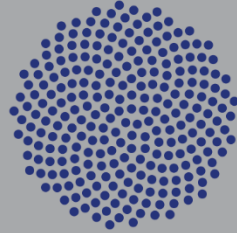


Innovating for a Changing Regulatory and Consumer Landscape

Food Innovation Gateways – 14 June 2019



ibec

Overview

- Food Drink Ireland
- Irish Food and Drink Industry
- Challenges and Solutions
 - Packaging
 - Reformulation
 - Brexit



About Food Drink Ireland

- **Main trade association for the food and drink industry in Ireland**
- **150 food and drink members – manufacturers and suppliers**
- **Part of Ibec**



About the Irish Food and Drink Industry

250,000 linked jobs

€27.5bn turnover

Supplies the majority of Ireland's
€15bn domestic market

€12.1bn exports – UK/37%;
EU26/34%; 3rd Countries/29%

Ireland is the largest net exporter of
dairy ingredients, beef, lamb and
spirits in Europe

Food and drink manufacturing
accounts for half the direct
expenditure by the entire
manufacturing sector in the Irish
economy (payroll, Irish materials and
Irish services)



FD Food
Drink
Ireland
Ibec

Challenges and policy recommendations

Brexit response

Competitiveness

International market access

EU Single Market

Safety and sustainability

- Sustainable and recyclable packaging
- Safety and quality of packaging
- Reducing food waste
- Nutrition and health initiatives

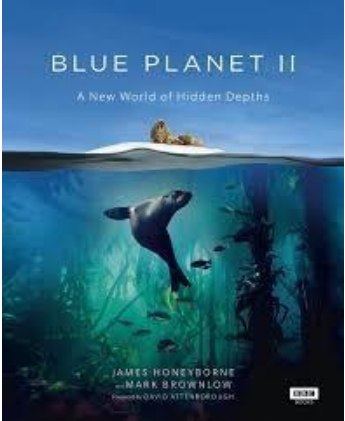


Packaging Challenges

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The Consumer



The Consumer

You worry about the environmental impact of plastic products

Yes

88% IE
87% EU28

You worry about the health impact of plastic products

Yes

81% IE
74% EU28

Industry and retailers need to make an effort to reduce plastic packaging

Yes

98% IE
94% EU28

Products should be designed to facilitate recycling of plastic?

Yes

97% IE
94% EU28

Consumers should **pay an extra charge** for single use plastic

Yes

72% IE
61% EU28

| Source: Eurobarometer _face-to-face interviews October 2017

The Regulator

Single Use Plastic Directive

- Agreed March 2019 – final text was published on Wednesday (12 June)



The Regulator

Food Contact Materials

- Since 1976, food contact materials (FCMs) have been subject to legally binding rules at EU level
- FCMs must not
 - Endanger human health
 - Bring about an unacceptable change in the composition of the food
 - Bring about a deterioration in the organoleptic characteristics
- When considering recycled plastics, FCM requirements remain to ensure:
 - Safety of packaged food throughout its shelf life
 - Safety of food served to customers
 - Label information on packaged foods



The Regulator

Date Marking and Waste Prevention

- European Commission study on date marking and waste prevention published February 2018
- Sub-group of the EU Platform on Food Losses and Food Waste set up in April 2018
- Task is to develop guidance on date marking labelling
- The aim is to supporting more consistent date marking practices, ultimately helping to prevent food waste



The Industry

- Opportunity for industry to **innovate** to meet growing societal demands
- Challenge - to meet the ambitious targets being set by producers/retailers
- More **recyclable** packaging options for retailers and end customers that ensure:
 - Microbiological safety
 - Extended product shelf life
 - Safe and suitable food contact materials
 - Smarter packaging materials resulting in less food waste

Reformulation

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The Consumer

Sugar replaces price as consumers' top food worry

By Katy Askew

20-Aug-2018 - Last updated on 20-Aug-2018 at 16:33 GMT



Sugar content of food is a growing concern for consumers in the UK ©iStock/karandaev

Keeping salt reduction on the agenda: Reduced sodium solutions in high demand for NPDP

Email Print Share - A +

Balancing Low-Sodium Products and Gourmet Salt Demand

Product developers cleverly balance demand for new products featuring gourmet salts as well as reduced-sodium profiles

Food firms seek a high-fat feel

By Nicholas Robinson

18-Dec-2014 - Last updated on 18-Dec-2014 at 08:24 GMT



Emulsifiers and stabilisers are being used to reduce fat and thicken products

RELATED TAGS: Fat content, Water, Egg, Emulsion

Making low-fat versions of high-fat food and drink is something scientists will strive to do better, despite criticism, says Nicholas Robinson

DEPENDENT

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CONSUMERS LOOK FOR 'HEALTHIER' FAST FOOD

The Regulator

Statutory measures

- Sugar tax on sugar sweetened beverages introduced April 2018
 - 30 cent per litre if drinks have over 8g of sugar per 100ml
 - 20 cent per litre for drinks with between 5g and 8g of sugar per 100ml.
 - Drinks with less than 5g of sugar will not be taxed



The Regulator

Voluntary measures

- Reformulation initiatives, eg salt reduction programme
- Collaborative approach between industry and Food Safety Authority of Ireland
- Programme started in 2003
- Annual monitoring of salt levels across 10 categories of food
- Significant reductions in certain categories has already been proven, while other categories are still making the reductions needed

“To reduce the average population intake of salt from 10 grams (g) a day to 6g a day by 2010 through partnership with the food industry and State bodies charged with communicating the salt and health message to consumers.”

FSAI – Long term goal

The Regulator

European Commission

- High level group on nutrition and physical activity
- One of the first areas of action was salt reduction in certain foods
- Common EU framework was developed
- Member states signed up to framework in 2008
- First report published in 2014

Kingdom of Saudi Arabia

- New salt guidelines have been issued by authorities
- The guidelines set salt limits for a number of food products/categories
- Guidelines are still in the consultation phase
- A further update of the draft is expected soon

The Industry



The Industry

Capturing **voluntary** reformulation efforts made by Food Drink Ireland companies

The below figures show the percentage reduction in nutrients from 235 products that were on the market in 2005 and remained on the market in 2017.

Energy

1.6%



Total Fat

0.3%



Sodium

28.0%



Saturated Fat

10.1%



Sugar

8.0%



The Industry



Direct reformulation
Sugar
8.0%

Direct reformulation
Sodium
28.0%



The Industry

- Opportunity for industry to meet the changing societal demands through reformulation
- Challenge to ensure that microbiological safety is maintained and that a reformulated products maintain a suitable shelf life
- The PCF Technology Centre can be a key innovator in delivering solutions for the industry

Brexit

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Addressing the Brexit challenge

37% of total exports
but
66% of PCF exports



Ibec survey - the most common elements of contingency plans for food and drink companies (*Gateways 2018*)

- Focus on new geographical markets outside the UK (50% compared with 32% for all business)
- Diversification of business into new products (33% compared with 25% for all business)
- Alternatives to transit of goods through the UK (28% compared with 25% for all business)
- Sourcing strategies for materials (22% compared with 21% for all business)

Brexit challenges -> innovation drivers

(Gateways 2018)

- 15% currency impact on competitiveness
- No deal – tariffs and market disturbance
- Customs procedures
- Land-bridge / sea-bridge
- Regulatory divergence
- Contingency #1 – new markets
- Contingency #2 – new products
- Contingency #3 – transit alternatives
- Contingency #4 – sourcing strategies
- Product innovation – to support a focus on new markets, regulatory divergence, longer supply chains, rules of origin constraints
- Process innovation – to support cost competitiveness, enabling technologies, state aid rules
- Skills – technical functions, innovation management
- Business process innovation
- Supply chain innovation

Thank You

www.fooddrinkireland.ie

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