



HOTREC's position paper on the

# Farm to Fork Strategy

July 2020



# Key facts & figures on the European hospitality sector

- The hospitality sector is made of 2 million businesses;
- 90% of hospitality businesses are micro-enterprises;
- The hospitality sector directly employs 12,5 million people in Europe;
- 2 million new jobs were created between 2013 and 2017;
- With 20,2% of workers under 25 years, the sector fights youth unemployment;
- The sector facilitates social inclusion, with 30,2% of workers relatively unskilled;
- Hospitality and tourism represents the 3<sup>rd</sup> socio-economic activity in Europe;
- Nevertheless, COVID-19 hit the industry hard. Estimates point out a loss of turnover between 80-90% during Q1 2020. More than 6 million jobs are at stake.

A pillar of the European economy

**2 million**  
businesses  
(90% micro-enterprises)



**3<sup>rd</sup>**  
largest socio-economic activity in Europe

Major job creator

Directly employs  
**12.5m**  
people in Europe

**2 million**  
new jobs created in 4 yr

Fights youth unemployment...

**20,2%** of employees aged under 25 years  
(compared to the overall economy — 8,2%)



...and facilitates social inclusion!

**30,2%** of workers relatively unskilled

## Context

HOTREC<sup>1</sup>, the umbrella association representing the hospitality sector in Europe, takes good note of the “Farm to Fork Strategy for a fair, healthy and environmentally friendly food system” (COM(2020) 381 final).

We acknowledge that the Farm to Fork Strategy is part of the [European Green Deal](#) and welcome its aim to make food systems fair, healthy, environmentally-friendly and resilient to crisis such as COVID-19. We believe that the Strategy will contribute to achieving the UN Sustainable Development Goals.

We also support the following objectives of the Farm to Fork Strategy:

- Reaching a neutral or positive environmental impact;
- Helping to mitigate climate change and adapt to its impacts;
- Reversing the loss of biodiversity;
- Ensuring food security, nutrition and public health, making sure that everyone has access to sufficient, safe, nutritious, sustainable food;
- Preserving affordability of food while generating fairer economic returns, fostering the competitiveness of the EU supply sector and promoting fair trade.

Nevertheless, we would like to point out certain particularities of the hospitality sector and explain the reasoning behind our position.

## Farm to Fork strategy: objectives supported by HOTREC

Reaching a neutral/positive environmental impact

Mitigating climate change

Reversing loss of biodiversity

Ensuring food security

Preserving affordability of food & generate fair economic returns

<sup>1</sup> HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 2 million businesses, being 99,5% small and medium-sized enterprises (90% are micro-enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value-added. The industry provides almost 12,5 million jobs in the EU alone (2017). Together with the other tourism industries, the sector is the 3<sup>rd</sup> largest industry in Europe. HOTREC brings together 45 national associations representing the interest of this industry in 33 different European countries.



By and large, HOTREC believes that EU Farm to Fork strategy should consider the following:

- **New information obligations for non-prepacked food in restaurants are not feasible in many cases, because of the sector's specificities** (regular change of ingredients, strong supply of local fresh products, use of high-quality artisanal products, absence of standardised dishes to offer high-quality gastronomic experiences);
- **Written food information does not fit with a restaurant environment** and would lead to standardisation of dishes/ menus, reduction of the use of fresh and high-quality artisanal ingredients and therefore reduction of the gastronomic excellence of the European restaurant sector;
- As restaurant services are primarily local services that do not sell their products across borders, but only locally, **the Strategy should rather consider assigning to Member States general objectives about information on non-prepacked food served in restaurants through flexible national measures of their choice**. Such flexibility would allow Member States and local operators serving non-prepacked food to identify the best means to ensure that customers make more often more sustainable and healthier choices;
- **HOTREC would prefer that the EU does not set food waste reduction targets**, as this is likely to penalise enterprises which already undertook strong efforts to reduce their food waste levels and reward enterprises that wait before taking actions. **A smarter approach should be favoured through strong support for a swift implementation of the recommendation for actions adopted by the EU Food losses and food waste platform on 12 December 2019**. This should be seen as a priority issue for the European Commission.

## Farm to Fork strategy: what the strategy should consider

- 1 New information obligations for non-prepacked for are often not feasible in restaurants because of sector's specificities
- 2 Written food information does not fit with a restaurant environment
- 3 Flexible national measures to reach general objectives
- 4 HOTREC would prefer the EU not to set food waste reduction targets, as this will likely penalise certain enterprises



## The hospitality sector faces unique challenges in the food chain

It is to note that the hospitality sector in Europe enjoys a great reputation for promoting Europe's vivid gastronomic diversity, culinary traditions and gastronomic excellence. 99,5% of the 2 million hospitality businesses in Europe are SMEs, 91% are micro-enterprises (i.e. employing less than 10 persons). The sector developed a reputation based on strong and long-standing cooperation between the restaurant sector and [small producers of high-quality food products](#), which enables restaurants to [offer unique services](#) through [non-standardised recipes and menus](#), often varying according to seasonal productions. [Fresh products](#) and locally-supplied ingredients are key. This [absence of standardisation](#) and these supply characteristics means that [recipes/menus and ingredients supplied change very often](#) (e.g. dish of the day or of the week, weekly menu, etc.).

Actions related to the EU Farm to Fork should duly take into consideration these specificities of the sector, as these are important challenges.

Taking into account the measures with direct impact in the hospitality sector, HOTREC would like to especially pronounce itself on the following initiatives.

### I Stimulating sustainable food processing, wholesale, retail, hospitality and food services practices

- ◇ Code of Conduct/ nutrient profiles to restrict the promotion of foods in high fat, sugars and salt / facilitating the shift to healthier diets

HOTREC welcomes an [EU code of conduct for responsible business and marketing practices](#), as long as these are done on a [voluntary basis](#). HOTREC supports, for instance, the development of sustainable diets; reduction of environmental footprint and energy consumption; adaptation of marketing and advertising strategies taking into account the needs of the most vulnerable; insurance that food price campaigns do not undermines the citizen's perception of the value of food; ensure reformulating food products in line with guidelines for healthy, sustainable diets.

HOTREC also supports the [use of nutrient profiles for pre-packed food according with the Health Claims Regulation](#), as well as the [shift to healthier diets](#).

In fact, HOTREC is a member of the [Nutrition and EU platform for action on diet, physical activity and health](#) (whose objective is, amongst others, to foster voluntary initiatives on nutrition and diet at national level). HOTREC's commitment includes best practices sharing on how its members contribute to pursuit healthy nutrition and fight against obesity, in particular in the area of food reformulation. This activity is fully in line with the Commission Strategy.

It is also to note that the production method for our high-quality artisanal food products is often more sustainable than mass-production of standardised food. Restaurants are eager to continue pursuing [straight cooperation with small producers of high-quality food products](#). In this way, unique services will be offered, via non-standardized recipes and menus, often adaptable to the season production. This will further improve customers' culinary experiences in restaurants.

The EU Farm-to-Fork strategy should, therefore, aim to promote further the sourcing of high-quality artisanal food products to hospitality businesses and ensure that [the use of such products is not impeded by unfit regulatory tools](#).

- ◇ Legislative initiative on re-use in food services to substitute single-use food packaging and cutlery by re-usable products

From July 2021 all companies in the hospitality sector shall comply with the Directive on the reduction of the impact of certain plastic products on the environment to ([Directive 2019/204](#)). This means that the following Single-Use-Plastics are banned: clutter, plates, straws or plastic plates. Besides, plastic food containers will be subject to [national measures](#) in view of reducing their use.



Whereas HOTREC fully defends sustainable practices, it is also to note that the replacement of the Single-Use-Plastics will have a cost, as the price of substitute materials is higher. Taking into account that 90% of the companies in the sector are micro-enterprises, with a very low level of profit margin, and that the sector was severely hit by the COVID-19 crisis, we would welcome a Commission proposal to substitute single-use packaging and cutlery that is **environmentally friendly, uncostly and that is fit for purpose**.

◇ Marketing standards

- Strengthen the legislative framework on geographical indications (GIs) and include sustainability criteria;
- Reinforce the role of sustainable criteria taking into account the impact on food loss and waste.

As ingredients/supplies regularly change in restaurants, providing information represents a huge challenge for the hospitality sector. In fact, the creation of 'nationalistic' expectations should be avoided, as it is the quality of the product that is relevant and not the country of origin.

Many high-quality artisanal food products used in restaurants may come from different countries. Besides regional appellations may bring more quality indication to a product rather than similar food with a country of origin information.

In the same way, a small producer (without geographical indications) may provide restaurants with higher quality products than a different producer within the same country.

Finally, if restaurants use menus that need to be printed, it might be difficult to have the information updated at all times (as menus would need to be reprinted).

Therefore, HOTREC advocates for the country of origin information not to be mandatory – this is difficult to handle in restaurants, and it does not bring much value in a restaurant environment.

Nevertheless, HOTREC welcomes the reinforcement of **sustainable criteria** to take into account the **impact of food loss and food waste**. It is to note that HOTREC is an active member of the **EU platform on food losses and food waste**. It also issued **guidelines to reduce food waste and recommendations to manage food donations**.

## II

## Promoting sustainable food consumption & facilitating the shift to healthy, sustainable diets

◇ Proposal to require **origin indication for certain products**

As explained before, the identification of the origin is a huge bureaucratic burden for small businesses and not controllable by administrations. We strongly recommend dropping this requirement as this would probably be the end of small owner-managed hospitality businesses. Furthermore, such a regulation does not correspond to the basic principles of the internal market, which specify uniform quality standards.

◇ Proposal for sustainable **food labelling framework** to empower consumers to make sustainable food choices

HOTREC **strongly opposes mandatory nutrition labelling for non-pre-packed food served in restaurants**. This information would be impossible to handle by most micro-enterprises because of the already mentioned specificities of the sector. This would certainly oblige most small restaurants (especially those making high-quality food and offering gastronomic experiences) to decrease the use of fresh products, standardise their menu offer and have less variety. This would inevitably decrease the quality of the restaurant experience and reduce its gastronomic appeal and reputation.

◇ Food Waste

- Proposal for **EU-level targets for food waste reduction – 2023**;
- Coordination action at EU level will reinforce action at national level via the EU Platform on Food Losses and Food Waste.

**Reducing food waste is a priority for HOTREC, but caution is needed about the negative unintended effects of binding food waste reduction targets.**

The European hospitality industry is strongly committed to reducing food waste. HOTREC actively participated (as rapporteur for the foodservice sector) to the adoption by the EU Platform on food losses and food waste of the **Key recommendations for action**. HOTREC fully supports these recommendations and call for their swift implementation.

However, we cannot support binding targets on food waste reduction, especially, if they are **used by Member States to introduce binding national sectorial targets**. Such approach would most likely result in penalising responsible enterprises that **already undertook the necessary efforts to reduce their food waste**, and which would have **more difficulty to reduce it further**, therefore rewarding less responsible enterprises (or sectors) which are waiting to take actions. Such a signal would most certainly impact responsible actors' behaviour.





Instead, HOTREC would welcome [strong support for the swift implementation of all the recommendations identified by the EU Platform on food losses and food waste](#).

HOTREC also encourages [a coordinated action](#) at EU level, on a voluntary basis, [via the EU Platform on Food Losses and Food Waste](#).

- ◇ [Combating food fraud along the food supply chain](#)

HOTREC welcomes this objective. Food fraud can impact consumer health's and negatively impact the image of the sector. Food fraud should be combated and banned.

- ◇ [Implement the Skills Agenda](#) to ensure that the food chain has access to sufficient and suitable skilled labour

The hospitality sector suffers from a lack of a skilled workforce (e.g digital, inter-personnel, green skills). Action is needed to attract and retain the workforce in the sector. Measures could pass by the deployment of apprenticeship schemes at national level; improvement of the image of the sector; developing contacts between companies and education providers. In order to reach these goals, massive trainings are needed ([HOTREC position](#)).

HOTREC calls on the EU to take all these comments into account and to develop all the required impact assessments in order to appreciate the impact of all measures in the hospitality sector.



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