

FINAL MINUTES

Meeting of the Civil Dialogue Group “Horticulture – Spirits”

09 March 2021

(Videoconference)

Chair: Mrs Sarah Melina SIEBEL (FoodDrinkEurope)

Organisations present: All Organisations were present, except BEUC, ECVC, EFNCP, IFOAM, PAN Europe, SACAR and TomatoEurope

1. Approval of the agenda

The agenda was approved without changes. No topic were proposed for discussion under AOB.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

A. Spirit Drinks Regulation – update on ongoing discussions on the draft Commission’s Guidelines on certain provisions on spirit drinks labelling

The COM explained that the fifth revision of the draft was presented and discussed with Member States during the February meeting of the Spirit Drinks Committee.

In particular, the discussion revolved around the applicability of QUID rules to spirit drinks, recommendations on the use of spirit drinks GIs as ingredients in other foodstuffs and on the labelling of allusions on liqueurs with a view to achieve a parting line between mixtures and allusions.

The timeline for the adoption of the Labelling Guidelines remains unclear due to ongoing discussions on four Commission Delegated Regulations amending certain labelling provisions of the Spirit Drinks Regulation: as long as the final formulation of those Delegated Acts is uncertain, the works on the Labelling Guidelines cannot be closed.

B. Ongoing discussions on the Implementing and Delegated Regulations

Copa-Cogeca representatives asked about the state of play of the legislative proposal to exempt small producers from the obligation to fill in the electronic administrative document provided for by Article 13(7) of Regulation (EU) 2019/787. The COM explained that, upon internal consultation with DG TAXUD and the COM Legal Service, it was concluded that there was no need for requested derogation, as small

producers are already implicitly exempted by application of the legislation in force. Germany, who had requested the exemption in the first place, would be informed by a formal DG AGRI reply, which would also be distributed and explained to the other national delegations at the next Spirit Drinks Committee.

The COM also provided an update on the four ongoing draft Delegated Regulations amending certain labelling provisions of the Spirit Drinks Regulation.

The draft Delegated Regulation clarifying the labelling provisions on blends is on track to be adopted after the expiry of the public consultation on 24 March. After the adoption by the COM, the draft act will be transferred to the EP and the Council for a two-month scrutiny period before being published.

Two further draft Delegated Regulations introduce the obligation to always label allusions and compound terms in the same visual field as the legal name of the resulting spirit drink. In case of other alcoholic beverages, DG AGRI has proposed to indicate allusions and compound terms at least once in the same visual field as the name of the alcoholic beverage.

At the time of the CDG meeting, those two draft Delegated Regulations were in interservice consultation until 19 March 2021. Subsequently, Member States would be asked for possible comments in written procedure. The adoption procedure would include the publication on the Better Regulation Portal and a WTO TBT notification.

Concerning the draft Delegated Regulation on the definition of allusions in order to allow allusions also to spirit drinks that had previously been stored in wooden casks used to age other spirit drinks and to spirit drinks used as the sole alcoholic base for the production of other spirit drinks. The COM informed also that DG AGRI had proposed that – in derogation to the general labelling rules for allusions – the font size for labelling allusions to spirit drinks casks may be not larger than the font size used for the legal name of the spirit drink on condition that the former is not more prominent than the latter and that clear reference is made to the cask and not merely to the spirit drink.

The COM Legal Service were however challenging this proposal by DG AGRI, especially on the amended definition of allusions and the font-size requirement. DG AGRI is in the process of explaining the rationale to the COM Legal Service. A rephrasing of the text is possible before the adoption procedure starts. Although no WTO TBT notification is foreseen as the current practice is maintained, a delay in the publication of the Act is possible.

A FoodDrinkEurope representative asked for a clarification of the applicability and transition periods of the draft Delegated Act and it was highlighted that the ‘no larger than’ font size requirement is key for the sector. If the proposed derogation to the font size requirement cannot be maintained and changes to current labelling practices would be required, a WTO TBT notification would be necessary. It was stressed that the sector is ready to provide more information if needed. The COM thanked the sector for its support throughout the last weeks and months and will keep the sector updated.

C. Implementation of spiritsEUROPE's MoU on consumer information – *update from the sector*

The sector thanked the COM for the opportunity to provide an update.

Since June 2019, when the MoU was signed, a dynamic rollout has been implemented and is progressing: An increasing number of energy-labelled SKUs are being placed on the EU market and a growing number of companies report on their compliance intent and roll-out of the MoU. The sector intends to finalise the first MoU implementation report by end-March 2021. More trade associations are signing up to the MoU and the sector is developing a dedicated E-label Platform to provide consumer information via e-labels.

The first MoU implementation report will assess the roll-out progress achieved by 31 December 2020 based on the evaluation of company compliance data, EU production/sales market data and selected real-life retail setting studies. The data gathering is a very time and resource-intensive process which was complicated by COVID-19 situation. The FoodDrinkEurope representatives explained that spiritsEUROPE will present and discuss the report's findings with DG AGRI & DG SANTE once ready (end-March). Due to COVID-19, the finalization of the implementation report is taking a bit longer than anticipated.

To date, the group of the 12 founding MoU signatories has been broadened by 30%. Today, 19 organisations co-signed the MoU and more organisations registered their intention to follow suit. The inclusive approach of the MoU is marked by the co-signing by non spiritsEUROPE members. Again, COVID-19 is hindering some organisations or is causing slower progress than hoped for.

The development of the e-label platform is a joint initiative of spiritsEUROPE & CEEV. The particularly SME-friendly approach is designed to be workable with(out) GS1 affiliation. Both larger companies and SMEs have signed up to develop test cases and the sectors work towards the objective to have the beta-version ready by summer 2021. This e-label platform development is taking place in addition to the ongoing cooperation with GS1 where spirit drinks will be a key part of the GS1 global food protocol.

DG AGRI thanked the sector for the presentation and pointed to the ongoing discussions on the wine package in the framework of the CAP reform trilogues, notably regarding the mandatory labelling of both the ingredients list and the full nutrition declaration for wine and aromatised wine products. DG AGRI asked if the spirit drinks sector would be prepared to cater to such requirements, too, taking into account the newly published EU Beating Cancer Plan indicating that before the end of 2022 the COM will submit legislative proposals to amend the FIC Regulation to make nutrition and ingredients labelling mandatory for all alcoholic beverages. The sector stressed its commitment on consumer information as spelled out by the MoU and the demonstrated openness. For the large majority of spirit drinks neither ingredient lists nor nutrition declarations are particularly helpful as clear spirits contain basically three ingredients and would have a nutrition declaration full of zeros. The debate would be taken further internally with FoodDrinkEurope's representatives in view of the legislative proposal concerning the FIC Regulation.

DG AGRI clarified that also the wine sector brought forward the argument of a mostly empty nutrition declaration, which was however dismissed. DG AGRI invited the spirit drinks sector to follow and consider the developments for the wine sector on providing the full nutrition declaration. As concerns ingredients labelling, DG AGRI stressed its importance to inform consumers who are often not aware of the requirements laid down in the legislation for the production of the different spirit drinks categories and would benefit from this knowledge. A FoodDrinkEurope representative stressed that indeed the provision of ingredient lists on-line constitutes an important part of the MoU.

D. The European Green Deal – Farm 2 Fork

a. COM's Code of Conduct on responsible business and marketing- *update from the sector*

A FoodDrinkEurope representative highlighted that FoodDrinksEurope is a participant to the Code of Conduct. The Code of Conduct was initiated by the COM at the end of 2020. Four thematic Working Groups have been created in order to develop a successful, ambitious code that will be ready for adoption and co-signing as of May, respectively June 2021.

FoodDrinkEurope welcomes the Code of Conduct & EU Action to encourage sustainability-promoting measures in self-regulation. However, the Code's timeline is overly ambitious (especially against COVID-19 reality) and adds a huge burden on the sectors involved. The COM's wide stakeholder engagement is appreciated and it is crucial that this results in a fair, transparent & inclusive dialogue. To make the Code of Conduct a success, the following aspects are essential: all sustainability pillars (environmental, social, economic) need to be addressed equally, science & scientific evidence have to guide the way, no discrimination against any one ingredient, food/drink or product category is acceptable and the respect for and recognition of GI products must be guaranteed – especially in view to other DG SANTE food policies that may encourage reformulation of food products. GI rules that prevent reformulation need to be considered in this sensitive debate that also re-emerges in the context of nutri-score and nutrient profiles. FoodDrinkEurope asked to please revisit the Code of Conduct in the November CDG. The Code of Conduct is perfectly aligned to encourage GI sustainability.

b. Sustainability criteria in GIs / Promotion Policy - *update from the Commission*

DG AGRI is in the process of strengthening the system of geographical indications (GI), as included in the mission letter of President von der Leyen and included also in the farm to fork strategy. Possible ways of improving sustainable aspects under the schemes are also assessed in the ongoing Impact Assessment with a focus on social and environmental and economic sustainability of production and also consumption. A public consultation is ongoing since 15 January 2021; it will close on 9 April 2021. A legislative proposal will be presented towards autumn 2021. The COM representative stressed that social sustainability as well as economic sustainability are key.

A FoodDrinkEurope representative stressed that the spirit drinks sector dedicated a lot of efforts on responsible drinking initiatives and will continue to do so, ensuring and stressing spirit drinks GI's sustainability.

Further, the COM has launched a new database “GI view” and a demonstration of the new website was given. The new tool allows GI holders to indicate sustainability criteria already now, on a voluntary basis.

A FoodDrinkEurope representative requested more details for the timeline and inquired about the compatibility between the Code of Conduct on responsible business and marketing and the inclusion of sustainability criteria in GIs. The COM explained that the F2F is a cross-unit exercise, and the GIs are a vehicle to support the F2F policy. There is no sustainability requirement for GIs for the time being, but GIs can be used to demonstrate that products and the sector develop on sustainability.

PROMOTION POLICY

The EU’s agri-food promotion policy is based on Reg EU 1144/2014 and its fundamental objective is to enhance the competitiveness of EU agri-food products. Nutritional, health and sustainability aspects should be taken into account when discussing EU agri-food promotion policy.

DG AGRI is reviewing the EU’s agri-food promotion policy, the review is part of the farm2fork strategy.

Various policies impact on the EU agri-food policy such as public expectations and perceptions (Eurobarometer), the evaluation of the implementation of current policies, Europe’s beating cancer plan and the EU trade policy review. The policy evaluation of the agri-food promotion policy revealed that EU promotion programmes are effective.

The Policy review roadmap (inception impact assessment) was published on 9 February. Comments can be provided until 9 March (midnight). So far 75 contributions have been received. A full 12-week public consultation will follow in March 2021. The sector is invited to actively participate.

A FoodDrinkEurope representative thanked the COM for the comprehensive update and confirmed that input will be submitted to the COM during the various stages of the consultation process.

E. Covid-19 and its impact on the EU spirit drinks sector – update from the sector

A FoodDrinkEurope representative reported that Covid-19 had a negative impact on the EU spirit drinks sector, mainly related to the drastic fall in airport sales/travel retail sector (minus 70% in 2020). The effective collapse of tourism (including long closures of distillery visitor centres) as well as the widespread closures of the hospitality sector (on average 50% of spirit drinks in the EU are sold in the ‘on-trade’ channel) have a clearly negative impact on the spirit drinks sector.

A significant risk in permanent closures/irrecoverable losses of countless hotels, bars & restaurants across Europe – and the negative economic (job losses) & cultural losses that would come with it were highlighted. The hospitality sector stands for 12 Million jobs in the EU and hospitality is also a part of the EU’s cultural heritage.

Further, FoodDrinkEurope representatives reported the increasingly challenging global trading environment and COVID-related market access barriers: South Africa posed three

full sales bans which significantly challenged the sector. The moratorium on the EU-US tariffs in the beginning of March 2021 was highly welcomed by the sector.

The FoodDrinkEurope representative explained in detail the needs of the value chain partners in light of the COVID-19 pandemic. These are evidence-based, proportionate policies; necessary supports to help otherwise-viable businesses survive; tax deferrals/funding injections; the resolution of trade disputes and a common-sense, inclusive approach.

A dedicated cross-sector alliance has been built under the leadership of Hotrec, the EU-level association of the European Hospitality Sector.

F. AOB

Eva Sali, policy advisor for a.o. spirit drinks at Copa-Cogeca introduced herself as a new representative of the organisation and participant of the CDG HOS; she was welcomed by the chair as well as by the group.

4. Next meeting

The next CDG HOS meeting will take place in November 2021, date and time need to be confirmed by DG AGRI.

5. List of participants - Annex

List of registered participants– Minutes

Civil Dialogue Group « Horticulture – Spirits »
09 March 2021

MEMBER ORGANISATION	NUMBER OF PERSONS
Bureau Européen des Unions des Consommateurs (BEUC)	--
European agri-cooperatives (COGECA)	--
European Coordination Via Campesina (ECVC)	--
European Council of Young Farmers (CEJA)	1
European farmers (COPA)	7
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	--
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	4
European Public Health Alliance (EPHA)	1
FoodDrinkEurope	6
Note taker	--
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	--
Pesticide Action Network Europe (PAN Europe)	--
SACAR - Secrétariat des Associations du Commerce Agricole Réunion / Joint Secretariat of Agricultural Trade Associations (SACAR)	--
BirdLife Europe (BirdLife Europe)	1
TomatoEurope	--
Total: 22	