labelling strategy that is preferably coordinated throughout the EU and that is based on an integrated view of environmental, food, consumer and agricultural policy and that integrates food labelling in all its complexity, including the context of other instruments.

For important trust-related properties (health, environmental impact, social and animal welfare), which are becoming increasingly important for consumers, the Scientific Advisory Boards recommend an optional “umbrella” label showing the 4 above-mentioned labelling areas separately using a multi-level evaluation system. The umbrella label is intended to ensure easy recognition. The multi-level approach allows for differentiated evaluation and provides quality incentives for the suppliers. The focus (aggregation) on important labelling areas ensures a high amount of clarity, especially when terms are simultaneously protected by a ban on (misleading) associations. An overarching concept of this kind is only possible as a state-imposed or state-supported procedure. The Scientific Advisory Boards favour the latter but would like interest groups to be involved too. The animal welfare requirements for livestock offer especially good prerequisites for the testing of a multi-level label as described above.

Binary characteristics, such as ingredients, origin, the use of genetic engineering or nanotechnology, are not suitable for an umbrella label concept. For such cases, the recommendation provides a decision grid for classifying the respective labelling area. For specific terms such as “GM-free” or “from mountain farms”, the Scientific Advisory Boards recommend maintaining or introducing reserved terms that may only be used

for Agricultural Policy (2007): Utilization of Biomass for Energy Production – Political Recommendations. Berlin, P. 181 ff.;

http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Beiraete/Agrarpolitik/GutachtenWBA.pdf?__blob=publicationFile.

when legally defined conditions are met. At the same time, it should also be ensured in this area that terms are protected through a ban on (misleading) allusions. For private-sector labels, logos, references to testing or monitoring systems or specific advertising statements on the process quality, just as for state-imposed or state-supported labels, information should be made available at the point of sale or on the product packaging to enable the consumer to find further details on the system. It should be obligatory to state (e.g. on the internet) by whom the label is awarded and what the award criteria and the control process comprise. It is also necessary to ensure the independence of the inspectors and the control of the label providers (e.g. through accreditation), and to document this transparently. The observance or breach of legal minimum standards should generally not be communicated through a label.

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1 Introduction

(1) This statement is made mainly from the point of view of the consumer² for whom food labels are an important instrument for acquiring information on the numerous requirements which foods have to meet nowadays in addition to their basic nutritional function. In modern consumer societies, consumers are being confronted with a huge amount of different products. More than 100,000 articles are available on the German food market and larger stores stock over 30,000 articles. Against this background, inquisitive consumers are faced with a large amount of product-related information (e.g. price, nutritional information, list of ingredients, sell-by date) which they cannot even begin to process (information overload).

(2) An element of product information and differentiation which is being used more and more consists of labels, private brands and slogans of different origins and with different objectives. They communicate the relevant product properties, which buyers only find out about when they use or consume the product (experience-related properties, such as taste) or which cannot be verified at all in the final product (trust-related properties, such as the production method). The boundaries between information and advertising are not clearly defined here. Many consumers perceive this subjectively as excessive and complain that the large amount of different information and difficulty in differentiating between credible information and advertising statements tends to create confusion rather than help them to reach an informed purchasing decision, among other things through:

- too many labels
- confusing labels
- unclear meaning and/or statements of labels
- unknown labels
- labels based on criteria which are irrelevant for the product
- too complicated label layout and design
- insufficient graphic distinction (e.g. confusingly similar EU labels)
- insufficient distinction between reserved and unreserved information as the addressees are not sure of the status of many markings.

(3) Despite the numerous labels, there is a lack of information not only on important aspects connected with the consumption of the products or related to the manufacturing process, such as social or ethical aspects (e.g. working conditions, occupational safety and health, animal welfare) throughout the life cycle of the product, but also in regard to the origin of the agricultural raw materials used, as well as health, environmental and climate protection aspects. At the same time, consumer studies show that more and more consumers are interested in the so-called external effects of production processes and are willing to

² For the sake of simplicity, the gender of consumers is not mentioned specifically anywhere in this paper, but both are meant in all instances.

influence the structuring of production processes through their own consumption behaviour on the basis of the corresponding credible information.

(4) The results show a variety of labelling on the one hand, the information value of which cannot be evaluated for various reasons (e.g. low level of awareness, no clear statements, rival labels, lack of credibility) and which does not contribute much to well-informed, purposeful purchasing decisions for this very reason. This is balanced off on the other hand by information deficits brought about by a lack of meaningful information on many topics. What also makes the labelling of foods more difficult is that, due to the wide variety of influencing factors, agricultural products have a high level of variability. In many cases, there is a lack of monitoring systems with which the variability of relevant quality characteristics can be recorded.

(5) It is known from consumer research that consumers tend towards selective and reduced information in order to simplify the decision-making process. Labels are evaluated here as “information chunks” which are of particular importance for the product assessment and which substitute or consolidate several other pieces of information. Consumers expect to find essential or even sufficient information on the product and/or process quality from information chunks of this kind. Key information (e.g. brand, label, price) is usually included earlier and more frequently in the decision to buy than other information. Research results from behavioural economics show clearly the limitations, if not the counterproductivity, of the information policy approach offering “more information” which forms the basis of consumer policy to this day. A complex range of information can lead to a mental overload and confusion and consequently to a refusal to deal with the offer at all.

(6) For this reason, the tension between the limited information processing capacities of the consumer and consumption motives which go beyond the basic benefits of the products requires reliable information that can be easily understood. Through their choice of purchases, motivated and well-informed consumers can then provide impulses to reduce the negative external effects on the agriculture and food industry (climate protection, animal welfare etc) and make more rational purchasing decisions in regard to self-beneficial motives (health, taste etc).

(7) The price pressure along the value-added chain is particularly strong in Germany. Unlike many other product markets, the German food sector is aligned to cost leadership in many places. The options for quality production are restricted by this and cannot be opened up by improved product labelling alone. On the contrary: due to their low validity and reliability, many product labels currently contribute more to confusion among consumers instead of setting incentives for an actual increase in quality. Add to this the pronounced division of labour along the value-added chain and the sometimes divergent interests of the players which make it more difficult to pass on quality incentives. Companies take advantage of food labels if they expect benefits for marketing and PR work and therefore for market differentiation, whereby some companies that service the standard market also fear discriminatory effects.

(8) Farmers compete with one another and attempt to consolidate their competitive position through a continuous increase in their work productivity (e.g. increase in the milk quantity per worker), but this can have negative effects on quality aspects. In addition to this, quality improvements are made more difficult by the fact that producers who deliver products with a low level in regard to various product and process qualities achieve the same price on the market as the producers of high-quality products. In this way, a competitive distortion is maintained at the expense of quality production, because high-cost additional expenditure is to the competitive disadvantage of qualitative improvements.

(9) As far as politics is concerned, food labelling is a tool with a low impact on market processes which, in addition to increasing transparency, is also intended to fulfil control functions to reduce negative external effects (e.g. animal welfare, climate protection, health costs). This is achieved through the decisions of the individual consumer and through recipe changes induced through labelling criteria, as well as through indirect label effects attributable to purchase decisions of upstream value-added stages and the public sector. In addition to providing information for purchasing processes, labels also help to inform the general public about negative external effects of consumer behaviour if they highlight major issues.

(10) In light of all of the above, the challenge for the successful application and implementation of the political instrument of food labelling lies in the ability to guarantee a valid and transparent differentiation of quality levels and provide simplified information on process and product qualities in such a way that they can help the consumer to reach a decision (complexity reduction) while simultaneously preventing the flood of information from being substituted by a flood of labels (prioritization). The European and German agricultural and food sector and their political counterparts have not faced up to this challenge sufficiently up to now.

2 Food Label and Legal Foundations

(11) The term 'label' has a very broad meaning in the relevant literature: "Label means any tag, brand, mark, pictorial or other descriptive matter, written, printed, stenciled, marked, embossed or impressed on, or attached to, a container of food".³ This means that labels are a means of conveying product and process-related information in a compressed form, usually as a composite mark. Consumers also perceive test results from consumer magazines, such as *Stiftung Warentest* or *Ökotest*, which are printed onto the product, as labels, even though – legally speaking – they are non-gratuitous user licences. Trademarks are also frequently regarded as labels by consumers, especially if the brand name or graphics promise specific performances.

(12) Food labels are subdivided into

- Obligatory details of general basic labelling, such as those laid down in the food labelling regulation which must be listed on every foodstuff (e.g. trade description,

³ WHO/FAO (Pub.) (2007): Codex Alimentarius, 5th Edition, Rome, P. 2.

name and address of the manufacturer, packer or seller, list of ingredients, sell-by date etc)

- Obligatory labelling elements which must be listed if the substances in question are contained in the food (e.g. GMOs, additives)
- Optional, legally defined information (e.g. nutritional details such as free range, no GMOs) which when used, must satisfy legal requirements (reserved information). Some specific labels have been developed for this purpose which can be used voluntarily (e.g. German 'Bio' seal) or obligatorily (e.g. EU organic seal, which must be used by all organic providers in accordance with the last amending law)
- Details not legally defined (e.g. appropriate to the species, rustic, from Lake Constance, pastoral stockfarming) which are based on providers' own marks and standards.

(13) The governing principles of the German Food Code constitute an interim form in which an interdisciplinary committee made up of experts from the fields of science, food monitoring and scientific and consumer organizations establishes rules for product designation (trade description, e.g. definition of calves liver sausage). In legal disputes, this committee assumes the task of preparing a preliminary expert opinion, thus giving it a "semi-official" function. Accordingly, trade descriptions involve "quasi-reserved" information.

(14) One further essential difference concerns the distinction between labels which provide basic information and have no advertising value (general basic designation, obligatory elements subject to labelling requirements in accordance with Art. 3 of German food labelling regulation LMKV) and labels which have a marketing function. The latter serve market segmentation (e.g. No GMOs, organic, animal welfare, Fair Trade), thereby addressing consumers with special quality preferences.

(15) With food labels, further differentiation can be made between:

Private Labels:

- Product labels and/or marks developed by individual companies which are designed as labels (i.e. compressed composite marks with a distinct quality statement) but which are not based on a standard that is open to other participants. Although symbols of this kind (e.g. "purity law" of the Frosta company, "meadow-grazed milk" claim of the Hansano dairy, "Pro Planet" label of the REWE Group) are an individual corporate marketing tool, they can be the starting point for legal regulations (cf. EU discussion on a label for direct marketing products).
- Test marks of laboratories or monitoring organizations. Labels of this kind (e.g. TÜV seal, Institut Fresenius) are also of a proprietary nature.
- Association logos, i.e. the marks of commercial associations which serve as labels towards the outside and some of which form the basis of certification standards (e.g. the marks of the various organic produce associations).
- Private sector product labels with a certification system (e.g. QS label, Fair Trade label, MSC seal). In this instance, neutral, accredited inspection authorities check compliance

with criteria on the basis of defined certification standards established by industry associations, NGOs or multi-stakeholder committees.

State Labels:

- State product labels without a certification system (so-called reserved information as with free-range farming, lists of ingredients, country of origin) where the legality of the information is verified within the scope of the official monitoring of foodstuffs, the law against unfair competition (UWG) and the German Food and Feed Code (LFGB).
- State product labels with certification/testing (e.g. the planned Gastronomy Hygiene Barometer, Organic Regulation, Health Claims Regulation). Some of the testing is done entirely by the state (Hygiene Barometer, Organic in Denmark). In other cases (e.g. Organic in Germany) the state assumes the tasks of setting standards and supervising the system but leaves the on-site checks to private sector certification bodies. A special case is the Health Claims Regulation which contains a check of advertising statements by the EFSA and subsequent authorization process. Where this is concerned, comprehensive criteria coordinated throughout the EU are available for evaluation.

(16) Certification systems work by definition with the certificates of third parties, thus differentiating them from self-declaration systems. Certifications as controls in the production process are of particular importance when the claimed property cannot be verified in the final product (e.g. process properties, such as animal welfare, or certain environmental aspects, such as climate protection). The above-mentioned labels can occur de facto and legally in various forms, from labels and designations protected by trademark law to advertising claims emphasizing a specific quality differentiation.

(17) Art. 11 LFGB also prescribes the protection of consumers against deception through advertising statements: "It is prohibited to market foodstuffs under a misleading name, description or claim or in deceptive packaging, or to advertise foods in general or in particular with misleading representations or other statements" (Art. 11 (1) LFGB). This also applies in Art. 3 of the law against unfair competition (UWG). From a legal point of view, "deception" is an imprecise judicial term which is given more substance through extensive jurisdiction. These two pieces of legislation only apply in each respective instance, however. They both lack the wide impact necessary to curb the use of imprecise terminology across the board, especially on food labels.

(18) A legal basis of food labelling can be found on various political levels and in various different areas (cf. Table 1). On a global level, several standards and guidelines are to be found in the Codex Alimentarius. Most of the regulations on food labelling are determined today on EU level because harmonized rules are desired for the promotion of the free movement of goods. The following structure is used in general.

Table 1 Labelling in a Multilevel Political Model

Level	Regulatory Instruments	Examples
Global	<ul style="list-style-type: none"> ▪ Codex Alimentarius ▪ WTO 	<ul style="list-style-type: none"> ▪ Standards and guidelines (e.g. Codex Standard 1-1985: General Standard for the Labelling of Prepackaged Foods) ▪ TBT Agreement (non product-related processes and production methods)
EU	<ul style="list-style-type: none"> ▪ General food labelling ▪ Specific labelling regulations 	<ul style="list-style-type: none"> ▪ Food Information Regulation, Labelling Guideline, Food Additives Regulation, Food Labelling Regulation ▪ Health Claims Regulation, GMO Law, EC Implementing Act on Genetic Engineering, Regulation on Ecological Agriculture, Regulation on PDO/PGI/TSG
Germany (National Government)	<ul style="list-style-type: none"> ▪ General food labelling ▪ Specific labelling regulations 	<ul style="list-style-type: none"> ▪ Food and Feed Code (LFBG) ▪ Additives Approval Regulation, GMO Law, Finished Packaging Regulation, Cheese Regulation, Drinking Milk Labelling Regulation
Germany (State Governments)	<ul style="list-style-type: none"> ▪ Additional optional labels 	<ul style="list-style-type: none"> ▪ Regional labels of several Laender, regional organic labels

(19) Various, often barely coordinated instances are involved in the definition of product labels on each political level. Here an example on EU level:

- Essential mandatory product labels are processed by DG Sanco within the scope of the Food Information Regulation.
- DG Agri is involved mainly with optional labels for special market segments within the scope of its quality policy.⁴
- DG Environment is currently checking the introduction of the EU environment label for foodstuffs.

3 Food Labels in the Context of Other Information Instruments

(20) From a national government point of view, food labels are just one of many consumer information policy tools (e.g. consumer and nutrition consultancy, internet information, scannable product codes, product tests). In the course of the development of new information technologies, they can be combined to an increasing extent with other information tools, such as the listing of an internet address on the packaging for more detailed information on the product. The options offered by barcode and QR code scanning per Smartphone in particular allow specially interested consumers to obtain more detailed evaluation criteria even while they are in the shop. Considering the limited capacities of

⁴ DG Sanco and DG Agri are currently working in parallel on the same subject in some areas, e.g. country of origin labelling.

product packaging, these options are a useful way of supplementing labelling. The SABs recommend that these options be integrated additionally into government labelling concepts in future in order to satisfy the different information requirements of the various target groups. The correctness and intelligibility of the information provided in the internet must also be ensured here, however. Legislators should formulate guidelines for this sooner rather than later.

(21) As numerous empirical studies show, however, information tools only reach certain groups of the total population, usually better educated and higher income target groups with a higher product involvement. Accordingly, information tools such as product labels are also unsuitable with political topics which require a universal solution, or hazard prevention (e.g. food safety). Having said that, labels were used (e.g. CFC-free labels, colourant labelling) and still are used (e.g. hygiene barometers for restaurants) with issues of this kind where regulatory instruments should actually be used (see below).

4 Justification for State Intervention in Food Labelling

(22) As outlined above, food labels can be private sector, legally regulated on an optional basis or obligatory. Because all three solution versions are possible in principle for most fields,⁵ the legislators have to decide in which instances and how severely they should intervene in the market. The need for political action should be determined here on the basis of a comprehensive evaluation process based on the criteria listed in Table 2. The more the characteristics outlined in the first column apply, the more the tendency should be towards obligatory labelling and vice-versa. If it is not clear which decision to make, voluntary but legally defined labels should be considered. The problem for politics here is that no distinct limits can be dictated.

Table 2 Decision Making Dimensions For or Against State Intervention

Obligatory Labelling	Optional, legally regulated	Private sector
Trust-related property	↔	Search-related property
High political priority	↔	Low political priority
Wide consumer interest	↔	Niche topics
Health risks	↔	Ethical topics
High market differentiation costs	↔	Low market differentiation costs

⁵ Using the example of the climate protection label: France is planning obligatory labelling here, whereas Germany already has voluntary private sector systems. Where health is concerned, only a few attempts at private sector labelling have been made, while a government-regulated voluntary system already exists in Scandinavia. The "traffic light labelling system" discussed in the EU would have been an obligatory, government imposed system.

- Trust character of the property or risk of adverse selection: If there is doubt about the actual quality of products, consumers choose the lower priced product. Manufacturers only have a chance to assert better qualities in the market if process properties which cannot be observed in the product (such as environment/climate protection, animal welfare) or product properties (e.g. health value) can be communicated credibly. Misleading labelling has to be prevented effectively here to ensure that consumers are not irritated to the extent that they only purchase by price, otherwise the market will become unattractive to (honest) quality providers. The greater the extent of information asymmetry in the market, the more pronounced are the processes of adverse selection and therefore quality erosion. For this reason, the state should in principle consider regulation more with trust-related properties than with experience-related properties. With search-related properties, which can be checked by consumers before purchasing, labelling is only practicable in exceptional circumstances.
- Political priority of the topic: With topical fields with a high political priority, state intervention in labelling freedom should be given more consideration than in politically disputed or low priority areas.
- Number of consumers interested in the topic: Where there is a high demand for information from a large number of consumers, state intervention is more advisable than with niche topics.
- Extent of health risks if no information is provided: There is a greater need for regulation with health risks (e.g. with potentially allergenic ingredients) than with topics which do not conceal any acute dangers for consumers, such as ethical issues. Where health risks exist which affect greater numbers of consumers, however, political procedures are the instrument of choice.
- Amount of market differentiation costs: If the evaluation of a certain property is complex or scientifically disputed (measuring costs) and/or the implementation of labelling in the market (labelling costs) is too high, the tendency should be more towards voluntary private sector labelling.

(23) On the basis of these criteria, politicians have to decide whether it is sufficient to observe private sector initiatives and promote them is necessary or if there is a need for standardization. In the event of a fundamental need for standardization, obligatory labelling systems are usually appropriate with sharp focus on several decision dimensions.

(24) In several instances, situations can be observed in the market in which no private sector labelling comes about for certain problem areas despite fundamental consumer interest. This can also be a reason for state regulation if one of the following situations occurs, for example:

- Differences between people's preferences and demand behaviour due to the copycat problem: As citizens, people can have preferences which are not reflected in their actions as consumers because the actions of each individual can be in vain due, among other things, to copycat problems. This is discussed in psychological consumer research under the term "locus of control". The perception of consumers of not being able to do much to solve a problem through their own behaviour influences their buying

habits. The market will only function properly when consumers experience for themselves, on the basis of a broader public discussion, that their buying habits can also change the quality of goods in the markets. In order to recognize whether citizens' and buyers' preferences are drifting apart (latent preferences), it is worth taking a look at the different forms that exist to express the will of the people (voting patterns, social commitment).

- A state-imposed (or state-supported) label can strengthen people in their role as consumers.
- Path dependencies due to lock-in effects: These occur when it is not possible to leave a route (production path) already embarked upon but no longer desired, or to abandon the goal of cost leadership, due to high switching costs which can considerably restrict the ability of the market to function properly.
 - New objectives can be implemented and any opposing interests which exist within a sector can be overcome with the help of a state-imposed (or state-supported) label.
- Quality effects of the price: If there is uncertainty over the actual quality of a product, a rising price-sales function can occur in line with the quality effect of the price if, for safety reasons, consumers choose the more expensive but not necessarily better product.
 - A state-imposed (or state-supported) label can set tangible and verifiable quality standards here.

5 Chances and Limits of Labelling as a Political Instrument

(25) Politicians like to use labelling because it appears at first glance to be a low-cost tool. It tends to be easily overlooked here, however, that the knowledge and motivation of the consumer are resources which are just as scarce as the innovation capability of the market. In the past, the EU in particular contributed to the confusion of consumers because there was no coherent overall strategy for the use of labels (puzzling marks,⁶ frequent changes⁷ etc.). Consumer perception was disregarded in the introduction and design of labels.

(26) A coherent political strategy for food labelling has been missing up to now. From an organizational point of view, labelling matters are the responsibility of several ministries and/or Directorates-General before being subdivided again in the various departments of these institutions. Regulations such as GMO labelling are contained in special laws and are not coherent. There are many national labels in addition to EU labels. On top of this, labelling is only one of many consumer information tools, the status of which has been unclear in the instrument mix up to now.

(27) Labelling is a flexible political tool which intervenes in markets at a comparatively low level. At the same time though, it is a tool with limited effect. For this reason, additional

⁶ E.g. geographical information on the place of origin.

⁷ E.g. organic labelling.

political measures (e.g. regulatory law, internalization of external costs) are required in order to implement quality production across the board or contribute successively to an increase in the quality level in the entire market. Food labelling can also only make a small contribution on the demand side towards solving complex global problems, such as climate change. Additional tools are required here too.⁸ Food labelling is only one of many measures in the instrument mix, but because this measure provides the consumer with information on relevant product or process properties, and thereby also on negative external effects of their own consumption behaviour, a label can only contribute towards the wide public discussion of a problem, thereby providing an insight into the necessity for regular or fiscal intervention.

(28) More recent research on labelling makes special reference to the indirect positive effects of labels. The effects on the procurement management of trading companies and public authorities can sometimes be more important than the direct information effect on consumers. Although labels can unfold considerable steering effects, the experiences of recent years with state labels (e.g. on EU level) are often negative too:

- Greater lobby influence sometimes leads to low level and/or minimal standards.
- Some state labels are too static; continuous or regular adjustment of the criteria is usually lacking or is very laborious.
- Systematic monitoring is not undertaken by the state or the private sector, nor do any suitable market monitoring systems exist.
- The mixing of political fields results in inconsistent standards (e.g. influence of structural policy and protectionist aspects in EU origin marking).

Table 3, below, summarizes the advantages and disadvantages of the instrument.

⁸ Cf. Expert Report of the Scientific Advisory Board for Agricultural Policy (2007): Utilization of Biomass for Energy Production – Political Recommendations. Berlin;
http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Beiraete/Agrarpolitik/GutachtenWBA.pdf?__blob=publicationFile.

Table 3 Synoptic Evaluation of Food Labels as a Political Instrument

Advantages	Disadvantages
Comparatively cheap for the state	No great effects without marketing accompaniment
Promotes market differentiation	Risk of too undifferentiated or too static labels and misleading of consumers
Sometimes considerable indirect effects through influence on the purchase decisions of commercial buyers	Great lobby influence, complex decisions in the multi-level political field
Consumers with more willingness to pay carry the costs of market differentiation	Risk of discrimination of consumers with differentiated purchasing motivation but low income
No impairment of international competitive ability in the standard segment	No universal improvement of standards and therefore not suitable for minimum social requirements (e.g. safety, minimum wage), no substitute for basic regulations
Provides information on negative external effects of consumption, announces socially relevant topics	Risk of overestimating the effect of the tool/symbolic policy
Advances research in innovative topical areas (e.g. Product Carbon Footprint, animal health)	More difficult to implement for systematic topics such as "health-enhancing nutrition"

6 Interim Conclusion

(29) A coincidence of too much and too little (reliable) information on the market can be observed in the result. Regarding the political use of labelling, it can be ascertained that:

- Labelling as a political tool is sometimes used ad hoc in times of crisis without being tied into a basic political strategy.
- The complexity of the tool is underestimated politically.
- Conflicts of aims within and between the process levels and the related potential for misuse are not given sufficient consideration.
- Product information given with food labels only reaches several target groups in the general public to a very limited extent (e.g. less well-educated, low income target groups particularly affected by nutrition problems hardly notice the information offers; so-called information paradox of nutrition communication).
- Food labels and the information they convey are virtually unknown in many segments of the population. Thus, for example, many consumers still do not know whether the German 'Bio' label stands for genuine organic production and which qualitative

characteristics are connected with this, even though the 'Bio' label is the best known German food label. This will be exacerbated by the introduction of the EU organic label (see below).

- Labels often only trigger weak incentive effects in the participating companies. Especially when a label is based on a low standard, this can promote a levelling of quality production on a low level or lead to distortions of competition among the producers combined under one label. Labels are often too imprecise because they only offer binary standards. This makes market segmentation more difficult.
- Labels are often too static; standards are not adjusted often enough to the advances made in science and technology. Labels of this kind do not therefore provide any incentive for continuous improvement and can even serve to inhibit innovation.
- Labels are generally based on control procedures. Even though several efforts were made in the recent past to increase the effectiveness of controls, cases of fraud have undermined the credibility of these "trust brands" as the effectiveness of the certification schemes is not good enough yet to cope with bogus labelling and attempted fraud.
- Due to a lack of regulation, there is a confusingly large number of labels.

(30) In the following chapters, the fundamental requirements of a food labelling strategy are outlined on the basis of the weak points already mentioned, before a wide umbrella label concept is presented and additional, selected labelling fields are discussed. The focus here is on the role of the state. Depending on whether responsibility still lies with the member states or has already been transferred to the EU, the concept is addressed either to the Federal Republic of Germany or the EU. If the member states have responsibility, they can also set an example for an expansion of the rules in Europe with their own initiatives.

7 Basic Recommendations

(31) The SABs advocate a consistent food labelling strategy with a long-term alignment which provides the information required by responsible consumers on the one hand while enabling a manageable amount of action-oriented knowledge through the consistent condensing of information and high credibility on the other, which can be linked with other tools (e.g. barcode scanners/internet) in order to approach other consumer groups (e.g. trusting and vulnerable consumers).⁹

(32) A political strategy for food labelling must continue from an integrative observation of environment, food, consumer and agricultural policy and incorporate food labelling in all of its complexity into a multi-level political model that also includes the context of other information tools. The "Charter Process" implemented at the BMELV in 2011 is the first step in such an

⁹ Where consumer groups are concerned, see the statement of the Advisory Board for Food and Consumer Policy (2010): The trusting, vulnerable or responsible consumer? A plea for a diversified strategy in consumer policy. Berlin;

http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Beiraete/Verbraucherpolitik/2010_12_StrategieVerbraucherpolitik.html.

explicit merging of interest groups from different political areas. Food labelling is a horizontal issue which should be implemented as such in the administration (e.g. across the management level of the various projects through different Directorates-General/departments).

(33) To the extent possible, a political strategy for food labelling should be coordinated throughout the EU and anchored on a European level. Rival European and national labels, such as the EU environment label and the German “Blue Angel”, should be avoided in the long term. It should also be ensured that a uniform European label can be understood in all countries. This is not currently the case with the EU environment label which is also on the market in Germany as the “Ecolabel”. At the same time it will be necessary to proceed with national solutions in some cases (cf. organic label, animal welfare label). If a European label is to replace a national label in the medium to long term, this must be announced to the market participants by means of the appropriate communication measures.

(34) Food labelling is a tool with which politics can respond to new quality challenges and information requirements. The following process can often be seen here in actual practice from which the requirements for adequate political action can be derived. To begin with, it is usually companies or interest groups who promote a new label, thus opening up a topic. If this meets with a response in the market, the result is often rival labels on different levels. During this phase, politics should intervene in a timely manner with soft instruments with the goal of standardization (research, expert panel, guidelines etc). If this method does not succeed in stemming the “label flood” and preventing unfair competition, a legal solution should be sought. Without state intervention, the result is often a large number of rival marks with the corresponding level of uncertainty among consumers. Apart from the ban on misleading labels, there is no protection against marks with little meaning, because terms are not protected and can be used by companies depending on their interests. As things progress, the dynamic adaptation of the label to the state of the art and science should be ensured (see Table 4). Where this is concerned, the overall impact of state intervention on product labelling will have to increase.

Table 4 Life Cycle Model of Labelling

Life Cycle Phase	Testing	Sophistication	Market Relevance	Maturity
Characteristics of this phase	New topic, pioneers test label	Increasing number of labels, sometimes unfair/misleading competition	Continued complexity for the consumer, misuse	New requirements and evaluation criteria
Need for political action/ sample strategies	Observation	Timely moderating intervention to achieve standardization	Legal regulation	Further development, adjustment to scientific progress

(35) Every time logos, references to test or monitoring systems or advertising statements on process quality (e.g. “meadow-grazed milk”) are used, information, such as an internet

address where consumers can acquire more details of the system, should either be provided on the product packaging or at the point of sale. It must be obligatory to state who awards the label, what the awarding criteria are and how the control process is set up. The independence of the auditors and control of the mark owners must be assured (e.g. through accreditation) and shown transparently.

(36) Success monitoring: State (or state-supported) food labels should be checked in advance, continuously and in a binding manner as to if and how the information given on the label is understood and used by consumers (“useability check”). Empirical tests among various sociodemographic groups are required.

(37) If private sector labels are suitable to mislead consumers to a relevant extent, legal definitions are required to transfer this information into reserved labels or label systems. Information has been generated in the vzbv internet portal *Lebensmittelklarheit.de* since July 2011 as to which details are perceived by consumers to be misleading or deceptive. This information can be useful for the legislative process.

(38) Terms used by state or state-supported labels must be protected against misleading terminological allusions (such as the terms ‘organic’ and ‘ecological’ as determined in the EU regulation).

(39) No “quality label” should be awarded for legal minimum standards (negative examples: previously CMA, QS; current negative example: hygiene barometer, see below). Compliance with legal requirements goes without saying and should not be communicated by a label, because compliance or non-compliance with food safety standards should not be a differentiation tool in the market. In the same sense, labelling regulations should not be used to generally prohibit problematic additives or processes. This means that the use of certain colourants in foods has had to be marked with “Can inhibit activity and attention in children” in line with Regulation (EC) No. 1333/2008 since 2010. In this instance, the – limited – attention of the consumer is “consumed” for the assertion of a standard which should actually be implemented through regulatory means.

(40) Although labels, such as the obligatory commercial grading for fruit and vegetables, which mark search properties easily recognizable by the consumer on the product, are a standardization tool of the food sector, they do not provide any necessary basic information or information on experience or trust-related properties and are therefore dispensable for consumers.

(41) Commercial support of labels: Labels aren’t fast sellers, they have to be communicated in the market. Positive examples of this are the German *Bio* seal for organic products and the Scandinavian *Keyhole* label. Without commercial support, however, state and state-supported labels cannot develop an effect, as negative examples from the EU have shown (e.g. EU environment mark). The costs of a professional implementation of state labelling are negligible compared to the information costs of consumers that would otherwise be incurred.

(42) Organization of the development of labelling systems: The EU recently adopted good practice guidelines for voluntary certification systems for agricultural produce and foods

(2010/C 341/04) which comprise important requirements for the structuring of certification systems as the prerequisite for a label. The SABs see deficits here in the inclusion of consumer and social interests. The inclusion of social requirements and consumer interests should be obligatory with certification systems in the B2C area.

(43) In addition to private sector labelling by associations or commercial enterprises on the one hand and state labels on the other, semi-public organizational forms can also be taken into consideration parallel to the “Blue Angel” for labels which serve market segmentation. State-supported labels of this kind can constitute a compromise between the advantages of legal regulation (protection against misuse, transparency), the credibility of a broad involvement of interest groups and the flexibility advantages of the market.

8 Umbrella Label Concept

(44) The SABs see a special challenge due to the numerous labelling approaches which lead to an information overload with the consumer. Fundamentally, “label floods” are caused by:

- a low level of awareness of the various marks, as even state logos are designed and structured differently (no uniform design, deviating systematics)
- the unregulated placement of different labels next to one another for comparable issues (rival labels) and
- the labelling of the detailed advantages of a product (low level of aggregation, numerous detailed labels).

(45) For this reason, the SABs recommend an “umbrella label concept” to increase the effectiveness of food labelling. This concept takes off from the three problem areas mentioned above. The basic principles of a coherent overall concept are outlined below, but with the current level of knowledge, research is still required on numerous individual aspects.

(46) To ensure that consumers can recognize at first glance which logos are state labels, they should all have a uniform design and be placed under an umbrella label (“label family”). As with umbrella logos in commercial enterprises, an umbrella label of this kind lowers the necessary information costs to a considerable extent because a positive image transfer is achieved and awareness and credibility are conveyed. In addition to this, the uniform structure makes it easier to understand.

(47) This umbrella label, which is to be easily recognized by consumers, should contain the four labelling fields (Health, Environment, Social and Animal Welfare) marked separately on the product/ product packaging in a multilevel evaluation approach (see Figure 1).

- The *Health* label field gives information on the health value of the product (cf. Items 59 to 65),
- The *Environment* label field assesses the environmental impact of the product incl. packaging throughout the product life cycle (cf. Items 66 to 74),
- The *Social* label field gives information on the implementation of social standards along the value-added chain in Germany and/or the EU (cf. Items 75 to 78) and

- The *Animal Welfare* label field indicates compliance with animal welfare standards for foods of animal origin (cf. Items 79 to 89).

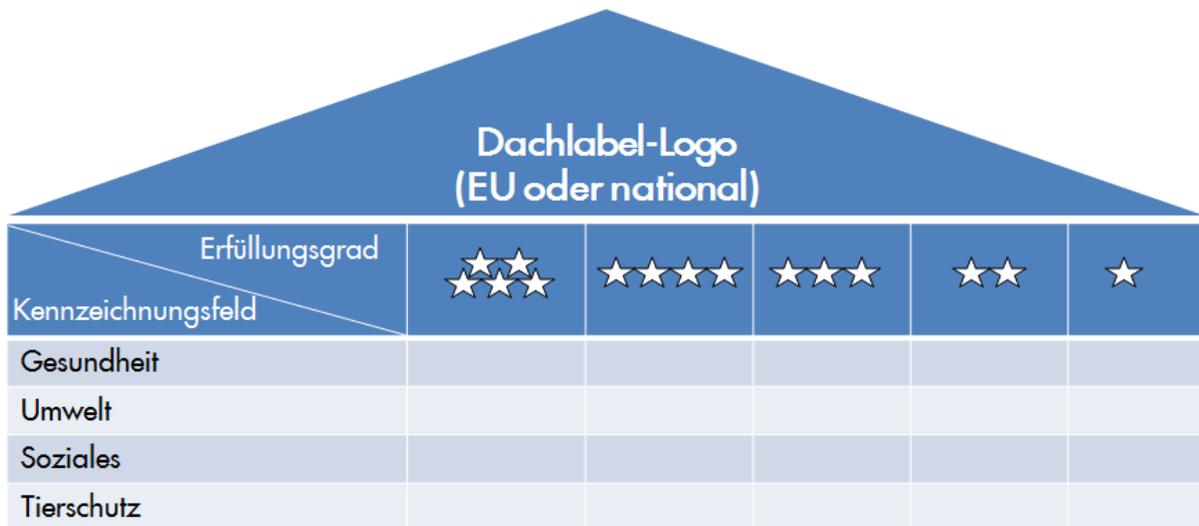


Figure 1 Recommendation for the structure (not design!) of a multi-level umbrella label concept

(48) Suitable indicators valid for each category must be identified for each label field and an adequate evaluation model and appropriate test procedure established. It should be noted here that although a large number of indicators enables a more precise description of each label field, this makes the evaluation and test procedure considerably more expensive. It should also be ensured when determining indicators that conflicting aims can persist between the various label fields, as well as within one label field (cf. Item 51).

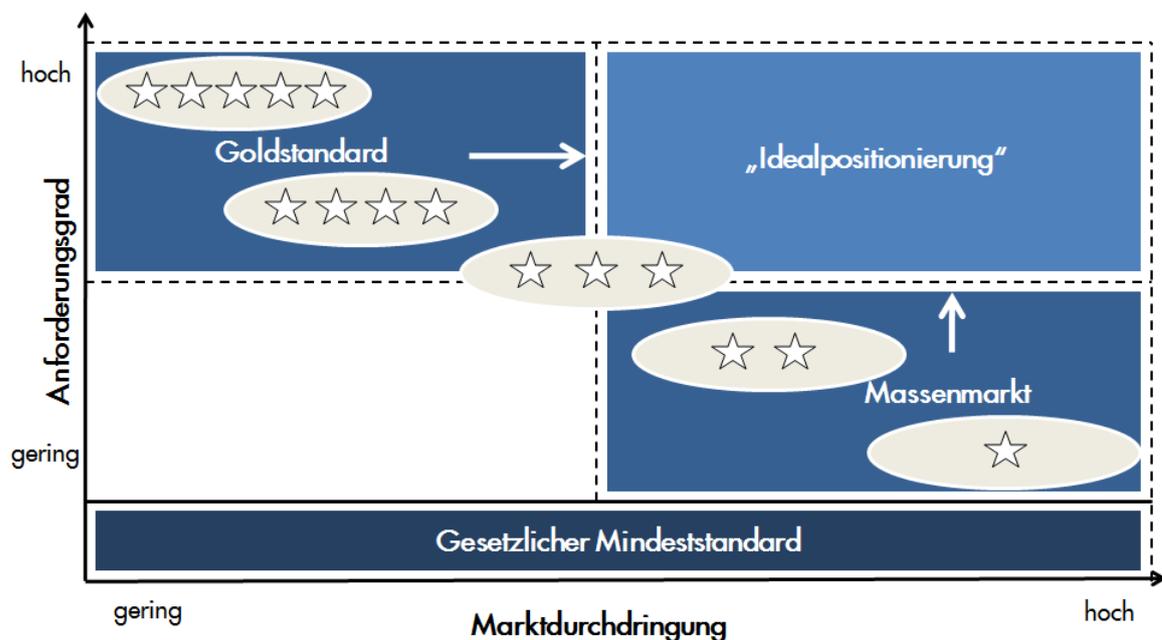
(49) For reasons of simplicity and to reduce complexity, the indicators in the label fields should be added together to the greatest possible extent. This means that not every sub-property should be marked separately. Accordingly, “No piglet castration” should be a part of the label field “Animal Welfare” and not labelled separately. An aggregation of this kind, however, is always based on an evaluation and weighting of various criteria and there has been no consensus up to now on the structuring of an assessment process of this kind. Politics should therefore promote the development of overarching criteria and evaluation approaches in complex label fields, such as Health, Environment and Animal Welfare. For the reasons given, it is not yet possible to completely aggregate the four label fields shown in Figure 1, with the result that it will be possible to list a larger number of sub-dimensions under the umbrella label to begin with (e.g. in the Environment label field: Organic, Climate, Biodiversity).

(50) Users of the label must report as fully as possible on the established indicators. “Cherry picking” by selecting individual, beneficial indicators and ignoring others where the product does not do well, must be avoided. Although the goal should be to show all label fields of the

umbrella label concept on the product, this may not be practicable as an obligatory requirement – at least during the development phase – due to the ambiguities that exist.

(51) The indicators of the individual label fields should comply with consumers' perceptions to the greatest possible extent, but they must maintain a solid scientific basis at all costs.¹⁰ It must be ensured that the deception of consumers is reduced or avoided. A committee made up of representatives of science, administration, trade and industry, consumer associations and other non-government organizations should be set up to deal with evaluation tasks and determine how to handle conflicting interests in particular, and to make recommendations on how evaluations are to be made. This committee should be convened during the moderation phase (see Table 4).

(52) The umbrella label should be structured on several layers because it defines market segments. The binary labels that are prevalent today offer the producers little or no incentive to further improve their products as soon as the minimum requirements of the label have been reached. A multi-level label, on the other hand, has the potential to set development processes in motion on the producer side (continuous optimization), as is proven positively by the examples of the energy consumption label and Japanese *Top Runner* approach. Multi-level labels orientated on verifiable quality performances reflect the different realities of agriculture and the food sector better than the simple differentiation into organic versus conventional, for example. On top of this, multi-level labels allow the inclusion of producers with particularly high standards ("Gold Standard") while simultaneously enabling high market shares on entry level ("Mass Market Standard"), thus toning down the conflict of aims between credibility and market relevance overall (see Figure 2).



¹⁰ Example: If consumers today mainly associate issues of husbandry systems with animal welfare, even though modern animal welfare research is increasingly emphasizing the special relevance of animal behaviour and animal health indicators, the latter should be used for evaluation even if the consumer is not fully aware of their significance at the moment.

Figure 2 Positioning of a Multi-Level Label

(53) Because of these multi-level evaluative systematics, the umbrella label concept is not suitable for binary properties, e.g. in the area of ingredients labelling or for properties whose graduation does not have to be evaluative, even though they can be graduated, and which can be communicated directly through standard terms, e.g. origin. One of the levels here could be that the “raw materials come from the region” and that they were “processed in the region”. Another level would be that “the raw materials come from the region” but that they were “not processed in the region”. Yet another level would be that “the raw materials do not come from the region” but that they were “processed in the region”. Recommendations on label fields of this kind can be found in Items 90 to 130.

(54) Detailed information on the peculiarities of the labelled product, i.e. the strengths due to which it was assigned to a certain level, should be stored in the internet in a barcode connected with the umbrella label and made available in this way to consumers who are interested in detailed information.

(55) The umbrella label should combine as many state logos as possible under one uniform system and one common design.¹¹ This leaves open initially whether the details are to be legally regulated, voluntary or obligatory. In the view of the SABs and in line with the criteria listed in Table 2, many factors currently indicate that the labelling should essentially be optional.

(56) Dynamic concept: The evaluation criteria and number of requirements on a food label should be adjusted to reflect the current state of science and technology at relatively short intervals, whereby reliability has to be guaranteed for the participating companies by providing information as soon as possible and through clear procedures.

(57) As a basic principle, efforts should be made to establish an umbrella label concept on EU level. A national pioneer solution could constitute important preliminary work in this area.

(58) Costs: The costs of certification should be carried by the label users.

8.1 Health Label Area

Status Quo

(59) Fundamentally, “healthy eating” is a topic with the highest individual, social and national economy relevance due to no small part to the increase in food-related illnesses and the follow-up costs involved.

(60) In addition to nutritional labels (see Items 107 to 109), health claims in accordance with the EU Health Claims Regulation (see Items 110/111) are health-related labels which should not be integrated into an umbrella label because they are either of binary nature or do not permit graduated evaluation.

¹¹ This should extend beyond the Food area in a manner similar to obligatory energy consumption labelling, which has a comparable structure and could be easily integrated.

(61) The hygiene barometer under discussion in Germany and health labels such as the Scandinavian *Keyhole* label permit graduated evaluation:

- The hygiene barometer which is to be introduced in Germany provides information on the hygienic conditions in gastronomy businesses and sales points which are checked with regard to compliance with legal requirements.
- The state-approved Scandinavian *Keyhole* label marks foods which, through their nutrient contents, contribute towards a balanced diet recommended by nutritional scientists. The evaluation includes criteria such as total fat and saturated fatty acids, dietary fibres, sugar and salt. Studies have underlined the high level of awareness of the label and its behaviour modifying effect. In comparison to the “food traffic light” being discussed in the EU, it is a purely positive label which contributes to market differentiation.

(62) It must be borne in mind at the same time that, regardless of their type, health labels can always only achieve a limited effect because it is not the individual product alone which decides on health but rather an overall lifestyle and eating habits that promote health.

Recommendations

(63) The SABs recommend that a voluntary health assessment system for foods modelled on the Scandinavian *Keyhole* label be introduced in Germany too. Labelling of this kind should be integrated into the umbrella label. More research is required to develop criteria for a multi-level evaluation of the health value of products. Although the high status of a healthy diet would tend towards the adoption of obligatory labelling, the high evaluation costs and in particular the insufficient level of research in the weighing of the pros and contras currently shifts the decision in favour of optional labelling in the view of the SABs.

(64) On the other hand, however, the labelling of legal minimum standards, as is currently being planned on a political level with the hygiene barometer for restaurants, is regarded as a problem by the SABs. The monitoring of food safety is without doubt one of the main challenges in the gastronomy sector (consider the various rotten meat scandals), not least because the sector has not been able to build up a self-assessment system comparable to the QS Scheme up to now. It is up to the state here to impose stricter state controls and/or stronger obligations to build up self-assessment systems that guarantee hygiene standards across the board and apply regulatory measures, such as the closing of restaurants, if necessary. This should not be the task of the consumer. Compliance, virtual compliance or non-compliance with legal hygiene standards in the food sector may not be a differentiation characteristic. The SABs have not failed to recognize that in light of the previously deficient control situation, incentives to improve food safety will emanate from the hygiene barometer. At the same time, however, this is only a second-best solution which ignores the fact that the consumers get lumbered with decisions here which, in light of their limited information processing capacities, it would be better to steer towards product differentiation.

(65) Overall, more political support should be given to research on the question as to how consumers in general can be given better back-up in their efforts to lead a healthy life and

how health-related labels can be included in various measures (e.g. nutrition training, communication and information tools).

8.2 Environment Label Field

(66) No consensus has been reached up to now in the Environment label field about an aggregated evaluation of various environmental indicators. For this reason, it appears sensible that an umbrella label should show individual indicators, such as greenhouse potential, as a sub-dimension of the environment to begin with (cf. Item 49). Accordingly, recommendations are given below for a short-to-medium-term perspective (climate label) and a long-term perspective (environment label).

8.2.1 Climate Label

Status Quo

(67) The introduction of a climate label has been discussed on a political level at least since food retailer Tesco began to show greenhouse emission levels on foods in the UK in 2007 and various private labels came onto the market (e.g. PCF calculated, StopClimate Change). A climate label experiment scheduled to last for at least one year (LoiGrenelle 2, Article 228) was started in France on 1 July 2011 with the goal of introducing an obligatory climate label for consumer goods as a consequence. To this end, the state-supported AgriBALYSE project, which collects the necessary agricultural data on the eco-balance in France using uniform rules and makes them available to the general public, was started in France in 2010. In Germany, the Federal Ministry for the Environment has further developed the 'Blue Angel' environment label into the 'Climate Angel', but it is not awarded to foods.

Recommendations

(68) State support for a climate label for foods requires the categorization of the instrument in the political strategy for food labelling, i.e. coordination with regard to compatibility with the state 'Bi'o (organic) seal (cf. Items 101 to 106) and a comprehensive environment label (cf. Items 71 to 74).

(69) If it appears practicable to support a climate label for foods within the scope of the political strategy for food labelling, then it must be decided which type the label is to be. Along with other experts and players,¹² the SABs are also advising against listing the absolute emissions of greenhouse gases with foods as these are difficult for consumers to understand. What they are recommending is the listing of graduated categories (see Figure 2) as a comparison for individual products/product groups, as has proven successful with the EU Energy Label, for example. Categories offer consumers a greater overview and a market incentive for improving products. The determination of categories for the various food groups must be undertaken in a suitable process which reflects the dynamics of product development better than it does with energy labelling.

¹² Cf. BMU/BDI (2010) by way of example: Product-related climate protection strategies. Understanding and using ProductCarbonFootprints.

(70) ISO 14067 (Carbon Footprint of Products), which is expected at the beginning of 2012, can form a methodical basis for the calculation of greenhouse gas emissions and resultant determination of categories for climate labelling. In addition to agreement on the fundamental rules for the calculation of a product carbon footprint, however, product group-specific calculation rules (so-called Product Category Rules, PCRs) have to be established on a national level for the individual food groups. In addition to this, the development of basic data for an eco-balance database (e.g. with regard to national electricity mixes or eco-balance data on various fertilizers) should be given political support in order to enable the participation of small and medium-sized enterprises in particular in a climate label. These data records should be structured in such a way that they comply with the requirements of the European ELCD database, because only through a uniform data basis for calculations can it be avoided that competition takes place through the calculation basis instead of through the actual climate performance of the product.

8.2.2 Environment label

Status Quo

(71) No state (or state-supported) label based on an overall ecological observation of the product life cycle (e.g. by means of Life Cycle Assessment, LCA) has existed up to now for foods and meals. Instead, a system-based model has established itself in the food market in the form of ecological agriculture (cf. Items 101 to 106).

(72) On EU level, DG Environment is currently checking the introduction of an EU environment label for foods based on an LCA approach. It is doubtful, however, whether this approach is suitable today for the evaluation of the environmental effects of foods and meals:

- To date, there is no generally accepted evaluation system which evaluates the combined effects assessments of the various environmental effects.
- Several environmental effects of great relevance for agricultural products in particular, such as biodiversity, cannot currently be illustrated satisfactorily in an LCA with regard to their effects, which differ greatly from place to place. Research is still being done on this, however (see the Environment Research Plan 2011).
- LCAs are relatively complex by nature. In view of the product diversity in the food market, with more than 100,000 different articles and fragmented producer structures, it is not clear when the data basis will be available in such a manner that eco-balances can be conducted on a broad basis with an acceptable level of expense and effort while still producing valid and meaningful results.

Recommendations

(73) Irrespective of the necessary clarification of the questions outlined above, it must be taken into account when discussing the introduction of an aggregated environment label for foods that the introduction of a label of this kind can at the very least disrupt, if not completely destroy, an existing market segment (organic foods). This makes it clear just how important it is in the food sector in particular to pursue a coordinated food labelling strategy aligned to long-term objectives which picks up on an integrative observation of environment, food,

consumer and agricultural policy and integrates food labelling in all of its complexity into a multi-level political model, even in the context of other information tools (cf. Item 32).

(74) There is a need for a considerable amount of research regarding the long-term introduction of LCA elements to the evaluation of the environmental compatibility of foods. From a scientific point of view, a life cycle analysis combined with an operational system observation in line with the state of the art would be the suitable approach. Social and economic arguments, however, suggest that the existing system of ecological agriculture as a globally introduced market segment should not be endangered prematurely. These path dependencies on the one hand and too coarse differentiation and lack of incentive effects on the other make it seem practicable to take cautious steps in the direction of a differentiated, evidence-based environmental evaluation of foods, e.g. by introducing a segment between organic and conventional (similar to integrated cultivation, which is defined in several European countries, such as Switzerland and Spain).

8.3 Social Label Field

Status Quo

(75) A state (or state-supported) label with statements on ethically responsible production and trading does not exist. Where social standards are concerned, there are private labels in the field of development policy, e.g. the “Fair Trade” label for fairly traded products, and labels from individual companies (e.g. the “Hand in Hand” label from Rapunzel which marks foods from controlled organic cultivation which are also produced fairly). For the national market, hardly any labels have been awarded up to now for compliance with social criteria. The Fair Price labels from organic producers (e.g. *Upländer Bauernmolkerei* farm dairy) can be regarded as the first attempts. Although comprehensive approaches cover topics such as occupational health and safety and the promotion/diversity of women etc for Germany and Europe on a corporate level, they are not yet available on a product level.

(76) A German or European solution for labelling compliance with social standards is only permissible within the legal boundaries of EU law and WTO regulations.

Recommendations

(77) A great deal of research is still required for a food label which evaluates social aspects along the value-added chain in Germany and/or the EU. While the positive effects of special corporate efforts for such goals as company training, the promotion of women and in-company health protection are more or less undisputed, a lively discussion is still being held on the economic effects of higher social standards, the promotion of regional value-added chains and special production price surcharges. For this reason, the SABs recognize the necessity for increased interdisciplinary research, even though they recommend the integration of social aspects into the proposed voluntary umbrella label concept in the medium to long term.

(78) For some time now, the consumer magazine *Stiftung Warentest* has been conducting tests on the Corporate Social Responsibility (CSR) of products. To date, the high costs of comprehensive food tests that include process quality (CSR tests) only permit *Stiftung*

Warentest to conduct very few exemplary tests per year. Due to the effect on the functionality of market processes, which the SABs assess very positively, an extension of the CSR tests conducted by *Stiftung Warentest* is recommended here as a supplementary information tool, combined if necessary with stronger financial support for the CSR tests.

8.4 Animal Welfare Label Field¹³

Status Quo

(79) Information on the farming method is given as obligatory information where eggs are concerned (husbandry form per numerical code), reserved information in the poultry farming area (extensive non-cage production, free-range management, traditional free-range) and in the form of voluntary animal welfare labels organized by the private sector (e.g. *Neuland*). Outside the egg sector, animal welfare criteria have not played a major role in marketing up to now. The German Animal Welfare Association did announce the awarding of a (multi-level) animal welfare label in mid-2011, however.

(80) Obligatory egg marking per numerical code is an example of a fundamentally practicable form of labelling which is unnecessarily complex for the consumer. It is known from surveys that a large percentage of consumers are not able to allocate the numerical code to the corresponding farming system. These comprehension difficulties may have been avoidable if plain text had been used for marking (along the lines of Free, Eco, Cage etc). This example illustrates at the same time how important it is to check whether and in what way labels are understood by consumers.

(81) Obligatory egg marking is based on reserved information defined by EU law for the various husbandry systems. Because the information was not certified, however, more and more cases of fraud were discovered in the course of time with the result that the industry developed its own certification systems (the KAT system in Germany) with a quasi-obligatory character. This example shows that it does not make sense to label process properties without basing them on certification.

(82) The reserved information in the poultry production area (e.g. extensive non-cage, free-range) without the basis of a certification system and without a label have achieved no significant market relevance.

(83) Despite great public interest, animal welfare as a whole is only present in the market as a differentiation argument in very small niches, thus indicating the high social conflict potential of the topic and a partial failure of the market.

Recommendations

(84) As a basic principle, the SABs recommend that animal welfare standards be developed and communicated in the form of a state (or state-supported) label. As a uniform European

¹³ Compare in detail the brief statement by the Scientific Advisory Board for Agriculture Policy: "Introduction of an Animal Welfare Label in Germany", BMELV, March 2011.

label is nowhere in sight in the near future, a national, pioneer solution should be sought initially.

(85) To avoid proliferation in the use of terms that confuse consumers and prevent transparency, the relevant terminology and related animal welfare performances should be defined per legislation.

(86) Interest groups should be included in the development of standards, which could be along the lines of the organization of the “Blue Angel” if need be.

(87) As there are currently no market relevant standards on the topic of animal welfare in Germany, the multi-level label system outlined in the general section could be tried out here by way of example.

(88) The evaluation criteria should be in harmony with modern animal welfare research and cover not only the husbandry system requirements currently being discussed by consumers and market players but also and in particular direct animal-specific variables in the area of animal health and animal behaviour.

(89) The introduction of an animal welfare label should be promoted through accompanying measures:

- Animal health monitoring systems which record and document the animals’ state of health and implement feedback between the abattoir and the farmer should be supported through state incentive programmes. Participation in monitoring programmes should be promoted through financial incentives.
- The market introduction phase of an animal welfare label should be accompanied and advertised intensively in order to provide comprehensive information on the animal welfare label not only to livestock farmers but also to the general public.

9 Recommendations for Additional Labelling Areas

(90) The following recommendations relate to label fields which should not be integrated into an umbrella label in the opinion of the SABs (cf. Item 53). Large parts of labelling law are communitized by the EU. The objective of the SABs is to show perspectives irrespective of the problem fields, some of which are legally complex, e.g. the limits of permissible origin information.

9.1 Origin Label

Status Quo

(91) There are currently two types of regional designation in the market:

- Simple origin details (e.g. from the EU, from the region, from Lake Constance, from the Rhön Mountains etc.).
- In addition to optional, reserved information (e.g. free-range farming, native olive oil etc.), the classification of products (Class 1, Class 2) and the product identity (butter, fruit juice, fruit nectar), simple origin details are a part of the marketing standards. In

the EU, labelling of the origin is obligatory with beef (country of origin), fresh fruit and vegetables (country of origin), eggs (country of origin), poultry (EU/non-EU origin), wine (region except for wines of the lowest category), honey (country of origin), olive oil (country of origin with native olive oil) and ecological/organic products from the EU (EU/non-EU origin). An extension of obligatory origin labelling (country of origin) is already on the way for pork, lamb/mutton, goat and poultry meat and an extension of the labelling obligation is being considered for milk and dairy products, as well as ingredients which make up more than 50 percent of a product. Voluntary labelling of the origin is possible as long as the consumer is not deceived in regard to the actual country or actual place of origin of the product. The main problem of voluntary origin labelling is the lack of objective classification of the origin, especially when only parts of a product/raw produce come from a particular region or only certain process stages are performed in a particular region. It is often unclear too how to demarcate a region.

- Qualified details of origin (protected geographical indication/PGI, protected designation of origin/PDO). The protected geographical status combines the origin with a quality statement. A state allowance for the marketing of foods is only permissible if the foods are distinguished by a special quality. PGI and PDO products have a special status here, as it is assumed that the special quality is attributable to the geographical place of origin. Products of this kind are marked with an EU label which states either “protected geographical indication” or “protected designation of origin”. There are plans to make the label for these products mandatory. The lack of regional demarcation of the origin of the raw produce is a problem with products with the label “protected geographical indication”. A product with the name of a region as the product designation (e.g. Thüringer Bratwurst) can (or must) be marked with the text “protected geographical indication” as part of a state seal, even if the raw materials come from another country of the EU or even the world and not from the region. At the very least consumers are confused by this, if not deliberately misled with the sanction of the state.

(92) With the registration of a product as PGI or PDO, a monopoly is practically granted on the use of the name of a region in connection with a trade description (e.g. Black Forest Ham). The extent of the protection of the name goes beyond the normal protection of trade names. With the protection against dilution or exploitation of reputation, it equates to the level of protection of brands with a special reputation. It is at least questionable from the point of view of the legal system if structure policy should be implemented using trademark protection means.

(93) As regional origin is a very important trust-related property for many consumers, as a string of surveys shows, a state-awarded regional seal is currently being considered by the BMELV. Some federal laender (Bavaria, Baden-Württemberg, Hesse, Schleswig-Holstein, Thuringia) already have regional origin and quality marks.

Recommendations

(94) For various motives (freshness, regional value-added, trust, environment), there is great consumer interest in information concerning the origin of foods which, as a trust-related property, is not verifiable by other means. At the same time, however, obligatory (simple)

indication of origin is also regarded as critical due to its sometimes protectionist character, as the political promotion of local producers is contrary to the goals of a single market. For reasons of simplicity and transparency, it makes sense in this field of tension to extend the obligatory listing of the country of origin to all mono-products. For the reasons given above, however, the SABs are also recommending that the size and placement of these obligatory markings should not be pushed too much into the foreground.

(95) In general with simple indications of origin, an extensive information obligation should be imposed on those producers who communicate the regional origin of their products. The information provided here up to now is not sufficient to meet the demands of the consumer, i.e. manufacturers must be obliged to provide information on their region if they use “regionality” in any form whatsoever for advertising or communication purposes.

- This information must be easily accessible to consumers on a product-specific basis.
- Specific supplementary information should be available on the internet, for example, with the web address given on the product. There is room here in particular for the necessary clarification of regional boundaries if these are not precisely defined political boundaries (e.g. federal states, administrative districts) but refer more to natural features (e.g. “from the Rhön Mountains”, “from Lake Constance”).
- The vast majority (e.g. at least 95%) of the raw material of a mono-product should come from the region referred to. With processed mixed products, either 95 percent of the ingredients (by weight) should also come from the region referred to or, if the percentages are lower, it must be clearly listed which raw materials come from which region if a regional term is being used to advertise the final product; the same percentages would then apply to these products (e.g. 95%).
- Information on the location of the processing businesses should also be provided.
- Certification of the “origin system” by independent third parties should be recommended to the providers.

(96) In instances in which specific regions are frequently used for advertising and a distinct regional definition is possible, reserved information could be defined. Accordingly, optional, reserved labelling for “products/produce from a mountain region” is currently being discussed on EU level. It should be welcomed if legislators were to attempt to specify clear definitions for such statements as “milk from mountain farms” in order to prevent the deception and misleading of consumers.

(97) Correct indication of origin: With PGI products it should either be obligatory to list the origin of the raw material or the business should be prevented from using the “protected geographical indication” label (both of which would require the emendment of EU Regulation 510/2006). In addition to this, more detailed information on the regional localization of the individual process stages should be readily available to the consumer parallel to the recommendations on simple indication of origin in the internet.

(98) Any remaining problems consumers may have with the information given by providers on the regional origin of foods could be collected in the BMELV-sponsored internet portal “Lebensmittelklarheit.de”, which is currently being implemented by vzbv, and help to further

develop legislation in this area in order to prevent the deception or misleading of consumers. Consumer surveys would have to be conducted here before reserved information was introduced for specific regions or regional labels.

(99) The regulations to protect the geographic indications of wine, spirits and wine-based drinks are the responsibility of the BMELV, while the Federal Ministry of Justice (BMJ) is responsible for the protection of PDO and PGI. On European level, the PDO and PGI system was transferred to the wine sector too through Regulation 479/2008. It has been proposed that responsibility for all geographic indications for foodstuffs should be consolidated at the BMELV and that overall control of this instrument be shifted from the BMJ to the BMELV.

(100) The correct indications of origin are widely unknown to consumers in Germany. It is recommended that the BMELV make greater use of the EU funding for the sales promotion of this system (usually 50% cofinancing by the EU).

9.2 Organic Label

Status Quo

(101) The 'Bio' seal for organic produce was introduced by the federal government in Germany in 2001. The high level of awareness and wide distribution of the label are attributable to a number of factors: the 'Bio' seal implements the EU Eco Regulation one to one, i.e. it can be used for all products which may be described as "ecological" according to this regulation. This enables the expeditious participation of many companies. In addition to this, the introduction of the 'Bio' seal was accompanied by a successful marketing campaign which used a number of tools, including TV and poster advertising.

(102) Since 1 July 2010, it has been obligatory to apply the new EU eco label to all processed organic products. Marking must be done in such a way that in addition to the label, the code number of the control point responsible for controlling the last producer or processor appears in the same field of view as the logo. An indication of origin must also be applied showing whether the product comes from "EU agriculture" or "Non-EU Agriculture" or "EU/non-EU Agriculture". The labelling threshold for the indication of origin from "non-EU Agriculture" lies at two percent here. Products imported from third countries can use the new eco label voluntarily. Additional use of private and state labels (e.g. the 'Bio' seal) is permitted.

(103) Because its introduction was forced, the new EU label can already be found on a large number of products. As the introduction has not been accompanied by a marketing campaign, however, it is not clear at the moment how quickly it will be recognized by consumers as an organic label and if and when it can possibly replace other organic labels. Although the design of the label has been criticized by the organic sector, at least the new EU label does not run the immediate risk of being confused with other EU food labels. As the labelling limit of two percent was also criticized by the organic sector, it is conceivable, for example, that products with a protected geographical indication of origin (with which the consumer expects a special relation to a specific EU region) which are also organic products, with which two percent of the ingredients (such as sugar and spices) come from third

countries, have to be marked with “EU/non-EU Agriculture”. The various EU labelling policies are not sufficiently coordinated with one another at this point with the result that they tend more to confuse consumers than properly clarify the matter.

Recommendations

(104) Overall, it is currently unclear whether, when or if at all the new EU eco label will take on more significance in the perception of the consumer than the German ‘Bio’ label. Accordingly, in order to protect the trust of the companies involved and not disturb market developments unnecessarily, the German ‘Bio’ label should be retained as it is until further notice, especially as this involves negligible costs for the state.

(105) The option of allowing the federal government to continue to have ecological products marked with private labels whose standards are in some places higher than those of the EU eco regulation is positively assessed by the SABs.

(106) Overall, the ‘Bio’ label situation outlines the volatility of labelling in a multi-level system. As there is a threat of the devaluation of market information with poor coordination of national and EU policy, much stronger and more strategic coordination between the EU and its member states should be demanded.

9.3 Nutritional Details

Status Quo

(107) Conventional nutritional information (nutrition information panel) and GDA (Guideline Daily Amount) provide information on the nutritional composition of a foodstuff, whereby the GDAs constitute so-called default values for daily intake through their reference to average daily requirements¹⁴. It has just been decided in the EU that GDAs are not to be made obligatory.

Recommendations

(108) Nutritional details should be as close as possible to everyday practice and thereby user-friendly. This means that the GDAs lack an obligatory age and gender-specific differentiation of the default values.

(109) The SABs favour extended GDA labelling suitable for everyday practice. The nutritional details are trust-related properties which are of interest to a very large group of consumers. Healthy eating is also a topic with a high political priority. Although measurement and evaluation costs are basically low, the manufacturers’ packaging options in marketing are considerably restricted by the size of the GDA label. The overwhelming interest of consumers and society in healthy eating also speaks in favour of obligatory labelling.

¹⁴ The GDAs relate to one reference person with an average energy requirement of 2000 kcal/day.

9.4 Health Claims

Status Quo

(110) Health claims contain nutrition and health-related information on foods. The Health Claims regulation is intended to ensure that foods and dietary supplements may only be advertised with health-related information if such information is scientifically substantiated. Unfair competition and deception are to be excluded in this way.

Recommendation

(111) During the authorization process for foods declared with health claims, the European Food Safety Authority (EFSA) tests and evaluates them on the basis of documentation submitted by the applicant. As the inclusion of an expert scientific survey is not prescribed, the reliability and scientific evidence of health claims can be restricted and their credibility towards the consumer jeopardized. For this reason, it is recommended that the claims be additionally substantiated in a binding manner through independent scientific studies and that the results of these tests be made available to the general public (e.g. on the EFSA homepage). Health claims should not be integrated into an umbrella label, however, as the claims made are not suitable for multi-level differentiation.

9.5 GM Technology Labelling¹⁵

Status Quo

(112) There is a lot of controversial discussion about the use of genetic engineering in the production of food and the majority of consumers are against it.

(113) To do justice to consumer concerns, there are two forms of food marking: so-called positive labelling (“genetically modified”) and negative labelling (“GM-free”). Positive labelling is performed uniformly on European level in accordance with European law (EC regulations 1829/2003 and 1830/2003) and is mandatory. Negative labelling is regulated differently on a national basis. Since 1 May 2008, for reasons relating to the legal system, German legislators have included negative labelling in the Law on the Execution of Genetic Engineering (EGGenTDurchfG) and no longer in the Novel Foods and Food Ingredients regulation (NLV). Although a fundamental ban on the advertising of foods with reference to their lack of genetically modified ingredients can be assumed from a legal point of view, EGGenTDurchfG contains in its substance fundamental permission for the claim “Contains no GMOs”, provided that none of the bans it contains is fulfilled.

(114) Positive labelling is mandatory and must be applied if the food contains genetically modified organisms (GMO) or if the food contains ingredients made from GMO. If substances produced by a GMO are used as a food ingredient, the product must be labelled as “genetically modified”, even if the substances used cannot be differentiated from natural

¹⁵ Cf. the statement of the Scientific Advisory Board for Agriculture Policy: “Coexistence of Genetic Engineering in Agriculture and the Food Sector”, June 2010;

<http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Beiraete/Agrarpolitik/Stellungnahme-Koexistenz-Gentechnik.html>.

substances. Positive labelling is only mandatory if the product or food contains GMO or material made from GMO or if the quantity of GMO additives exceeds 0.9% of the individual food ingredient or food.

(115) Technical auxiliary substances, carrier substances and nutrient solutions used during the production process are not regarded as ingredients because they constitute neither a foodstuff nor an ingredient under food law. But for a few exceptions, enzymes are not included in the list of ingredients for this reason, which means that they are not subject to labelling requirements either (e.g. chymosin, amylase, invertase, pectin). The vast majority of the chymosin originally extracted from calves' stomachs and used for curdling the milk when making cheese is now produced through GMO (yeasts). Accordingly, cheese produced with the help of the genetically engineered rennet chymosin does not have to be labelled.

(116) While foodstuffs made "from" a GMO have to be labelled, this does not apply to foods made "with" or "with the help of" a GMO. GMOs have a function of this kind in particular if they are administered as a feed or medicinal product to the animal from which the food is acquired. Accordingly, animal products acquired from animals fed with GMO feedstuffs are not subject to labelling requirements (e.g. milk, meat, eggs).

(117) The "Contains no GMOs" label is voluntary. The "Contains no GMOs" claim is prohibited for foods produced using foodstuffs and food ingredients which are, or should be, labelled as "genetically modified". Ever since the new regulation came into effect on 1 May 2008, there has been nothing to prevent the administering of feed additives or medical products produced with the help of genetic engineering processes being labelled with "Contains no GMOs". This used to apply only to veterinary medicines for which there was no alternative. Animal products produced from animals fed with GMO feedstuffs do not have to be labelled as "genetically modified" and may even be labelled with the claim "Contains no GMOs" if certain abstinence periods in the feeding of genetically modified feedstuffs are observed.

(118) It is not permitted, on the other hand, to label genetically engineered chymosin with "Contains no GMOs". There is a bit of an imbalance here in that cheese produced with the genetically engineered rennet chymosin for which the "Contains no GMOs" label is not permitted does not require positive labelling either.

(119) Once the requirements for "Contains no GMOs" have been met, there are restrictions on the terminology that can be used to emphasize that genetic engineering was not used. Here in Germany, unlike Austria, the only claim that is permitted is "ohne Gentechnik" (without genetic engineering). Terms such as "GM-free", "No genetic engineering", "Without using genetic engineering" etc are prohibited.

Recommendations

(120) The SABs recommend that the obligation to label products as "genetically modified" be extended to animal products produced using genetically modified feedstuffs. The meat and milk from animals which were only fed with genetically modified feedstuffs in earlier stages of their lives should also be labelled as "genetically modified".

(121) Positive labelling can only be amended on European level, but so-called “negative labelling” can be amended on a national level. This has been done (in Germany) up to now by using the “ohne Gentechnik” label. The SABs recommend here that the current ruling be rescinded after a transition period of three years. Producers and marketers who wish to continue to market their products in this way must ensure compliance with GM-free feeding through a certification system. The state-administered “ohne Gentechnik” label already introduced should be made available for this purpose. The control tasks should be regulated through the private sector to the greatest possible extent, e.g. in the form of an official loan from a private organization. The designation “ohne Gentechnik” should continue to be defined by law as a reserved indication.

(122) The SABs recommend the introduction of “white genetic engineering” labelling (to include enzymes and auxiliary substances in the laboratory).

(123) These far-reaching requirements for genetic engineering labelling are justified by the trust-related property of the process technology and the high level of consumer interest. Labelling costs will be incurred in particular by companies that want to use the optional label “ohne Gentechnik”, but they can also achieve higher market earnings through the market differentiation.

9.6 Nanotechnologies

Status Quo

(124) To date, nanoscale substances are only actually used in a few foods and food additives, several dietary supplements (e.g. amorphous silicon dioxide as an anti-caking agent, micelles as nanocapsules) and a few food packaging materials (e.g. titanium nitride). Despite this, several applications are currently in the research pipeline and some are just short of their market launch (e.g. freshness sensors). In addition to this, some products were and still are advertised with “nano” even though they do not contain any nanoscale substances (e.g. Neosino dietary supplements).

(125) Consumers view nanotechnologies with positive criticism. Consumer panels in Germany and Switzerland have indicated, however, that nanomaterials tend to be accepted more outside (e.g. in the packaging) than inside foods. In addition to this, these surveys showed that consumers want to be taken seriously and given credible information on the use of these technologies.

(126) The Federal Government set up the Nano Commission in 2006. Since then, among other things, they have prepared recommendations for responsible dealings with nanotechnologies and proposed the introduction of a nano-product register. The Federal Ministry of the Environment (BMU) conducted a dialogue with the involvement of science, NGOs, politics, trade and industry and consumer protection organizations. State-initiated dialogues of this kind were also held in other countries, such as Switzerland and Austria.

(127) Compulsory nano labelling was adopted on EU level in the cosmetics sector in 2009 and is scheduled to take basic effect on 11 July 2013. In July 2011, the European Parliament recommended the introduction of a labelling obligation for synthetic nano-materials in foods

in its decision to amend the draft of the food labelling regulation¹⁶. After formal acceptance by the Council and publication in the Official Journal of the EU, all products containing technically manufactured nano-materials must be labelled with “nano” after the ingredient substance three years after the regulation comes into effect.

Recommendations

(128) Should, contrary to expectations, the introduction of nano-labelling fail on European level, the SABs recommend that obligatory labelling of this kind be introduced on a national level.

(129) There continues to be a considerable need for research in the use of nanoscale substances in the food area, especially as regards human and ecotoxicological risks. Accordingly, authorization procedures have to be further developed until the size of the authorized substances is an authorization-relevant criterion so that the health and/or environmental risks of nanoscale substances can be safely excluded. Suitable analysis and verification procedures must also be developed.

(130) The Nano Commission has recommended the introduction of a nano-product register and the SABs support this recommendation for foods, additives, dietary supplements and food packaging. It should be introduced EU-wide if possible.

10 Remarks on the Out-of-Home Market

Status Quo

(131) Even the most simple and fundamental information, such as the calorie content of meals, is currently missing in the out-of home market. Only a few providers, mainly from the system catering sector, show nutrition values or GDAs. These examples show, however, that information designed for packaged foods can also be converted fundamentally to the out-of-home market – all the more easily the more standardized the range is.

(132) The only other way for consumers to gain more information at the moment is at best through the quality of the cuisine (Michelin stars, chef’s toques etc.), whereas the quality of the ingredients used is usually unknown with the exception of a few organic food restaurants, organic meal offers, Fair Trade offers or an indication of the region of origin of some ingredients. Overall, transparency in regard to product and process properties in the out-of-home market is considerably less than it is in the food retail sector. In view of the increasing relevance of out-of-home catering, which already comprises around a third of all meals, this is a problem.

¹⁶ Standpoint of the European Parliament determined during the second reading on 6 July 2011 in light of the adoption of Regulation (EU) No. .../2011 of the European Parliament and of the Council concerning the information of consumers about foods and amending Regulations (EC) No. 1924/2006 and (EC) No. 1925/2006 and repealing Directives 87/250/EEC, 90/496/EEC, 1999/10/EC, 2000/13/EC, 2002/67/EC, 2008/5/EC and Regulation (EC) No. 608/2004.

Recommendations

(133) An umbrella label still to be designed should be used to offer orientation options in the growing out-of-home market too.

(134) Support should be given to research and pilot projects dedicated to the question of identifying the form in which information on the nutritional composition of meals and offers (nutritional details, GDA), adapted to the various areas of out-of-home catering, can be introduced in an obligatory manner in future. It would appear to make sense here to differentiate between system gastronomy and individual gastronomy.¹⁷ Labelling of the nutritional composition of offers should be obligatory in system gastronomy and voluntary in individual gastronomy.

(135) In addition to this, the introduction of a self-assessment system in the out-of-home sector should be supported in order to improve hygiene quality standards.

11 Outlook

(136) The relevance of process properties, such as the environment and animal welfare, on the one hand and a healthy diet on the other has increased considerably in the recent past. The market, NGOs and politics are responding to these challenges with many different forms of product labelling, the intelligibility of which would be greatly enhanced by aligning the measures to long-term objectives which integrate environment, food, consumer and agricultural policy goals, and by more stringent regulation.

(137) The proposals for a state-supported multi-phase umbrella label concept outlined in the recommendations can serve as a blueprint for the future layout and design of new labels. In view of the complex variety of labels that already exists on a European as well as national level, it will not be possible to implement a “one size fits all” label strategy in the short term. Many of the detailed proposals contained in the recommendations can be implemented in the short-to-medium term, however, and also on a national level. At the same time, politics should concentrate on stemming the flow of different labels, especially those that are misleading, while endeavouring to give labels more credibility and improve their intelligibility.

¹⁷ System gastronomy is a term applied to businesses in the out-of-home market which offer standardized catering packages in at least five of their own commercial premises or franchise businesses.