

From: [GARNIER Gaelle \(CAB-BRETON\)](#)
To: [BATTA Eszter \(CAB-BRETON\)](#)
Subject: RE: Meeting Report - FoodDrinkEurope Board members meet Commissioner Breton - 7 May 2020
Date: jeudi 7 mai 2020 21:01:51
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[image003.jpg](#)
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[image005.jpg](#)

Thank you [REDACTED]

From: [REDACTED] (GROW) <[REDACTED]@ec.europa.eu>
Sent: Thursday, May 7, 2020 8:22 PM
To: GARNIER Gaelle (CAB-BRETON) <Gaelle.Garnier@ec.europa.eu>; BATTA Eszter (CAB-BRETON) <Eszter.BATTA@ec.europa.eu>
Subject: Meeting Report - FoodDrinkEurope Board members meet Commissioner Breton - 7 May 2020

Dear both,

For your comments/approval before distribution.

- Thank you again for setting this up – extremely useful for us.
[REDACTED]

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Meeting between Commissioner Breton and FoodDrinkEurope
Brussels, 7 May 2020

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Participants

- **Commission:** Commissioner Thierry Breton; Gaëlle Garnier, Eszter Batta (Cab. Breton); [REDACTED] (DG GROW)
- **FoodDrinkEurope (FDE):** [REDACTED] (Mondelez International – FDE), [REDACTED] (Nestlé – [REDACTED]), [REDACTED] (FDE)

Main Points

- Commissioner Thierry Breton underlined the **resilience that the food industry demonstrated**, in particular in the first phase of the COVID-19 crisis, thanks to which food supply in the EU continued smoothly. It was important to avoid shortages and panic.
- The Commission is aware of the continued **challenges of worker availability and of ensuring the free flow of goods**. The uncoordinated actions by some Member States are putting the internal market under pressure, but the Commission acted immediately on the information shared by stakeholders, managing to address most of these hurdles. The Commission also responded to the limit of its powers to **relieve liquidity pressure on SMEs**. The Commission, as already mentioned in the meeting of 16 April with representatives of the agri-food ecosystem, supports a **green recovery**.

- [REDACTED] stated that the food and drink industry is very grateful for the Commission's swift and decisive action to protect the internal market. He gave a **short presentation of the main figures of the industry** (4.5 mio direct jobs, 2.3tn€ revenue), underlining its contribution to the EU economy: In 2015 FDE committed to generating value added growth of 2.5-3.5% per year by 2025, and it's on track to meet this target.
- The food industry responded well to the test of the **COVID-19 crisis**. There are some outstanding challenges to the Single Market, but progress is being achieved, not least thanks to the action of Commissioner Breton and his services. As regards open issues, [REDACTED] mentioned some slowdowns in particular with raw and packaging [REDACTED]s and difficulties for worker mobility at some intra-EU borders, in particular CZ-PL, CZ-DE, FR-DE. Conditions should be eased, in particular with the opening of additional border crossings.
- Pre-crisis, 50% of food and drinks in Europe were consumed at home, 50% outside. The out-of-home market has collapsed. **Supporting the food service/HORECA channel** will be essential.
- [REDACTED] said that FDE has adopted a 5-year "**Sustainable Food Systems**" plan which is aligned with the objectives of the Green Deal. He mentioned in particular better energy efficiency, the reduction of waste and of plastic packaging. He underlined that sustainability can only be achieved if there is fairness along the supply chain, starting with farmers. Aiming for the lowest prices for consumers is not always the best strategy and creates difficulties for the weakest links in the chain. In this respect, it's crucial to defend the smooth, seamless functioning of the Single Market, a great European success of which SMEs benefit proportionally more than larger players.
- [REDACTED] noted that it is clear that the **post-COVID context will not be business as usual**. There are **huge liquidity issues for the food service/HORECA sector**, and the whole industry must invest heavily to support it. Nestlé has pledged a 500 mio€ support, mainly in the form of free goods, zero rent on catering equipment, extended credit terms and vouchers ("*pay now, eat later*"). The Member States' currently developing uncoordinated response to the resumption of the movement of people and access to HORECA establishments is a great challenge which can have considerable repercussions up the supply chain all the way to farmers.
- Mr Settembri indicated also that the industry is supportive of the importance of a **green recovery** and expressed the wish that the **Commission act as a champion of harmonisation, the Single Market and free circulation**. Goods, people and regulation are all part of the same picture. He mentioned the **lack of harmonisation of food labelling** as a particular cause for concern in this respect.
- [REDACTED] raised the issue of the **Circular Economy Action Plan**. The food industry is working hard to play its part, but it needs Member States and the Commission to invest in building a proper waste collection and recycling infrastructure.
- The industry is following the developments of the **Farm-to-Fork strategy** closely and is particularly concerned by reports concerning the idea of

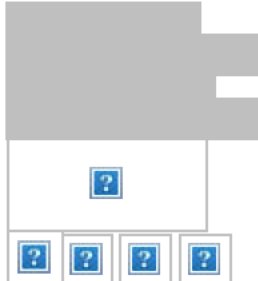
mandatory country of origin labelling for certain foodstuffs, a protectionist, gastro-nationalistic measure which will be detrimental in particular to SMEs.

- **International trade** with open borders and open ports is crucial to the food supply chain. The **EU is not self-sufficient in particular in terms of raw materials** (e.g. coffee, cocoa). Zero-km, close-to-home, short chains are not the universal solution.

Conclusions

- As regards **border issues**, Commissioner Breton mentioned that the swift action taken at the beginning of the crisis in response to Member States' uncoordinated reactions was possible and successful thanks also to the timely information provided by stakeholders. He invited FDE to keep informing the Commission services of acute/emerging problems: the sooner we act, the better it is. Looking ahead, the Commission cannot harmonise Member States' **de-confinement strategies**, but it will certainly endeavour to coordinate them.
- The **Farm-to-Fork strategy**, which is scheduled for adoption on 20 May, is still under discussion. Harmonisation on the internal market is a clear objective.
- With reference to **international trade**, Commissioner Breton noted that the post-crisis world will not be the same as before: while the Commission is of course aware of the importance of free trade and supports it, there will be change which will require adaptation.
- Commissioner Breton thanked the food and drink industry for withstanding the hit of the crisis, especially in its initial stages. He underlined the **importance of the ecosystem approach**, in particular to ensure that the different parts of an ecosystem do not suffer disproportionately.

Food Industry
European Commission
DG Internal Market, Industry, Entrepreneurship and SMEs
B-1049 BRUSSELS



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