

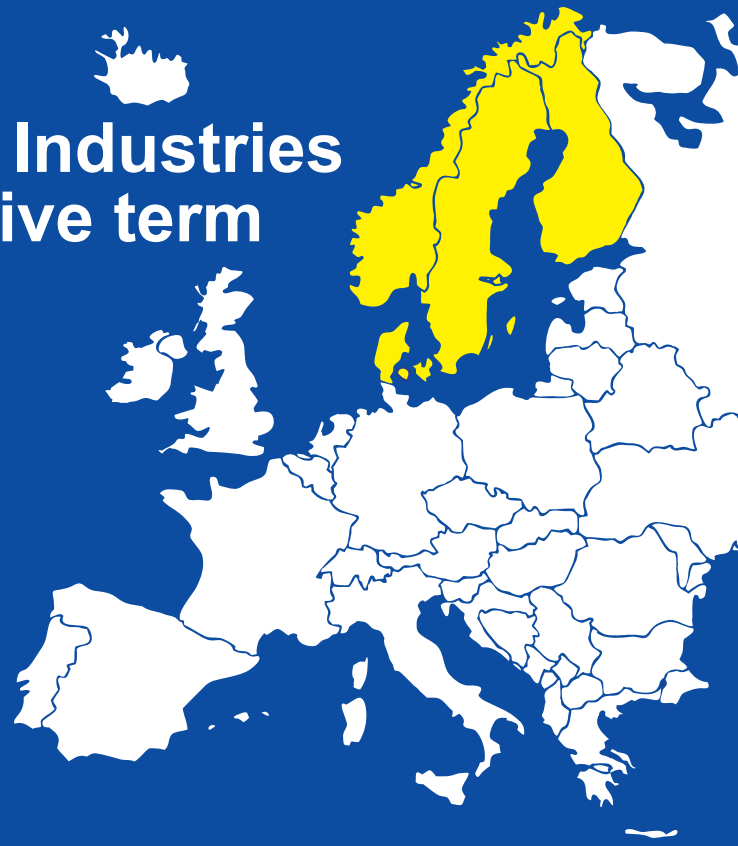
# Joint priorities of the Nordic Food and Drink Industries for the next EU legislative term 2024–29

Combined numbers for food & drink industry in Denmark, Finland, Norway and Sweden (2022)

**Turnover:** 85 bn €

**Number of companies:** 10,500

**Employment:** 185,000



The food and drink industry is a major contributor to the Nordic and European economy. In the Nordic countries, it is a very diverse manufacturing sector ranging from dairy, meat, beverages, and bakery to processed fruits and vegetables, oils and fats, grain mill, animal feeds and fish products.

The Nordic industries share a number of challenges, notably climate change, geopolitical tensions and vulnerable supply chains, regulatory burden, profitability issues and the need for funding of green transition investments, as well as the shortage of skilled workforce.

To be able to provide sustainable solutions, ensure food safety and food security to citizens and society, the Nordic food industry calls for a business environment enabling and encouraging innovative and competitive food and drink production. More specifically, our requests for the next EU policy term are to focus on the following:

## 1. Competitiveness is key to sustainable and resilient food systems

The Nordic food industry has been a frontrunner when it comes to taking actions towards sustainable food systems and continues to do so. While supporting a stronger focus on sustainability and resilience of the EU food system, we also request from policymakers a shift of approach for the next political mandate:

- Sustainable food production relies on competitive and profitable companies. Therefore, the solution to current and future sustainability challenges cannot be reduced to adding new EU regulations. Voluntary measures must be stimulated by a more enabling regulatory framework but also increased public investments. This is currently being increasingly recognised; however, the political focus is on agriculture only, disregarding the food processing industry. Most Nordic food and drink companies are suffering from the effects of increasing costs, new regulations, ever stronger global competition, and deteriorating profitability. Hence, the EU debate needs to take a broader perspective on food production and aim at strengthening EU competitiveness along the entire food chain.
- An EU policy for sustainable and resilient food systems should be based on an explicit political target to sustain European food production, while maintaining its focus on facilitating trade both within the EU Single Market and with third countries, ensuring a level playing field for companies.
- When setting climate and environmental objectives, it is essential to recognise past efforts and that the starting points are different in different parts of the EU. In addition, a sensible amount of flexibility in EU regulations is needed, given the varying natural conditions prevailing in different regions of the EU.

## 2. Enable and promote research, development and innovations in the food industry

Within the overarching goal of transitioning to a more circular and sustainable food system, there is an evident need for innovative solutions. Therefore, the EU must find a better balance between food safety, sustainability, agility and innovation within the legislative framework. For European food production to remain competitive at a global level, the EU needs to step up significantly and provide an innovation climate that keeps the pace with other parts of the world, such as the US.

The Nordic food industry has the potential to reduce food waste, produce more effectively in favour of biodiversity, find new sources of proteins and intelligent use of side streams from food production, as well as developing tasty and healthy food options and make them available to all. However, for this to happen, the industry needs both more targeted national and EU funding for research and innovation in the food sector, and a more enabling, innovation-friendly regulatory system that ensures predictability and significantly reduces the time it takes to bring new products to the market. This requires a review of existing as well as planned new legislation to better foster innovation. Some examples on this would be:

- Allowing the use of new genomic techniques in agriculture, as per the current Commission legislative proposal, with a similar policy for NGT microorganisms as a next step.
- Streamlining and speeding up the authorisation process for novel foods so that innovations can reach the market quicker and at less cost, as well as to improve predictability and clarity for the industry.
- Revising the nutrition and health claims Regulation, which currently is a disproportionate barrier to innovation and reformulation of food products.

## 3. Better regulation – towards a more balanced regulatory approach

Food safety and a high level of consumer protection remains a priority for the Nordic food industry. At the same time, the industry shares the objective of a sustainable food system and the need for further investments that this entails. Both food safety and sustainability must be safeguarded while ensuring secure food supply, which is increasingly important in a more turbulent world. Against this background, the EU must genuinely look for the optimal way forward, where new regulations cannot be the only answer. Better regulation is thus essential. Some points worth particular mention are:

- Impact assessments of new regulations should always be carried out and must include assessing competitiveness aspects. Overregulation must be avoided and other alternatives than regulation must be seriously considered. Potential negative impacts should be thoroughly assessed before a decision is taken.
- The current regulatory system for food safety creates unnecessary food waste, without any public health benefits. This is deeply problematic, given the globally recognised need to cut food waste radically, and given the increased need for securing food supply in times of crises. The EU therefore needs to improve proportionality in its management of food safety risks. A risk-benefit analysis framework should be introduced and used systematically, to guide regulatory decisions by considering and weighing both potential benefits and disadvantages of any risk management measure.
- The work on new regulations must have a holistic approach that also includes simplification and streamlining of existing legislation and its implementation. Open dialogue and collaboration with stakeholders are essential to ensure that regulatory measures are well-informed, implementable, and proportionate.
- A toolbox to address exceptional situations and perturbations should be developed, including e.g. temporary derogations in license criteria, emission limits, maximum limits and labelling requirements.