

CBI Buyer Requirements:

Vegetable oil in Europe

Introduction

Food safety is the basis of legislative and additional requirements for vegetable oils. Labelling requirements also deserve special attention, especially for exporters of finished products. The growing importance of organic and fair trade schemes on the European market has made certification essential in niche segments.

What legal requirements must my product comply with?

Here you can find requirements you must meet when marketing your products in Europe. Pay attention to the indications of which products are concerned per requirement described.

Food safety: Traceability, hygiene and control

Food safety is a key issue in European legislation. All food products marketed in Europe must comply with the <u>General</u> Food Law.

This also includes provisions on the traceability of food: the ability to track food products through the stages of production. For exporters to the EU, your buyers (minimally) expect you to:

- · know and document your buyers and suppliers,
- know which products are used during the production process, and
- label final products for traceability in case of a food safety problem.

An important aspect to control food safety hazards is <u>defining critical control points</u> by implementing food management principles. Another important aspect is subjecting food products to official controls. Products that are not considered safe will be denied access to Europe.

Control of food imported to the EU

If companies from a specific country continuously fail to meet European legislation, products from this origin can only be imported under <u>stricter conditions</u>. For example, companies may have to present the product with an accompanying health certificate and analytical test report.

Products from countries that have shown repeated non-compliance are put on a list included in the Annex of Regulation (EC) 669/2009.

Example: In the past, palm oil was subject to emergency measures due to the frequent addition of unauthorised colour Sudan 4. Due to improvements made, these measures have been discontinued. Nonetheless, palm oil with Sudan 4 is still often encountered and rejected by customs authorities.

Avoid contamination to ensure food safety

Contamination can occur during processing, packaging, transport or storage of vegetable oils. European legislation sets maximum levels allowed, according to different contamination sources:

- Polycyclic aromatic hydrocarbons (PAHs)
- Aflatoxins
- Microbes
- Dioxins and Polychlorinated biphenyls (PCBs)
- Heavy metals
- Pesticides
- Foreign matter: anything that does not belong in the oil

Our study on trends describes <u>further contamination concerns</u> in the vegetable oil industry, such as 3-MCPD and glycidyl esters

Refer to the Annex of Regulation (EC) No 1881/2006 for the maximum limits of each contaminant.

Tips:

- Read more about <u>contaminants in the EU Export Helpdesk</u> and check the European Commission's factsheet on food contaminants <u>Managing food contaminants</u>: how the EU ensures that our food is safe.
- Be familiar with <u>FEDIOL's Hygiene Guides</u>, including set procedures dealing with salmonella and other sources of contamination.
- Learn about common problems faced by suppliers during border controls and adopt appropriate measures to avoid them. On the website of the <u>Rapid Alert System for Food and Feed (RASFF)</u>, you can browse through various border rejections and alerts for specific vegetable oils under the product category "fats and oils" after accessing the RASFF Portal.
- Refer to the website of the <u>Cargo Handbook</u> for information on safe storage and transport. Many border rejections come from improper transport of vegetable oils.
- Read more about PAHs in vegetable oils in the European Union paper <u>Polycyclic Aromatic Hydrocarbons</u>
 Occurrence in foods, dietary exposure and health effects.
- Refer to the <u>Code of practice for the prevention and reduction of dioxins and PCBs in food</u> by the Codex Alimentarius for more information.
- Use the European Union's <u>MRL database</u> to find out which maximum pesticide residues are relevant for your products.

Erucic acid content in oils and fats

Erucic acid is naturally found in some vegetable oils. Its effects on human health are controversial. That is why Europe has set the maximum level of erucic acid to be 5% of the total level of fatty acids in the fat component of the product.

Tips:

- Check out the maximum levels for erucic acid in the European Union Export Helpdesk.
- Provide your buyer with the appropriate documentation, including the fatty acid composition of your vegetable oil.

Extraction solvents

Extraction solvents can be used for production or fractionation of (vegetable) oils. Be aware that there are maximum residue limits for extraction solvents such as Ethylmethylketone (5 mg/kg, fractionation of oils) and hexane (1 mg/kg, production and fractionation of oils).

Tip:

 Refrain from using extraction solvents which are not allowed by European law. Refer to <u>EU Directive</u> 2009/32s/EC for more information about the restriction of such solvents.

Product composition

Products can be rejected by buyers and European customs authorities in case they have undeclared, unauthorised additives (e.g. mineral oil, Sudan 4 colour) or a high content level of materials which do not belong in the oil.

There is specific European legislation for <u>additives and enzymes</u> (e.g. colours, thickeners) and <u>flavourings</u>. The substances which are allowed for use in food products are listed as E-numbers.

Specific criteria covering quality and purity apply for <u>e</u> intended to be sold directly to European customers. These criteria describe the physical and chemical characteristics for the different categories of olive oil and olive-residue oil (see Annex I of <u>Regulation (EEC) No 2568/91</u>). See our study covering the <u>olive oil market in Germany</u>.

Tips:

- Investigate which food additives are allowed in your product. For an <u>overview of approved E-numbers</u>, refer to the Annex of Regulation 1333/s2008 (see under *Consolidated versions*).
- Refer to more information through the sector association <u>FEDIOL</u>, which publishes information on relevant issues for vegetable oils like food safety, transport and sustainability on their website, as well as <u>codes of practice</u>.

Genetically-modified organisms

The use of genetically-modified organisms (GMOs) and their derivatives is a very sensitive topic in Europe. The restriction on these products reflects concerns on food safety and environmental impact.

Genetically-modified organisms are part of high-level debates in European politics, but the segment will remain very restricted in the short term. This will limit possibilities for vegetable oils produced from genetically-modified oilseeds and other oil-rich crops.

Developments within the GMO market will depend on the future of political discussions and on regulatory developments concerning these products, as well as on consumers' acceptance of products containing GMOs in Europe.

Tips:

- Focus on markets where your product is not banned by legislation or subject to serious debate.
- Ensure traceability of your supply chain and the non-use of genetically-modified ingredients. Document this accordingly.

Labelling

<u>Labelling legislation</u> applies to pre-packed consumer products, for example vegetable oils in consumer bottles. Product labels should inform consumers about composition, manufacturer, storage methods and preparation of the vegetable oil.

For refined vegetable oils and fats, specific indications and designations of ingredients apply:

- Mandatory indication of the specific vegetable origin of oils / fats;
- The expression "fully hydrogenated" or "partly hydrogenated" must accompany the indication of a hydrogenated oil / fat.

Regulation (EU) No 29/2012 has specific provisions for olive oils that include providing information about the category of olive oil and country of harvesting origin (and country of extraction of oil, in case this is different).

Tips:

- Read and apply the practical <u>guidance document on the new food labelling legislation</u> published by Food and Drink Industry Ireland.
- Read more about Food Labelling in the EU Export Helpdesk.

Allergens

Pre-packed products that contain allergens (e.g. sesame seeds in sesame oil, soy in soy oil) have to be labelled in such a way that this is clearly visible to consumers.

Under <u>Regulation (EU) No 1169/2011</u>, allergens must be highlighted in the list of ingredients. Requirements on allergen information will also cover non pre-packed foods, including those sold in restaurants and cafés.

Tip:

 Refer to the <u>quidelines</u> listed Annex II of Regulation (EU) No 1169/2011 for an overview of all allergens.

Nutrition and health claims

Nutrition and health claims suggest or indicate that a food has a beneficial characteristic. These claims cannot mislead the consumer, and are approved in Europe if they are based on scientific evidence. Claims are approved by the <u>European Food Safety Agency</u> (EFSA).

Tips:

- Read more about <u>nutrition and health claims</u> on the EU website.
- Make sure to check the <u>European Union's Register of nutrition and health claims made on foods</u> to verify whether your product (and the related claim) is included in the list.

Novel Food

The Novel Food Regulation covers foodstuffs that are newly developed by industry, but also natural foodstuffs or ingredients which were not consumed to a significant degree within the European Union before 15 May 1997.

Examples of vegetable oils recently approved on the European market are sacha inchi oil and chia seed oil.

Other ingredients may be *refused* as novel food ingredients, and will receive a "no-go" status. This means they cannot be sold on the European market. There are no recent examples of vegetable oils, but an example could be Nangai nuts, which in 2001 were denied access to the market.

Tip:

• For more <u>information on the Novel Food legislation</u>, including the notification procedure, you can visit the European Commission website designed for that subject.

Food contact materials

Specific <u>health control provisions</u> apply for consumer packaging materials which come in contact with food. These materials must not:

- endanger human health;
- change the composition of the food in an unacceptable way;
- deteriorate its taste and odour.

Common restricted substances are:

- vinyl chloride monomer N-nitrosamines
- N-nitrosatable BADGE
- NOGE
- BFDGE
- heavy metals

An interesting substance to be aware of is Bisphenol A (BPA). BPA is known for its use in plastic bottles. At the moment, the use of BPA is still allowed in Europe, but recent discussions have led some buyers to ban it.

Tips:

- Only use packages coming into contact with vegetable oils that are allowed by European legislation. European importers of food products will require documentation on toxicology and risk assessment of chemical migration from food contact materials and/or declarations of compliance.
- For recent <u>updates on the use of BPA in Europe</u>, refer to the website of the European Food Safety Authority.
- Consult the <u>EU Export Helpdesk</u> for a full list of requirements. Select your specific product code under 15 (oils).

General requirements on packaging and liability

Note that there is also legislation on <u>packaging</u> and <u>liability</u> that apply to all goods marketed in Europe.

What additional requirements do buyers often have?

Food Safety Certification as a guarantee

As you prepare to enter the European market, your potential buyer is likely to require a food safety management system. Getting certified from recognised and trustworthy sources demonstrates your commitment to high and consistent quality and safety. This is highly relevant to the production and handling of vegetable oils.

The adoption of standards will depend on the profile of your buyer; usually large retailers and private label manufacturers are more demanding and will require compliance with one or more of the following:

- British Retail Consortium (BRC)
- International Food Standard (IFS)

- ISO 22000
- FSSC22000

Tips:

- When you plan to target one or more markets, check which specific food safety management systems are most commonly requested. In any case, choose a management system that is approved by the Global Food Safety Initiative (GFSI).
- Read more on the different Food Safety Management Systems at the Standards Map.

Corporate responsibility

European buyers may expect you to comply with their code(s) of conduct regarding corporate responsibility. This can be their own code of conduct or one based on external initiatives.

The adoption of these standards is most common among large-scale importers, food manufacturers and retailers. Examples include policies on sustainable palm oil from <u>AAK</u>, <u>Unilever</u> and <u>Cargill</u>.

Codes of conduct address issues such as environmental and social impact, which are often investigated further in company audits carried out by your (potential) buyer.

The <u>Supplier Ethical Data Exchange (Sedex)</u> has also become an important tool to some of the main European/ international companies as one of the means to find suppliers which comply with sustainability standards. Sedex is a practical tool (database), allowing you to streamline your information to multiple customers around four pillars:

- · Labour Standards;
- Health & Safety;
- Environment;
- Business Ethics.

Tips:

- Keep up-to-date on developments in the sustainable field by reading news items from sector associations (e.g. <u>EU Vegetable Oil and Protein meal Industry</u>), magazines / newsletters (e.g. <u>e, Food Navigator</u>, <u>Food Ingredients First</u>) and <u>specialised trade fairs</u>, <u>conferences and meetings</u>.
- Consider applying management systems such as <u>ISO 14000</u> (environmental aspects), OHSAS 18001 (occupational health and safety) or <u>SA 8000</u> (social conditions) as a way to address sustainability and gain a competitive advantage over competitors.
- Verify with your (potential) buyer the extent to which the above-mentioned standards are required and/or appreciated.

Sustainable sourcing certification

In recent years, the sustainable sourcing of commodities such as soy and palm oil has become a particularly important issue for buyers. Severe problems related to deforestation and other environmental and social effects have appeared in the news and affected public opinion.

The attention to these problems has led to initiatives such as the Roundtable on Responsible Soy (RTRS) and the Roundtable on Sustainable Palm Oil (RSPO). These promote sustainable production and trade worldwide. Both roundtables have been endorsed by large-scale industry players (examples for RTRS: AHOLD, Jumbo, Arla Foods and ADM; and examples for RSPO: Unilever, Carrefour, Nestle and Ferrero).

The RTRS and RSPO have led to related products standards. Certified products are increasingly being requested by buyers; RSPO-certified growers currently account for 18% of global palm oil production. Currently, the RSPO uses the UTZ traceability system and endorses the <a href="https://dx.disable.certification.certifica

Tip:

Investigate whether <u>RTRS</u> or <u>RSPO</u> certification applies to your product and target market(s). Access
their websites to learn more about the certification process, current members and registered
operators.

What are the requirements for niche markets?

Organic

Organic certification is on the rise for vegetable oils. To access specific market segments in Europe, organic might be an actual buyer requirement. Our study on trends for vegetable oil gives figures for the organic market in Europe.

Organic certification requires compliance with the <u>European Regulation</u> for organic production and labelling. The regulation also contains specific provisions for processed foods (including labelling), a category which includes vegetable oils. Only certified products can carry the European Union's organic logo, as well as the logo of the standard holder (e.g. <u>Soil Association</u> in the UK, <u>Naturland</u> in Germany).

<u>New organic legislation</u> will be implemented in the European Union in mid-2017. Although the objective is to simplify the old organic legislation, it will be a concern for exporters and producers from "developing countries with completely different meteorological, environmental and structural conditions to comply with the rules made for European conditions" (<u>IFOAM, 2016</u>).

In general, organic regulation and testing is expected to become stricter.

Tips:

- Investigate the possibilities for organic certification, including the opportunities and costs involved in the process. Some supply chains may find certification easier than others (for example, for value chains in which pesticides are not part of the day-to-day agriculture).
- For information on organic certification in Europe, visit the website of <u>Organic Farming</u> in the European Union, which also contains guidelines concerning imports of organic products. Also consult the <u>International Federation of Organic Agriculture Movements</u> website for information on certification standards.
- Search for a certifier whose standards are recognised by the European Union to make sure your
 organic certification is recognised on the European market. The European Commission's <u>Agriculture
 and Rural Development</u> website provides a thorough explanation of import regulations and other
 related issues.

Fair Trade

The market for fair trade-certified vegetable oils in Europe remains very small. However, increasing consumer awareness of social responsibility and connectedness to producing communities has had a positive impact on this niche segment.

<u>FLO-Cert</u> is the leading standard-setting and certification organisation for Fairtrade. Products which carry the Fairtrade label indicate that producers are paid a <u>Fairtrade Minimum Price</u>, including some vegetable oils such as argan oil, shea butter and olive oil.

FLO also has a minimum price for various oilseeds and oleaginous fruits which are used for the production of vegetable oils. Our study on trends for vegetable oils gives <u>figures for the Fairtrade market in Europe</u>.

Other fair trade standards available in the European market are <u>Fair Trade Ecocert</u> and <u>Fair for Life</u>. Fair Trade Ecocert requires an organic certification, whereas Fair for Life does not.

Tips:

- Before engaging in a Fair Trade certification programme, make sure to check (in consultation with your
 potential buyer) that this label has sufficient demand in your target market and whether it will be cost
 beneficial for your product.
- Consult the <u>Standards Map database</u> for more information on Fair Trade and other voluntary standards relevant for vegetable oils.

Rainforest Alliance

Rainforest Alliance: Sustainable Agriculture Network is a mainstream sustainability scheme with a primary focus on environmental issues. At the moment, Rainforest Alliance only certifies palm oil (see our study on the <u>European market for palm oil</u>).

Tip:

Investigate the relevance of Rainforest Alliance to your potential buyer and target market. Access the
website of <u>Rainforest Alliance</u> to become familiar with the certification process and affiliated
companies.

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