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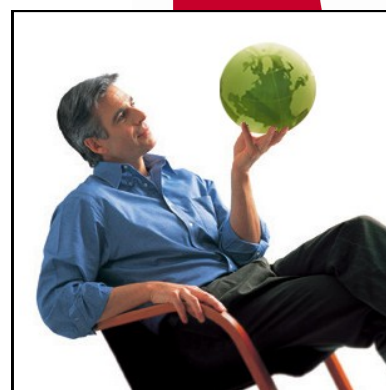
**MARKET INDICATOR REPORT | SEPTEMBER 2010**

## **Food Labels in Europe**

### Changes to E.U. Labelling Regulations and New Eco-Labels in France



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#### ► EXECUTIVE SUMMARY

In response to consumer demands for increased transparency from food manufacturers and their products, as well as general concern regarding climate change and accountability, food labelling requirements in the European Union (E.U.) are being overhauled. New legislation regarding nutrition labelling across the 27 member states has been proposed and, in France, eco-labels are to become a mandatory labelling requirement as of July 1, 2011. The purpose of this report is to outline the present state of these ongoing legislative changes, and provide insight into the broader circumstances that both spurred their initiation, and continue to affect their development.

Legislation surrounding both of these labelling initiatives is under ongoing review, and is subject to change. To check for updates, or confirm that the information is the latest available, please refer to the links provided on page 11 of this report.

#### Changes to E.U. Requirements

Proposed Directive 2008/40 has been put forth in the E.U. as a means to clarify two existing pieces of legislation on food labelling, and consolidate them into a single document. The current legislation on general food labelling dates back to 1978, and nutrition labelling rules were adopted in 1990. The European Commission advised that consumer demands and marketing practices have changed significantly since that time, and labelling legislation required an update to reflect the new ways that food is packaged and sold (EUROPA, 2008. "Commission proposal").

The proposed regulations state that particular nutritional information must appear on the front of all packaged food products, so consumers can easily make informed purchase decisions. In light of rising obesity rates and public health awareness across the member states, many consumers have also expressed concern at the confusing and convoluted ways in which nutritional information is presented. Seeking product information to monitor general health, or avoid particular ingredients and allergens, is presently a difficult exercise. Consumers must navigate through many different labelling schemes that, in many cases, do not facilitate product comparisons or informed value assessments. Directive 2008/40 proposes criteria to make labelling requirements that are easily followed by industry, easy to understand for consumers, and consistent across the European Union.

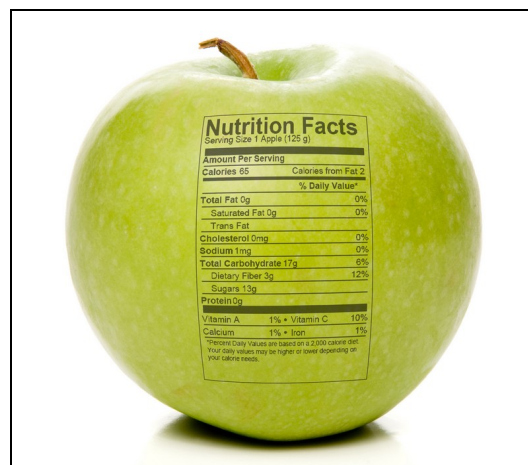
#### Eco-Labels in France

International unrest regarding climate change is not new, and many citizens are seeking ways to assess how their day-to-day actions are affecting environmental sustainability, including the selection and consumption of food products. Initiatives have been taken in a number of places to inform consumers of the environmental footprint associated with select products, utilizing various measures. For example, indicating carbon or CO<sup>2</sup> emissions, food miles, seasonal and/or local products and eco-friendly packaging (DuVo, 2008).

However, France may set an international precedent as the first country to make environment-oriented labelling mandatory on all consumer products. Under new legislation put forth by *Grenelle 2: The Bill on the National Commitment to the Environment*, all food products sold in France, including imported goods, would be required to display the greenhouse gas emissions caused by their journey through the production chain. This information would be expressed as a carbon or CO<sup>2</sup> equivalent, per indicated portion size.

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## ► CHANGES TO E.U. LABELLING REQUIREMENTS

### ***E.U. Current Labelling Directives***

Food labelling rules in the E.U. are in place to protect consumers and provide food traceability (Business Link, 2010). Furthermore, the European Commission's public health priorities include a campaign for healthier diets and, accordingly, seek to provide consumers with the information required to know exactly what they are buying and eating (EUROPA, 2008. "Commission proposal"). Currently, general labelling requirements for all foodstuffs in the E.U. are set out in Directive 2000/13, and more specifically, nutritional labelling is regulated by Directive 1990/46 (EUROPA, 2008. "Questions and Answers").

#### **Directive 1990/496: Nutritional Information**

This Directive regulates the appearance of nutritional information on food product labels. At present, nutritional labelling is voluntary, but becomes compulsory if a health claim is made with regard to the product, or if the food has been supplemented by additional vitamins or minerals (EUROPA, 2008. "Questions and Answers").

Nutrition labelling encompasses information pertaining to the food's energy value, as well as the amount of protein, carbohydrates, fats, fibre, sodium, vitamins and minerals, the product contains. When required, these elements are to be listed by numerical value, per 100 g, 100 ml, or an indicated portion of the food product, and expressed in particular units of measure (The Council of European Communities, 2004).

This Directive covers foodstuffs for consumer purchase, as well as products intended to supply restaurants, hospitals, canteens, and other forms of mass catering establishments or foodservice operations (The Council of European Communities, 2004).

#### **Directive 2000/13: Labelling Information**

This Directive outlines the mandatory information that must be included on all food product labels, including the product name, ingredient list, use-by date, and any specific instructions or conditions of use (EUROPA, 2008. "Questions and Answers").

This Directive is the main piece of E.U. legislation regarding food labelling, and was put forth to ensure that consumers with particular food allergies, or who wish to refrain from eating specific ingredients, are informed of the product's composition, manufacturer, and methods of preparation and storage. These regulations do not limit producers to providing *only* this information, but other voluntary information must be accurate, and must not mislead the consumer in regards to the food's properties (EUROPA, 2010).

Furthermore, Directive 2000/13 prohibits any food products or ingredients from being accredited with properties associated with preventing, treating, or curing human disease (EUROPA, 2010). It also prohibits making overall false claims, or suggesting the product has special or unique characteristics, when in fact, all similar food products possess those same characteristics (Business Link, 2010).

Compulsory components of the product label include:

- ▶ the product's selling name;
- ▶ ingredient list in descending order of weight;<sup>1</sup>
- ▶ the quantity of any ingredients emphasized on the packaging or contained within the product name;<sup>2</sup>
- ▶ the net quantity of pre-packaged items;
- ▶ the "use-by" date;
- ▶ any special storage conditions, or instructions for use (e.g. refrigerate after opening);
- ▶ the name of the business, manufacturer, or packager;
- ▶ place of origin or provenance, where failure to provide such information could mislead the consumer;
- ▶ particulars as to the physical condition or specific treatment the product has undergone within the selling name, where the omission of this information could confuse or mislead the consumer;<sup>3</sup> and
- ▶ the actual alcoholic strength by volume, for beverages with 1.2% alcohol or greater (The European Parliament and The Council of the European Union, 2007).

<sup>1</sup> With the following exceptions: fresh fruit and vegetables; carbonated water; fermentation vinegars; cheese, butter or milk (with certain conditions); and products comprised of a single ingredient that is indicated by the trade name.

<sup>2</sup> For example, products claiming to be "made with real strawberries" must list the actual quantity contained therein.

<sup>3</sup> For example, powdered, freeze-dried, deep-frozen, concentrated, or smoked.



## ► CHANGES TO E.U. LABELLING REQUIREMENTS (continued)

### *E.U. Current Labelling Landscape*

#### **Labelling Schemes**

According to the Bureau Européen des Unions de Consommateurs (BEUC), existing labelling schemes in the E.U. that pertain to both Directive 1990/496 and 2000/13, can be roughly classified into three types:

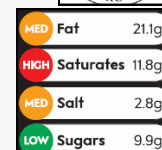
#### **Health Mark Schemes (including health ticks and healthy-eating logos)**

These consist of symbols, logos, or other indicators that provide an instant assessment of the food's overall healthiness for the consumer.



#### **Interpretative Colour-Coded Schemes**

These are schemes which provide information on key nutrients found within the food product. They utilize different colours as an interpretative guide as to whether the present levels of each nutrient are high, medium, or low, measured by portion size.



#### **Numerical and/or Percentage Guideline Daily Amount (GDA) Schemes**

GDA-based schemes provide numerical information on the actual amounts of key nutrients present in the product, and relate this data in percentage or chart form, to the guideline daily amount recommended for each.



Source for all: BEUC, 2006

#### **Consumer Confusion**

Consumers should be able to have confidence in their food purchase choices, and be able to buy according to their health, diet, allergy, or preferential requirements, without question. They should also be able to easily make comparisons between different products based on such information, and trust the information they are basing such decisions on, is accurate. They have the right to expect that the product they purchase, is indeed what is described on the label, and to make judgments regarding price or value, using this information (U.K. Food Standards Agency, 2010).

Health-consciousness is a major factor when it comes to selecting food products, and many consumers feel confused and overwhelmed by inconsistent measurement and presentation of nutritional and ingredient information. Consumers are increasingly demanding access to product information that is clear, easy to understand, and simple to access. At present, they don't feel as though they are given all the information they need to make informed purchase decisions when it comes to food (Dheilly, 2010; EUROPA, 2008. "Questions and Answers").

The proliferation of many different "simplified" labelling schemes (as outlined above) is not facilitating healthier purchase choices for consumers. The lack of a standard scientific method or basic co-ordination between different food companies and national authorities, leaves a vast landscape of information that is inconsistent and difficult to fully discern (BEUC, 2006).

Coupled with this, is the wide disparity between nutrition and general product labelling across the E.U. member states. Essential product information is presented in a variety of ways depending on the country, region, retailer or manufacturer. Or, in some cases, the nutritional information is often overshadowed, hidden or impaired by other promotional information or graphics on the package. This results in many consumers who are unsure of how to locate product information from item to item (EUROPA, 2008. "Questions and Answers").



Labelling rules also need to take into account the changing purchasing habits of modern consumers. Those that buy food products online, for example, have the same right to accurate and clear product information as those who shop in-store. There is a need to develop labelling regulations that are flexible and wide-reaching enough to address these concerns as well (EUROPA, 2008. "Questions and Answers").

Recognizing such concerns, the European Commission developed a regulatory proposal (Directive 2008/40) to guide the labelling criteria of foodstuffs, and the presentation of such information.





## ► CHANGES TO E.U. LABELLING REQUIREMENTS (continued)

### *Proposed Directive 2008/40*

#### **Overview**

In early 2008, the European Commission published a proposal to combine general food and nutritional labelling rules as put forth by Directives 1990/496 and 2000/13, into a single document (Business Link, 2010). The guiding rationale was to provide consumers with clear, simple, and accurate product information, presented in a uniform manner across all 27 Member States, as well as provide economic operators and enforcement authorities with a clarified and streamlined regulatory framework (EUROPA, 2008. “Commission proposal,” and “Questions and Answers”).

The proposed regulations would apply to any food or drink product sold in the E.U., including imported products. Upon implementation, the Directive would allow for a transition period of three years, before the new labelling requirements must be applied, with an extra two years given to smaller enterprises to adjust (EUROPA, 2008. “Questions and Answers”).

In a plenary session on June 16, 2010, this labelling legislation was passed by the European Parliament (with amendments), at the first reading stage. Members of the European Parliament (MEPs) voted 559 in favour, and 54 against, with 32 abstentions. However, the draft legislation is likely to return to Parliament for a second reading, with projections for it to become an E.U. reality in 2014. This projection accounts for the remaining approval processes and the general three-year transition period (European Parliament Press Service, 2010a; 2010b).

The general provisions for food labelling as outlined in Directive 2000/13 (see page 2 for details) will remain the same under the proposed Directive. Thus, certain compulsory information must be included on all food labels (product name, ingredient list, “use-by” date, special conditions of use, manufacturer information), and must be presented in a way that is clear, easy-to-read, and does not mislead the consumer as to the product’s properties. Additional nutritional information would also have to be provided, as before, to support any health claims made by the product.

*“Food labels can have a huge influence on consumers’ purchasing decisions. Confusing, overloaded, or misleading labels can be more of a hindrance than a help to the consumer. Today’s [2008/40] proposal aims to ensure that food labels carry the essential information in a clear and legible way, so that E.U. citizens are empowered to make balanced dietary choices.”*

Markos Kyprianou,  
Commissioner for Health  
(as quoted in EUROPA, 2008.  
“Commission proposal.”)

Key changes to current food and nutritional labelling legislation under the proposed Directive include:

- ▶ new requirements regarding the presentation and display of nutritional value;
- ▶ the appearance of key mandatory nutritional information on the front of the package, with some exceptions<sup>4</sup>;
- ▶ the provision of allergen information labels on non pre-packaged foods, including foods sold in restaurants, catering, and other foodservice establishments;
- ▶ mandatory country-of-origin labels (using a specified format) for certain products; and
- ▶ a minimum font size of 3mm for mandatory information (Business Link, 2010; Dheilly, 2010; European Parliament Press Service, 2010b).

More details on each of these changes, as well as other items addressed under the proposed Directive, follow. Unless otherwise indicated, all of the following information is derived from the “Questions and Answers on Food Labelling” document, produced by the European Commission (2008).

#### **Front-of-Pack Nutrition Labelling**

Under the proposed Directive, nutrition labelling would not only be mandatory for nearly all pre-packaged, processed food products<sup>4</sup>, it would also have to appear on the front of the package. Front-of-pack requirements would provide consumers with key nutritional information as soon as they look at the product. The intent is to make such information readily available, and present it in a way that is likely to influence purchase decisions. Front-of-pack criteria would also prevent the mandatory information from being masked or overshadowed by other packaging features.

<sup>4</sup> Exceptions: unprocessed food comprised of a single ingredient; water; smoked or matured food comprised of a single ingredient, and where the condition was indicated in the product name; coffees and teas; herbs, spices, salts and vinegars; flavourings, food colourings and other food improvement agents or processing aids; and food sold in packaging with a surface area of less than 23cm<sup>2</sup>.



## ► CHANGES TO E.U. LABELLING REQUIREMENTS (continued)

### Front-of-Pack Nutrition Labelling (continued)

The Commission decided that front-of-pack labelling should inform consumers, but not overwhelm them. As a result, the nutritional information required to appear on the front of the package would be limited to the elements deemed most important to typical shoppers. Also, in line with public health concerns, these elements could be easily consumed in excess of dietary recommendations, and are thus important to be aware of when selecting food products: energy, fats, saturates, carbohydrates, sugars, and sodium. On June 16, 2010, MEPs voted in support of these elements appearing on the front of the package, and agreed that they would have to be expressed as both a value in terms of per 100 g, 100 ml, or indicated portion size, and as a proportion of daily reference intakes (the GDA). MEPs also voted in favour of including details on protein, fibre and trans fats content to be labelled elsewhere on the package (European Parliament Press Service, 2010b).



Source: Mintel GNPD, 2010

### Allergen Labelling

Current legislation indicates that the presence of allergens must be clearly indicated on all packaged food for consumer purchase in the E.U. However, under the proposed Directive, mandatory allergen labelling would be extended to all food products, regardless of whether they are packaged or not, as well as to food sold in foodservice establishments. The Commission advised that 70% of anaphylactic shocks occur when people are eating out, and thus for the protection of consumers, allergen information must be displayed on all foodservice items, or be easily available by request. Current E.U. legislation already identifies particular allergens that must be indicated if present, or potentially present, including peanuts, milk, fish, and mustard.

### Origin Labelling

Country of origin labels are already compulsory for certain foods in the E.U., including beef, honey, olive oil and fresh fruit and vegetables. At the plenary session on June 16, 2010, MEPs supported the proposal to extend this compulsory requirement to all meat, poultry, dairy products, and single-ingredient products. They also voted for the country of origin to be stated for meat, poultry and fish, when these products are used as an ingredient in processed food. Origin labels must also specify the location where animals were born, raised and slaughtered, and meat from slaughter without stunning, as occurs according to certain religious traditions, should also be labelled as such (European Parliament Press Service, 2010b; Phillips, 2010).

For other products, the draft Directive proposes to maintain country of origin or places of provenance labels as voluntary, unless the absence of this information could mislead consumers. As before, should producers choose to provide origin or provenance labelling, they must also provide this information for key ingredients if they originate from a different place than the finished product. For example, "produced in Belgium with Danish milk."

### Legibility

The proposed Directive does not put forth a uniform system for the display of the front-of-pack nutritional information, except for the order in which the nutrients are presented and overall legibility requirements. Mandatory information would have to be printed in a minimum size of 3 mm, and must be in a colour significantly contrasted by the background on which it appears (e.g. black text on a white background).

### "Traffic Light" Labelling System

In a plenary session on June 16, 2010, two-thirds of MEPs voted to reject a proposed simplified labelling system, that would indicate products' fat, sugar and sodium content using red, amber and green "traffic lights." This system would warn consumers that the product is *okay to enjoy once in a while* (red), or *okay most of the time* (amber), with green labels prompting them to *go for it*. Already adopted by some supermarket chains, it was decided that this scheme could not accurately indicate "healthier" products based on those properties alone, and will not be implemented under the proposed legislation (European Parliament Press Service, 2010a; Phillips, 2010).

### National Labelling Systems

Finally, MEPs also voted against allowing member states to create their own labelling legislation, that goes beyond the proposed E.U. regulations. This prohibits countries from implementing national schemes, such as "traffic light" labels.



## ► NEW ECO-LABELS IN FRANCE

### Development and Purpose

In mid-2007, the French government took the initiative to found Le Grenelle Environment, an institute that aims to boost environmental awareness in France (DuVo, 2008). The so-called *Grenelle 2: The Bill on the National Commitment to the Environment*, was developed under this institute, and is a five-year plan for nationwide sustainability, with targets set to the year 2050. One significant element of this plan, is to increase consumers' awareness of the carbon footprint associated with various products. Or, in other words, inform citizens of the amount of greenhouse gases emitted during the manufacture, packaging, transport, and overall lifecycle of consumer products sold in France (USDA, 2009).

These proposed eco-labelling regulations would pertain to all consumer goods, but food products would be among the first to be affected. Despite the fairly limited budgetary share French consumers allocate to grocery purchases, food items are the most frequently purchased consumer goods (USDA, 2009).

Expressed in a carbon or CO<sub>2</sub> equivalent, eco-labels would indicate the emissions attributable to individual products. This in turn, would allow consumers to influence the continued existence of such products and their subsequent environmental impact, by choosing to buy more, less, or none of them. The European Commission's goal is to improve the environmental performance of consumer goods, and boost demand for items that are produced in more sustainable ways (DuVo, 2008).

Already approved by the French Senate, this environmental labelling law was adopted by the French Assembly on May 11, 2010. Initially scheduled to become mandatory as of January 2011, recent amendments caused the implementation to be postponed until July 1, 2011, with a one-year trial phase to allow consumers, corporations, and legislators to adjust. The amendments resulted from working-group concerns about the lack of data throughout the value chain, the need for further elaboration of product category rules, and insecurities in the application of the developed calculations and methodology (PCF World Forum, 2010).

If implemented, the *Grenelle 2* law will set an international precedent. No other country has established compulsory environmental labelling on consumer goods with such criteria. There are presently some independent, third-party labelling schemes that certify products with regards to environmental impact, but they are voluntary, award-like schemes, that are incomparable in terms of measurement, and generally limited to a single type of product. Some E.U. retailers (such as Tesco and Casino) have already started to label the carbon footprint of their own select products, and the Swedish government has set some recommendations for consumers, however, the French law will differ in that it will be compulsory and will apply to all products, both domestic and imported (U.K. Department for Environment, Food and Rural Affairs, 2008; USDA, 2009).

### Corporate Initiative

#### Casino

When Le Grenelle Environment was founded in 2007, The Casino Group, a large retailer in France, announced that it would be working in association with the French Agency for Environment and Energy Management (ADEME) to list both the food miles and carbon footprint on several hundred of its own-brand products, with the intent of adding another 3000 products over the following years.

Symbolized by a green leaf affixed to the front of Casino products, the label, known as the Carbon Index Casino, accounts for the five major stages of the product's lifecycle:

1. farm steps;
2. product manufacturing;
3. transport to Casino warehouses from the product's point of origin;
4. packaging, from raw material extraction to recycling/disposal; and
5. distribution from Casino warehouses to the point of sale.



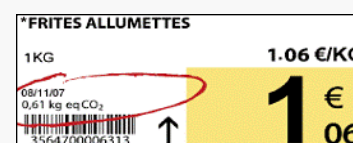
Casino's labelling scheme also includes a colour-coded scale, indicating the level of environmental impact incurred by the product's CO<sub>2</sub> emissions.



#### E. Leclerc

This retailer has developed a program in two of its northern-France supermarkets, that indicates the carbon balance of consumers' grocery purchases on their cash receipt. Each receipt displays a simple statement, indicating the CO<sub>2</sub> equivalent of the consumer's purchases on that visit: *Le bilan CO<sub>2</sub> de mes courses est de: 13,35 kg equ. CO<sub>2</sub>*

E. Leclerc's products also display their unique carbon footprint on the price label affixed to the product shelves. Their calculations were developed by a consulting group, using a simplified lifecycle analysis.



Sources: Andrew, 2010; Byrne, 2008; Dheilly, 2010; DuVo, 2008; USDA, 2009.



## ► NEW ECO-LABELS IN FRANCE (CONTINUED)

### *The New Requirements*

The proposal for environmental labelling laws would make the labelling of the CO<sub>2</sub> content of packaged products mandatory, commencing on the revised date of July 1, 2011 (Dheilly, 2010; PCF World Forum, 2010).

Article 85 of the *Grenelle 2* Bill, specifically addresses the proposed eco-labels, in stating that consumers should be informed, by markings, labelling, display, or any other suitable process, the equivalent carbon content of products and their packaging, as well as the consumption of natural resources or impact on natural environments that are attributable to these products during their lifecycle (translated from ACIDD, 2010; Dheilly, 2010).

Two major principles will guide the measurement and display of such criteria, as developed by *Grenelle 2* working groups:

1. Environmental labelling will be limited to the product ready to be purchased. The criteria will exclude after-purchase components, such as the carbon footprint attributable to storing and preparing the product at home. Emissions caused by transporting the product to the consumers' residence, are taken into account only in principle.
2. Environmental labelling will not be limited to the carbon footprint. For agricultural and food products, such labels will also include information on the product's impact on biodiversity and water quality (USDA, 2009).

### *How It Works*

At the most general level, the environmental impact of food production can be attributed to energy consumption, the consumption of raw materials, pollutant emissions, and land use, throughout the production chain. Other factors that influence the environmental impact of food products include:

- the type of food: energy burdens are different for different types of food—lowest for fruits and vegetables; highest for animal products;
- the production method: growing produce in greenhouses versus open fields, for example;
- transport: air transport versus local or truck delivery;
- seasonal influence: seasonal produce may involve fewer environmental costs, potentially requiring less supplementary energy for forced production, storage and transport; and
- purchasing in appropriate quantities: buying the product only to let it go to waste causes energy loss without nutritional purpose or gain (DuVo, 2008).

Under the environmental labelling law, the compulsory CO<sub>2</sub> footprint would be expressed as a carbon or CO<sub>2</sub> equivalent per measured portion or product size (in grams). This footprint would take into consideration the whole lifecycle of the product, including the greenhouse gas emissions resulting from the following stages:

- production (agriculture and fisheries);
- primary processing (secondary processing to come eventually);
- transportation to the point of sale;
- storage; and
- packaging, from raw material extraction until recycling and disposal (Dheilly, 2010).

The working groups have not yet decided how the environmental information will be passed on to consumers, either by labelling each product (various templates and formats have been suggested), or by a print-out or poster at the point of purchase. However, they have determined the process to be used in measuring the mandatory information: a carbon footprint methodology called *Le Bilan Carbone* (USDA, 2009; Dheilly, 2010).





## ► NEW ECO-LABELS IN FRANCE (CONTINUED)



Source: Dheilly, 2010

### Le Bilan Carbone

The *Bilan Carbone* is a method to calculate carbon footprints, by evaluating the greenhouse gas emissions of any organization, industrial, or tertiary company, public administration entity, or even communities and territories. This measurement and diagnostic tool was developed by the French Agency for Environment and Energy Management (ADEME), and calculates both direct and indirect carbon emissions produced during various stages of development, production, and any other activities performed (ADEME, 2010; Dheilly, 2010; Concept BIO, 2010).

A *Bilan Carbone* assessment will provide a full report indicating the greenhouse gas emissions, expressed in a per-tonne, CO<sub>2</sub> equivalent, of each business-related activity, and the final commodity item produced through these processes. As outlined by ADEME (2010), the assessment would take into account, for example:

- Direct activities
  - energy consumption (based on energy bills);
  - purchases and usage of raw materials; and
  - distance travelled in the acquisition and delivery of manufactured products, or necessary supplies.
- Indirect activities
  - the electricity or steam used, the methods of transport used by employees and customers;
  - the construction of the buildings occupied by the business;
  - the manufacture of the raw materials used in day-to-day functions (office paper, for instance);
  - the end of life of the waste produced by business activities;
  - the energy consumption and other emissions of products sold; and
  - the end of life and disposal of products sold.

In short, the *Bilan Carbone* method allows businesses to evaluate the carbon footprint associated with particular activities, and make subsequent amendments or changes. Furthermore, should *Grenelle 2* eco-labelling become mandatory in July of 2011, the *Bilan Carbone* method would be the means through which the CO<sub>2</sub> equivalent information presented on food products, is measured for consumers.

### **Issues**

With an extended tentative start date, working groups on the *Grenelle 2* bill are still trying to resolve some remaining issues with the proposed legislation, including ensuring consistent measurement, funding the labelling initiative, gauging how consumer behavior will actually be impacted, and addressing concerns from international food producers.

### **Measurement**

Despite intending to utilize a single methodology to measure carbon footprints, the ability to produce consistent and accurate CO<sub>2</sub> information across multiple products, or even across separate shipments of the same product, still raises some questions. In its initial recommendations regarding environmental labelling, the working group for agricultural and food products highlighted the need to not only use harmonized methodology within France itself, but measurement tools that are internationally validated. They further suggested the need to create a massive database for at least 80,000 food ingredients (USDA, 2009).

However, a fixed database would not yield accurate emission information, as a CO<sub>2</sub> footprint of even a single ingredient or unprocessed product, can vary for several reasons. For example, different crops of the same item can be cultivated in various regions all over the world, each using different production techniques and responding to different climactic conditions. Furthermore, the available or utilized modes of transport for these items will differentiate between the supplying, manufacturing, and distributing entities, as will, subsequently, the methods used for storage and packaging (Dheilly, 2010; DuVo, 2008).



## ► NEW ECO-LABELS IN FRANCE (CONTINUED)

### **Measurement (continued)**

Due to these variables, questions remain as to whether the product would bear an “average” carbon footprint, measuring a sort of standard CO<sub>2</sub> footprint throughout the production chain to its final retail destination, or whether each product should bear a specifically tailored eco-label, distinguishing its unique journey (USDA, 2009).

The actual value of indicating the CO<sub>2</sub> emissions of a product from production to retail, has also been an area of debate, given the additional stages that product will traverse throughout its lifecycle, once it leaves the store shelves. The environmental burden caused by the appliances and equipment used to store and prepare the product, the mode of transport to and from the retail outlet, the distance travelled to acquire the product, and whether that product was consumed in full or discarded, are not presently taken into account. Although it would be impossible to pre-calculate and label the environmental burden of each product at such an individual level, the seeming immeasurability of a product's complete lifecycle, has caused many experts to express concern with the actual reliability, consistency and comparability of carbon foot-printing initiatives (DuVo, 2008; USDA, 2009).

### **Project Costs**

Another remaining issue is evaluating the actual economic cost of such a labelling initiative. It has been widely estimated that the project will cost as much as 5% of the final product price. This additional cost would have to be absorbed by French consumers, unless retailers and producers could arrive at some agreement to share the financial burden. Questions have been raised as to how this increased cost would be received by both consumers and industry (ACIDD, 2010; USDA, 2008).

Additionally, citizens being aware of the environmental burden caused by certain consumer products, and subsequently, the actions required throughout the production line, may result in attempts by industry to adjust their business methods. This is a stated goal of the European Commission and this labelling project, however, in seeking to amend a product's impact on environmental sustainability, some choices may be diametrically opposed, resulting in additional concerns, without lessening the environmental costs. Changes to improve animal welfare, for example, may lead to increased energy consumption (DuVo, 2008).

### **Consumer Behaviour**

A primary issue is gauging how consumers will ultimately respond to environmental labels on their food products, and whether it will actually affect purchasing behaviour in the intended ways. A survey found that 72% of E.U. consumers support mandatory carbon labelling, and eco-labels are important to 47% of consumers. However, 26% of consumers never read product labels (and are thus not influenced by the information displayed), and 48% of E.U. consumers mistrust producers' environmental claims (Andrew, 2010).

Environmental concerns are said to rank after quality and price when it comes to consumer purchase decisions, however, when food is involved, many argue that consumers are primarily prepared to change their purchase behaviour, in order to yield benefits in terms of health, food safety, taste, or price (Andrew, 2010; DuVo, 2008). All of these criteria reflect product selection based on personal best interest, and with the price increase this labelling initiative may require, the issue remains as to whether consumers will buy based on environmental sustainability.

### **International Impact**

Finally, while the regulatory framework stemming from the *Grenelle 2* bill is still evolving in regards to these and other concerns, there is fear amongst the international community that if passed, environmental labelling legislation could pose significant export barriers for products entering France. All imported products would also require the CO<sub>2</sub> equivalent information, meaning that in order to be sold in France, foreign products would also have to abide by the determined measurement methodology. Industry members outside of France have also expressed concern that emissions caused by imported products would likely be higher than domestic goods, which could create an aversion to imported items. With carbon footprints clearly labelled, the personnel making product selections at various stages of the distribution chain could start using environmental scores as an additional deciding criterion. This could create an inherent preference for local or E.U.-produced goods, resulting in a loss of international access to the French market (USDA, 2009).



## ► FOR MORE INFORMATION

The regulations surrounding both food labelling in the E.U. and the French eco-labels are currently under review, and may be subject to further amendments. For more detailed information, or the latest updates, please consult the following resources:

### *E.U. Labelling*

#### **The European Commission**

[http://ec.europa.eu/food/food/labellingnutrition/nutritionlabel/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/nutritionlabel/index_en.htm)

#### **The European Food Information Council**

<http://www.eufic.org/article/en/health-and-lifestyle/food-choice/artid/Nutrition-labelling-how-where-and-why/>

### *France Eco-Labels*

#### **Association communication et information pour le developement durable (ACIDD)**

[http://www.acidd.com/UPLOAD/article/pages/881\\_article.php](http://www.acidd.com/UPLOAD/article/pages/881_article.php)

#### **French Environment and Energy Management Agency (ADEME)**

<http://www2.ademe.fr/servlet/getDoc?id=11433&m=3&cid=96>

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