President Jos den Otter

Dear Friends!

2014 is just a few days ahead and a New Year will start in which many things will need to be done.

More than ever the world and the consumers are changing. Brussels becomes more and more important, even if it seems far away from our own beds and bakeries. Therefore, I think it is really good that Hungary as well as Romania see this importance and filed their applications to become new CEBP-Members. We need them, in order to let hear our united European voice.

Also the media takes part in the discussion, about our most precious food: Bread and pastries! “Wheat belly” and other books have a great impact on the consumption of baked goods. We have to make clear, that we make honest products without any danger for the consumers’ health. That’s also a task for us as an organization.

Within the coming years, we need each other more than ever. Thus, I hope to see you very often, in good health and condition, in the next years.

I wish you and your family reflective Christmas days and the very best for 2014!

Your CEBP-President

Jos Den Otter
1. Measures of the EU promotion of sales and information

The production of and the trade with agricultural products and foods, are a key strength of the European Union. With a share of around 18% of exports and 20% of imports, the EU, together with the U.S.A., is the world’s largest importer and exporter of agricultural products. In the European manufacturing industry the food sector with 13.5% of jobs and 12.9% of sales is in the first place. It comprises 310 000 companies of which 99.1% are small and medium-sized enterprises (SMEs).

To maintain and to increase the competitive position and the market share of the European agriculture and its intimately connected food sector, on EU- as well as on overseas markets, is a main task of the European promotion policy.

So far, the promotion of sales, in particular information and promotion measures for agricultural products on the EU-market and in third countries, is regulated in the Regulation (EC) No 3/2008 and in the Regulation (EC) No 501/2008.

In Article 3 paragraph 1 of Regulation (EC) 3/2008, the measures for the internal market and in Article 3, paragraph 2 and Article 4 of Regulation (EC) 3/2008 the measures for third countries are regulated. Thereafter, the EU co-finances actions in the context of public relations, promotional and advertising activities or information campaigns, as well as participations in national and European events, fairs and exhibitions, by a creation of ranks, in order to upgrade the image of EU-products.

Which products of such support measures are considered, is governed by Regulation (EC) 501/2008, on the one hand products and actions in the internal market (according to Annex I), and on the other hand third country markets (according to Annex II).

Eligible products within the internal market include, according to Annex I of the Regulation (EC) 501/2008, no cereal products. "Processed cereal products" (which include bread or other baked goods) are just written in Annex II of the Regulation (EC) 501/2008, so in principles are only taking into consideration for actions in third countries.

According to the present legal situation, a promotion of bread / baked goods is excluded in the EU internal market. A promotion is only possible for third countries, thus for markets beyond the EU.

As part of its ongoing reform process, this promotion policy of supporting agriculture, shall contribute after 2013, fully the strategy of Europe 2020, in order to get a smart, sustainable and integrative growth. Thereby the preconditions for food security, a sustainable use of natural resources and more dynamic in the rural areas will be created. In parallel, the information and promotion policy for agricultural products - as one of the Common Agricultural Policy (CAP) instruments - shall be reformed.

The European promotion policy for agricultural products shall now be aligned to the aims of the CAP reform till 2020 and shall thereby strengthen the competitiveness of European agriculture in the internal and on third country markets.

On 21 November 2013 a "Proposal for a Regulation of the European Parliament and of the Council regarding information and promotion measures for agricultural products on the internal market and in third countries" (COM (2013 ) 812 final) was submitted, which will change the existing support system.

According to Article 2 of the draft regulation only information measures are taking into consideration for the internal market, however according to Article 3 b) of the draft, promotion measures are just intended for products in third country markets. These regulations amend the promotion system, intended in Article 1 and 2 of Regulation (EC) 3/2008, fundamentally, as just further information or promotion measures are stated for the internal market or third countries, however without modifying the equal treatment of these markets in terms of promotion of sales.
Now bread and baked goods are included in the latest draft regulation for food, and this could be subject of promotion measures. The Article 5 of the draft refers to Annex I of Regulation (EU) No 1151 /2012, according to baked goods are explicitly included. Thus now baked goods in the internal market are also written in the Regulation, however, information measures should be promoted in the internal market only and promotion for sales will be just granted for third country markets.

We are committed, first, for reasons of simplification and readability, to add directly any considered products and topics, on which the draft regulation in Article 5 refers, including the products listed in the Annex to the Regulation (EU) 1151/2012, as appendices to the new regulation. In addition, we will work towards a revise of the rules in Articles 2 and 3 of the draft regulation. We consider synchronal measures on the internal and in third country markets as productive and appropriate, in order not to exclude certain products a priori from the catalog of eligible products.

Anyway, of course we will keep you informed.

2. **New questions-and-answers catalog on Regulation (EU) No. 1169/2011**

The Regulation (EU) No. 1169 /2011 (Food Information Regulation, FIR), which will, to a large extent, apply from December 2014 still through up innumerable questions of interpretation. The Member States and especially the traders concerned wonder in case of many regulations, how these are to be implemented or what the legislature might have meant by that particular rule. For this reason, at EU level a working group, which consists of representatives of the Commission and the Member States, exists and is discussing as well as clarifying open questions.

In October 2013, we became aware of a second question-and-answer catalog (PLW 13-254 EC /et), which once more through up and answers many questions of interpretation, under the headline "Questions related to general labeling". Here, a question is particularly striking and the response could have major implications for the bakers craft in the Member States. It is formulated, as per clause 9 of the catalog:

<table>
<thead>
<tr>
<th>„9. What is the meaning of direct sale in the context of the exemption for the nutrition declaration for foods packed for direct sale on the sales premises? (Article 44)</th>
</tr>
</thead>
</table>

| „(e) ‘prepacked food’ means any single item for presentation as such to the final consumer and to mass caterers, consisting of a food and the packaging into which it was put before being |

Response: “In that context, foods packed for direct sale have to be understood as packed for sale during the same day.”

Meant are hereby so-called “shop-packages”, i. e. products that are not pre-packaged and however are first packed in the shop (in a bag, bowl or similar). Often sandwiches-/snacks are sold that way.

The response of the working group, that the exception covers only those foods that have been pre-packed on the same day, conflicts with the previously applicable understanding of „shop-packages“ and would mean an enormous extension of labeling for the entire food craft. The definition of "direct sale" is not only essential for the exception to the nutrition declaration, however it affects any labelling obligation of the FIR, therefore the question is of fundamental importance. In Article 2, Paragraph 2 lit. e) of the FIR namely states *(the highlighted phrase is not in the original version):*
Foods that are packed at the request of the consumer or pre-packed for direct sale so are excluded from the definition of "pre-packaged food" and thus, as so-called bulk goods, are just subject to the regulation of Article 44 FIR (mandatory allergen information).

So far, the national labeling regulation is based on Directive 2000/13/EC, according to such prepackaged foods are understood as so-called "shop-packages", which were made for the "direct sale to the consumer". The Directive states that the Member States shall adopt detailed rules concerning the manner in which those products are sold. As far as we can see, the most member states understand the definition "direct sale", on the same or next day. A restriction on the sale opportunity on the "same day" by the questions-and-answer catalog would thus mean a halving of the period of time.

Even if the catalog has no legally binding status, due to the response, we fear a dangerous indication effect, which might change the current practice in the Member States. Therefore we have encouraged to representatives of DG SANCO, to delete the above mentioned question from the questions-and-answer catalog or to leave the interpretation of the definition "direct sale" to the Member States - as also intended in the Directive 2000/13/EC (here Article 14).

As soon as we have received a reply from Brussels, we will inform you about the current status via a CEBP-Express.

3. Five years of EU SME initiative „Small Business Act“ (SBA) - Balance

In 2008 the European Commission has created the "Small Business Act" (SBA), which is the first comprehensive policy framework for 23 million small and medium-sized enterprises (SMEs) in Europe. In Europe, 99.8% of all enterprises are SMEs and thus represents two-thirds of all jobs in the private sector. Within the last five years, 80% of all new jobs were created by SMEs.

The SBA reflects the political will of the European Commission, to respect the central role of SMEs in the European economy and to define it for the first time in a sophisticated and coordinated framework for the EU and its Member States. However, the SBA is only a general agreement and not a legally binding instrument. Main objectives of this EU SME campaign are as follows:

⇒ Making generally a more SMEs- and business-friendly policy in the EU and in its Member States;
⇒ Taking a greater account of the needs of SMEs in decision making and to integrate the principle of "Think small first" irreversibly in all policies / public administrations at European and national level;
⇒ Increasing the growth potential of SMEs.

The SBA includes a number of policy measures, that have created important legal and policy initiatives over the past five years. Here are some examples:
1. Access to funding:

Since May 2013, a central website for EU funding (link: http://europa.eu/youreurope/business/funding-grants/access-to-finance/index_de.htm) provides detailed information for SMEs, on how to apply EU based funding, at about 1000 banks and other financial institutions.

2. Access to markets:

The Enterprise Europe Network (EEN) supports SMEs to start business abroad. It is the world's largest network for the support of international business partnerships, innovations, and knowledge and technology transfer. The EEN unites over 600 organizations for business development and is now active in all 28 EU-Member States as well as in 26 other third countries. The EEN craft facilities based in the German federal states of Baden-Württemberg, Bavaria, Rhineland-Palatinate, Saarland and Saxony, are supported by chambers of crafts and are well connected in that region.

3. Reduction of administrative burdens:

The EU and its Member States should make arrangements according to the principle "Think small first" and, however, taking into account the particularities of SMEs and should simplify the existing regulatory environment.

4. Support of entrepreneurship:

Action Plan Entrepreneurship 2020: On 9th January 2013, the European Commission informed in a notification, about a number of individual measures that should contribute to growth and employment. The focus is in the fields of business formation, financing, reduction of unnecessary bureaucratic burdens, digital technologies, enterprise transfers and "second chance". In addition, special population groups, – such as women, elderly or immigrants –, should be directly addressed, as so far this group was just involved below average at the start-up activities.

5. Controlling of the SBA:

A network, composed of national SME delegates as well as of representatives of SME associations should be created. The SME delegates should build a bridge between the interests of national SMEs and European policies and they should ensure that EU-regulations concerning SMEs are correctly applied.

6. Communications and Public Relations:

The central website "Your Europe" (Link: http://europa.eu/youreurope/business/index_de.htm) supports companies, in order to be active also in other European countries and in doing so, to avoid unnecessary effort or bureaucratic obstacles. The website consists of two parts:

1. Citizens - managed by the Directorate-General for Internal Market and Services,

So far, 1.3 million people have visited this website.

The implementation status of SBA in the Member States is documented and current trends in national SME policy are presented, in the annually updated fact sheets of the European Commission.

You can download these sheets by clicking on the following link:

4. **SBC—Swiss Bakery and Confectionery Association**

The SBC - emerged by 1/1/2013 from the former Swiss Baker Association (founded 1885) and the Swiss Confectioner Association (founded 1887) - represents the interests and concerns of its members and is strongly committed to the best possible political, economic and legal conditions in the bakery, pastry and confectionery business in Switzerland. About 90 % of handcraft bakeries-confectioneries of Switzerland are a member of the SBC which represents 1724 companies with over 3000 point of sales. The handcraft bakeries-confectioneries in Switzerland have a market share of about 35 % of the total bread and bakery production.

He offers throughout Switzerland a future-oriented technical and entrepreneurial education and training in production, sales and business management. He is also the central platform of information and coordination for the exchange of experience and opinion. With his own professional Richemont School in Lucerne and Pully it has its own center of excellence, which has an excellent reputation across all the country’s of the world.

The SBC Communications leads the branch for promoting the image of the profession and the products. In addition, he actively performs under the slogan "form-your-future" the advertising for young professionals. He is also the editor of the weekly newspaper "Panissimo" in 3 languages (German, French, Italian), which contains the most important information about the branch and the association.

The association provides by independent institutions a wide range of specialists and services, which the entrepreneur baker-confectioner may demand to complete his skills. The specialists developed branch-specific experience and services, which is the advantage to the market of third parties.

Every 2 years the SBC also organizes the FBK, the only trade fair for bakers, confectioners and Confierey in Switzerland. About 260 exhibitors will present their products and services to nearly 30,000 visitors.

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**Fig.1: Organizational chart**
## Events

<table>
<thead>
<tr>
<th>Country/Association</th>
<th>Event</th>
<th>Date</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2. Federal Congress of food crafts</td>
<td>26&lt;sup&gt;th&lt;/sup&gt; March 2014</td>
<td>Wels</td>
</tr>
<tr>
<td>Austria</td>
<td>International Conference of Grain Economy</td>
<td>08&lt;sup&gt;th&lt;/sup&gt;–10&lt;sup&gt;th&lt;/sup&gt; May 2014</td>
<td>Velden</td>
</tr>
<tr>
<td>Austria</td>
<td>Federal Competition of confectioner apprentices</td>
<td>11&lt;sup&gt;th&lt;/sup&gt;–12&lt;sup&gt;th&lt;/sup&gt; June 2014</td>
<td>Tyrol</td>
</tr>
<tr>
<td>Austria</td>
<td>Federal Competition of baker apprentices</td>
<td>15&lt;sup&gt;th&lt;/sup&gt;–16&lt;sup&gt;th&lt;/sup&gt; June 2014</td>
<td>Vienna</td>
</tr>
<tr>
<td>Austria</td>
<td>Autumn fair “Lust aufs Land”</td>
<td>03&lt;sup&gt;rd&lt;/sup&gt;–07&lt;sup&gt;th&lt;/sup&gt; September 2014</td>
<td>Wels</td>
</tr>
<tr>
<td>Austria</td>
<td>Night of enjoyment</td>
<td>11&lt;sup&gt;th&lt;/sup&gt; September 2014</td>
<td>in every province</td>
</tr>
<tr>
<td>Austria</td>
<td>Enjoyment days</td>
<td>11&lt;sup&gt;th&lt;/sup&gt;–19&lt;sup&gt;th&lt;/sup&gt; September 2014</td>
<td>in every province</td>
</tr>
<tr>
<td>CEBP</td>
<td>Forum</td>
<td>28&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
<td>Brussels</td>
</tr>
<tr>
<td>CEBP</td>
<td>Board Meeting</td>
<td>09&lt;sup&gt;th&lt;/sup&gt; March 2014</td>
<td>Paris/Europain</td>
</tr>
<tr>
<td>Germany</td>
<td>Day of the German Bread</td>
<td>05&lt;sup&gt;th&lt;/sup&gt; May 2014</td>
<td>Berlin</td>
</tr>
<tr>
<td>Germany</td>
<td>General Assembly</td>
<td>28&lt;sup&gt;th&lt;/sup&gt;–30&lt;sup&gt;th&lt;/sup&gt; September 2014</td>
<td>Frankfurt</td>
</tr>
<tr>
<td>Germany</td>
<td>German Championship of Young Bakers</td>
<td>17&lt;sup&gt;th&lt;/sup&gt;–18&lt;sup&gt;th&lt;/sup&gt; November 2014</td>
<td>Weinheim</td>
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