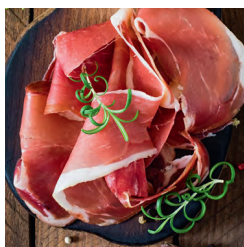


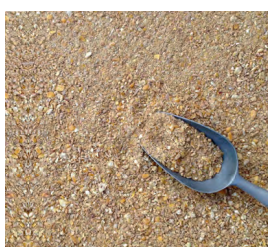


FEDERALIMENTARE



Federalimentare's 2024-2029 Manifesto

Federalimentare, the Italian food and drink industry federation, represents, protects, and promotes the Italian food and beverage industry – the second highest-ranking national manufacturing sector – accounting for 9.6% of the GDP with an annual turnover of €195 billion (2023 figures). Thirteen Italian industry associations, representing the various food and drink sectors, are brought together under Federalimentare



The Italian food and beverage industry acquires and transforms about 72% of the national agricultural production, serving as the central link in Italy's foremost economic chain. **It is an extraordinary ambassador of *Made in Italy* products worldwide.** This global success is tied to the **unique heritage and know-how of its entrepreneurs**, the selection of best-quality national and foreign raw materials, the uniqueness of recipes, centuries-old food traditions. It is also supported by the ability to innovate by leveraging new technologies while meeting consumer needs.



THE FOOD & BEVERAGE INDUSTRY, AN ASSET FOR EUROPE

The unique aspect of the food sector is its ability to meet the primary and indispensable need for sustenance. Food products play a fundamental and central role in the development of all societies. Ensuring food security, providing sustainable and nutritious diets, improving lives, and protecting the planet are all crucial priorities for the food industry. This sector is inherently adept at balancing the three dimensions of sustainable development: economic, social, and environmental.

Sustainability has been the guiding principle of the past EU legislative term. The Green Deal has stood as the flagship initiative of the von der Leyen Commission, and the "Farm to Fork Strategy" as the most crucial policy document for the agri-food sector. However, the policy framework laid down by the Commission has significantly heightened pressure

on businesses, resulting in costs and obligations for our companies, without adequately considering the impact on **EU competitiveness**. In the meantime, the pandemic, inflation crisis, wars, and conflicts have led the world in unexpected new directions.

Despite these challenging times, the food and drink industry - both at national and European levels - has been **investing in sustainability for years**. Efforts include valorizing by-products, reducing energy and water consumption, investing in sustainable packaging solutions, increasing recovery and recycling, and improving the nutritional features of products. The industry has also demonstrated resilience and the ability to face new challenges. However, it is evident that **we now need a paradigm shift!**

A NEW FORWARD- THINKING AGENDA: THE PARADIGM OF SUSTAINABLE DEVELOPMENT

We must evolve from the EU Green Deal paradigm to the EU Sustainable Development Agenda. This new approach should maintain the ambitious trajectory of the Green Deal while adding a realistic, pragmatic, and gradual touch to it. All European policies must integrate the three pillars of sustainability, balancing economic, social, and environmental aspects. The overarching goal should be the development of EU social and political values, culture, and environment, as well as, ultimately, the growth of all Member States.

Industry is key in this new paradigm as it creates value, jobs, shared richness and, ultimately, prosperity for EU citizens. Industry must be at the heart of the EU Sustainable Development strategy, as the main driver of its economic

development. The era of globalization, characterized by open markets and secure transnational value chains, seems to be over. European industry must work to preserve its competitiveness in the global context. European infrastructure and regulations must be export-oriented. The internal market must maintain its pivotal role in bolstering the growth of European industry.

This entails promoting fair and open competition, which in turn stimulates innovation and enhances the value and uniqueness of European products for consumers. Moreover, financial instruments should be supportive and inclusive. All available financial tools should promote and favour the sustainable transition, without excluding anyone based on a "green ratio" classification. Instead, those with the most room for improvement should receive adequate support. Such measures are crucial for boosting the competitiveness of European products in international markets as well.



ITALIAN FOOD AND DRINK INDUSTRY KEY MESSAGES FOR EU POLICYMAKERS

Federalimentare draws the attention of policymakers to the **necessity of ensuring and preserving EU industry competitiveness** as the **guiding principle for the next term's policy initiatives**. **Competitiveness and sustainable development are part of the same equation**. Both are needed to ensure health and prosperity for our economy and our planet.

In this context, Federalimentare presents the following recommendations, which we hope will be considered in shaping future policies:

1. Recognize the central role of both the food & drink industry and industrial policies

The food industry's primary role is to ensure that a diverse range of foods is available everywhere. This includes providing varieties necessary for a healthy and balanced diet, ensuring food safety and hygiene, extending shelf life, and keeping costs affordable for all.

Only a business-friendly regulatory framework can promote Europe's industry competitiveness. The future of the EU is closely intertwined with that of its industry. **Therefore, a proper European industrial policy** – capable of embracing a modern vision of sustainable development while also maintaining social, economic, and

territorial cohesion – **is needed.**

To create an effective growth path, it is key to recognize the efforts being made and the central role played by the industry within the food chain and in the sustainability track. A comprehensive approach is necessary to ensure active participation from all actors in the food chain, as well as to **ensure that all the pillars of sustainability (environmental, social and economic) are taken into account, avoiding ideological stances which only focus on the environmental dimension.**

2. Protect the single market by avoiding discriminatory rules

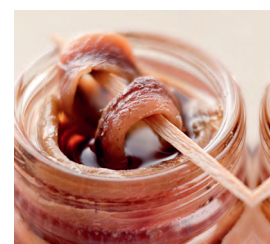
The Single Market is the cornerstone of the EU. A **stronger Single Market** is an indispensable tool for the food and drink sector to achieve sustainable growth. Fair competition within the Single Market is crucial to fueling innovation, enhancing quality and taste, and providing better value to European consumers, while also giving EU food industries a competitive edge over non-EU counterparts.

To promote fair competition in the food market, the EU must support free and informed consumer choices,

empowering citizens to follow healthy diets without imposing policies that dictate their decisions. **Policymakers should adhere to the principle of non-discrimination** among sectors or products. Therefore, measures that could jeopardize entire sectors of national food economies – often deeply rooted in the cultural, social, and dietary heritage of local communities – should be avoided. Similarly, proposals that categorize products as healthy or unhealthy without solid scientific evidence (such as color-

coded FOPNL models like Nutri-Score) must be rejected.

Technological neutrality should also be a guiding principle: **the EU should set goals while allowing industries to decide how to achieve them without bias toward specific materials or technologies (as seen in packaging).** Technological neutrality fosters innovation among entrepreneurs, thereby enhancing the overall competitiveness of the European food sector.



3. Stimulate investments and support innovation along the food chain

Significant investments are needed to support the practices, innovations, and research able to make the EU production model more efficient and sustainable.

There is currently a significant financing gap in the EU's sustainability ambitions. Increased resources are needed to help farmers transition to more sustainable agriculture. The food industry also needs more investment in renewable energy infrastructure and to achieve Europe's recycling targets.

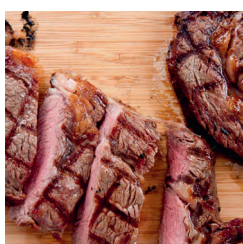
Innovation and technology play a central role in enhancing productivity,

efficiency, and profitability while ensuring fair returns on investment throughout the value chain. Investments in infrastructure, logistics, professional education, research and innovation contribute to a vibrant and sustainable agri-food sector, fostering entrepreneurship, job opportunities, value creation and economic growth. Fiscal policy that creates an innovation-friendly environment is needed to favor business investment as well as to grant faster access to cutting-edge technologies such as chemical recycling and digital tools. Moreover, it remains essential to cut red tape and administrative burdens for businesses, particularly for food and drink SMEs, to unlock additional investments with a longer-term horizon.

Another innovation to take into consideration is **financial innovation**. A proper carbon credit exchange system

for carbon farming is needed. Letting farmers exchange on a public financial market the value of their activity is key to igniting a greening process along entire agrifood value chains. Fiscal advantages, the opportunity for a coherent exchange of carbon farming values and the opportunity to "let the consumer know about it" are all levers for a faster green transition in the agrifood sector.

Finally, it is important to promote approaches to **integrating agri-food supply chains** that, free from ideological or nationalist visions, can accelerate innovation, modernization, the sharing of best practices, and improvements in all aspects of sustainability. More efficient supply chains are essential for maintaining high product quality, ensuring balanced distribution of benefits, and keeping final sales prices low.



4. Shape a resilient and future-proof EU energy policy

The price of energy has been one of the major causes of the extraordinary increase in costs along the food chain, together with the crisis of raw materials and the consequences of the war between Russia and Ukraine. In shaping **future EU Energy policy**, policymakers should **avoid ideological assumptions and adopt a technology-neutral approach**, exploring different

solutions to achieve climate and energy goals in a balanced and sustainable way while developing strategies that **integrate various energy sources**. It is, therefore, key to complete the integration of electricity markets, and to create a single gas market to support the gradual transition towards renewable energies, including a European strategy for last-generation nuclear power.





5. Boost trade agreements and prioritize food security

An ambitious EU trade agenda, market access strategy, and promotion policy are essential to boost global competitiveness and foster sustainable growth. **Export is a key development lever for both the Italian and European food & drink industries.**

This is why it is a priority to **promote Free Trade Agreements (FTAs) that ensure the reciprocity rule among partners. In Europe and abroad, industries must compete fairly, and no European industry should be penalized.** Thus, as a general principle, agricultural commodities and foods imported into the EU should substantially comply with EU sustainability and safety standards in order to avoid unfair competition.

In this context, supporting FTAs is particularly crucial during this historical phase characterized by heightened economic tensions among the world's

major economies. FTAs are essential to **overcome the non-tariff barriers (NTBs)** which currently represent the primary obstacle for Italian products in accessing international markets.

The pandemic, the emergence of military and social tensions in certain geo-strategic regions of the globe, the energy and raw materials crises, as well as rampant inflation, have underscored the critical importance for Europe to ensure supply security: **food security has become a pivotal aspect of a competitive and sustainable EU.** Therefore, policymakers should collaborate with stakeholders to identify global supply chain vulnerabilities and devise measures to maintain food and beverage supplies during crises. Furthermore, **legislative proposals must undergo comprehensive impact assessments that consider both the implications for European and global food supply security.**

Although the food industry has demonstrated resilience and managed

to ensure food security even in times of crisis, **the EU Promotion Policy remains an extremely valuable tool to support sectoral growth.** In this regard, it is important to ensure that **all food and beverage products and sectors have equal opportunities to access funding under the Promotion Policy.** This helps to prevent the penalization of certain product categories and mitigates the risk of unfair competition.

Since the food industry – both in Italy and across Europe – is highly export-oriented, it is crucial to **ensure the import of raw materials.** The EU Industry already absorbs more than 70% of domestic raw materials (72% in Italy). However, there are some areas where the industry is not self-sufficient and, in some cases, certain crops are not cultivated at all on EU lands. Therefore, to maintain its competitiveness, the industry must have proper access to the necessary raw materials from third countries, avoiding excessive costs and burdens for EU companies.

6. Better regulation to support competitiveness

It is essential to strengthen the assessment of competitiveness in every policy and legislative decision-making process, including policy documents, strategies, fiscal measures and international agreements. This means

that a **competitiveness check should be incorporated into impact assessments at a technical level to quantify the effect of each initiative. Similarly, this check should occur at a political level when defining long-term strategies.**

7. Improve governance and coordination on food policies

To avoid contradictory EU policy proposals on the food sector, better governance and coordination are required from EU institutions. At the Commission level, for broad policy initiatives, a **shared leadership** of all relevant Directorates-General is essential to meet the expectations and

address the unique characteristics of all the sectors involved. Specifically for the food sector, the actors of the food chain – from farmers to producers; from distributors to consumers – are closely interconnected, therefore operating in silos is particularly harmful. In addition to the Common Agriculture Policy, an

EU Common Food Policy is needed. Given the unique role of the agrifood sector within the manufacturing industry, both policies and **responsibilities** should be addressed differently, recognizing the sector's vital contribution to food security, food safety, citizens' dietary habits, and lifestyles.





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