

VISIT TO AMAZON FOOD STORAGE CENTRE

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Berlin, Germany

Member responsible: Marco Valletta

TABLE OF CONTENTS

1.	GENERAL SCENE SETTER.....	3
2.	E-COMMERCE OF FOOD	5
3.	FOOD WASTE	7
4.	POSSIBLE FURTHER ISSUES TO RAISE.....	9
4.1.	FOOD LABELLING	9
5.	DEFENSIVES	10
5.1.	FOOD WASTE.....	10
5.1.1.	Is the Commission considering changes to the Food Information to Consumers Regulation on date marking?	10
5.1.2.	What is the Commission doing to improve date marking practices and reduce related food waste?	10
6.	ANNEXE.....	12
6.1.	REPORT OF THE MEETING WITH AMAZON ON 17 APRIL 2018	12

1. GENERAL SCENE SETTER

In the context of the e-commerce conference, you will visit, on their request, the Amazon Food Store Centre in Berlin.

The Centre, operational since 2017, is the first one of its kind in Germany and is available for the sellers and consumers of fresh food in Berlin, Potsdam, Hamburg and Munich.

Amazon Food Store Centres are offering a comprehensive selection of products, including fresh produce, meat and fish, dairy and chilled products, fresh baked goods, organic produce, etc.

It is important that Amazon promotes a safe use of its platforms and has a single interlocutor to the official requests and complaints, especially since one of its business models includes the option to sellers to store their products in Amazon warehouses and afterward distribute them to customers. This model is called 'Fulfilled by Amazon' (F.B.A.).

Moreover, Amazon has been increasing its online food purchase activities and in this relation, issues such as food waste, and the use of alternative means to provide food information are of relevance.

The Commission welcomes innovative ways of food distribution. However, it is crucial to highlight that food business operators are responsible to ensure that online food distribution:

- does not compromise food safety; and
- does not jeopardise the sustainability of food system.

The previous meeting between DG SANTE and Amazon representatives took place in April 2018 (report is annexed) to discuss the date marking in the context of food waste avoidance strategy, the role of heterogeneous temperature requirements across the food supply chain; and the alternative ways of providing mandatory food information in the context of e-commerce food sales.

Officials responsible for the briefing: [REDACTED], E1

[REDACTED] G3 | [REDACTED] G5 |

SANTE officials attending the meeting: [REDACTED] G3, [REDACTED] G5,

[REDACTED] G3

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2. E-COMMERCE OF FOOD

Speaking Points

- Food safety is an important value and asset for the EU. It must be ensured in e-commerce in the same way it is in traditional brick and mortar shops.
- It is important that Amazon, as a major e-commerce company, promotes safe use of its platforms and collaborates with local, national and international law enforcement authorities to tackle fraud and possible food safety issues –, specially, when Amazon offers sellers the possibilities to store products in their warehouses before it distributes them to customers.
- Companies operating online should have the necessary internal procedures in place to facilitate the work of competent authorities in the food safety area, particularly when it comes to follow up specific requests.
- Now there is a single interlocutor in place, it is important they answer official requests promptly and efficiently, to ensure EU food safety rules are properly applied at all times.

Issue/Background

Upon the request of the Commission, Amazon provided a single contact point where the food control authorities in the Member States have the possibility to address their information requests and requests to quickly remove non-compliant or fraudulent advertisements of food product (for example after a notification in the Rapid Alert System for Food and Feed).

In a meeting with DG SANTE in 2016, Amazon representatives stated that, to ensure food safety in the case of an issue with a product, Amazon could remove the relevant advertisement from all its platforms simultaneously (amazon.com, amazon.de, amazon.fr, etc.). In addition, the customers who have bought the product are requested to return the product refunded.

Amazon has expressed interest in the findings and conclusions on the first EU Coordinated Control Plan (CCP) on e-food for their internal control.

Amazon was also interested in receiving inputs from competent authorities to improve its internal food safety monitoring systems.

General information on Amazon in the EU

Amazon is one of the biggest company focused on e-commerce operating at global level. Founded ██████████ in 1994 in USA, the company started as an online marketplace for books but later expanded to sell electronics, software, video games, and other products.

At present, more than 990,000 companies in EU are building their businesses with Amazon Marketplace. There are five “marketplaces” in the EU (United Kingdom, Germany, France, Spain, and Italy) allowing trade of products including food in all Member States.

Amazon has invested over €27 billion in Europe since 2010. By the end of the year, the total permanent European workforce will be over 83,000 people.

Amazon has over 2,000 permanent employees in Luxembourg where its EU headquarters is located.

There are more than 100,000 EU-based small and medium sized businesses selling on Amazon Marketplace and more than 200,000 people in the EU are employed by independent businesses to run their sales on Amazon Marketplace.

Amazon in Germany

In Germany, Amazon has over 30 sites: two corporate offices, eleven fulfilment centres (centres from where Amazon orders are shipped), several sales and customer service centres, one Amazon Web Services providing assistance to the customers as well as four research and development centres in Aachen, Berlin, Dresden and Tübingen.

‘Amazon Fresh’ is a subsidiary of Amazon.com. It is a grocery delivery service, which started in Germany in 2017 with Berlin as first location. Food products ordered through Amazon Fresh are available for home delivery on the same day (2 hours delivery time) or the next day, depending on the time of the order and the availability of trucks.

3. FOOD WASTE

Speaking Points

- It is crucial that all actors of the food supply chain collectively rethink how we produce, market, distribute and consume food to avoid food waste. In all cases, food safety has to remain the key imperative.
- Building cooperation and partnerships between different actors in the food supply chain is essential to implement effective food waste prevention actions.
- It is essential that actors in the food supply chain share experiences and business cases, replicate successful models and consider scaling-up initiatives which can make a significant contribution to food waste prevention. The Commission supports best practises sharing through the EU Platform on Food Losses and Food Waste. I encourage Amazon to take an active role in these activities.
- Reducing food losses and waste saves money for farmers, companies and households. It supports the creation of new jobs and services by redesigning a new and more efficient food chain. It also supports the fight against climate change and saves nutritious food for redistribution to those in need.

Issue/Background

The EU *Revised Waste Legislation*, in force since 4 July 2018, **requires Member States to reduce food waste at each stage of the food supply chain, and to monitor and report annually on food waste levels.** In particular:

- it calls on Member States (1) to integrate food waste prevention as part of national waste prevention programmes, (2) to encourage food donation and other redistribution for human consumption, thus prioritising human use over animal feed, as well as the re-processing into non-food products as measures aiming at preventing waste generation, (3) to provide incentives for the application of the waste hierarchy, such as the facilitation of food donation;
- includes a **revision clause on future targets for food waste** and requests the Commission to prepare a report accompanied, if appropriate, by a proposal by end-2023 to set up an **EU-wide food waste reduction target** (to be met in 2030);
- requests the Commission to adopt legislation on **food waste measurement** - delegated act on food waste measurement was adopted by the Commission on 3 May 2019 and will be sent to the European Parliament and Council for scrutiny mid July 2019;
- introduces the **broad ‘food waste’ definition** enshrined in the General Food Law (food in its entirety, including both edible and associated inedible parts);
- states that consumer understanding of **‘use-by’ and ‘best before’ dates** should be improved in order to reduce food waste – a sub-group on date marking was established in the context of the EU Platform on Food Losses and Food Waste.

In the context of the **Circular economy** building on the EU commitment to Sustainable Development Goals 12.3, the *Communication on the Circular Economy* outlines the following measures:

- create a platform involving Member States and actors in the food chain. The **EU Platform on Food Losses and Food Waste** was established in 2016 and has four sub-groups (food donation, food waste measurement, action and implementation, and date marking). One of the objectives of the Platform is to share best practices;
- elaborate a common **EU methodology to measure** food waste;
- **clarify EU legislation** on waste, food and feed and facilitate food donation as well as the use of former foodstuffs and by-products from the food chain for feed production, without compromising safety. Relevant guidelines on (1) food donation were adopted on 16 October 2017 and (2) on 13 April 2019 on the feed use of food no longer intended for human consumption.
- examine ways to improve the use of **date marking** – a Commission study on how food business operators and control authorities use date marking was published on 9 February 2018. It estimates that up to 10% of food waste generated annually in the EU is linked to date marking. The Commission is elaborating scientific and technical guidance, at EU level, to support more consistent date marking practices. The document will cover such issues as the choice of ‘use by’ and ‘best before’ dates setting product shelf-life, storage instructions, redistribution past the ‘best before’ date, etc.

4. POSSIBLE FURTHER ISSUES TO RAISE

4.1. FOOD LABELLING

Speaking Points

- It is important to deal with the digital aspects of food purchase.
- Any food supplied through e-commerce should meet the same labelling requirements as food sold in shops.
- It is essential that mandatory food information is available and presented in a clear manner to the consumers when purchasing food online.
- e-Commerce cannot compromise on any food safety aspects.

Issue/Background

EU rules

The Food Information to Consumer Regulation clarifies the information, which has to be provided to consumers with respect to foods offered for sale by means of distance selling. Distance selling includes e-commerce. More specifically, in the case of prepacked foods the Regulation requires that:

- mandatory food information, except date marking ('best before' or 'use by' dates) shall be available **before** the purchase is concluded (i.e. the time the food is ordered by e-commerce means); and
- the mandatory food information is given at the moment of the **delivery**.

Developments at CODEX level on internet sales/e-Commerce

In the recent meeting of the Codex Committee on food labelling in May 2019, in light of the global growth and ever-increasing diversification of e-commerce, it was decided, with broad support, to start new work on internet sales/e-commerce food labelling.

5. DEFENSIVES

5.1. FOOD WASTE

5.1.1. *Is the Commission considering changes to the Food Information to Consumers Regulation on date marking?*

- The Commission's study on date marking practices found no consensus amongst stakeholders that possible changes to EU rules related to date marking would necessarily result in reduced food waste (including possible extension of the list of foods exempt from 'best before' labelling).
- The Commission is currently reflecting on all possible options (legislative/non-legislative) in cooperation with Platform experts to support more consistent date marking practices.
- Should any changes be proposed to EU food labelling rules in future, it is critical that these:
 - can contribute to food waste reduction;
 - meet consumer information needs; and
 - do not put food safety at risk.

5.1.2. *What is the Commission doing to improve date marking practices and reduce related food waste?*

- A study on date marking, published last year by the Commission, concluded that up to 10% of food waste generated in the EU could be linked to date marking. Wide variation in date marking practices and poor legibility of dates on food labels do not help consumer understanding.
- The study also points to the need to strengthen cooperation between actors in the food supply chain in order to ensure more consistent practices and prevent food waste.
- As an immediate priority, the sub-group of the Platform dedicated to date marking agreed to

elaborate scientific and technical guidance, at EU level, in order to support more consistent date marking practices.

- In order to help inform this work, the Commission will seek scientific advice from the European Food Safety Authority.
- The Commission will continue working to promote inter-sectoral cooperation to reduce food waste generation linked to date marking in the food supply chain by facilitating discussion and exchange of best practices between stakeholders in order to optimise supply chain management, use of available tools/technologies and effective consumer communications.

6. ANNEXE

6.1. REPORT OF THE MEETING WITH AMAZON ON 17 APRIL 2018

Brief summary of the content of the meeting between DG SANTE and Amazon, which covered the following topics:

1. Amazon's view on the date marking in the context of waste avoidance strategies;
2. the role of heterogeneous temperature requirements across the food supply chain; and
3. alternative ways of providing mandatory food information in the context of e-commerce food sales.

In relation to food waste, DG SANTE explained its overall work and actions related to food waste prevention. On the issue of date marking and food waste prevention, DG SANTE pointed to the study carried out by the European Commission, published in February 2018, which estimates that up to 10% of the 88 million tonnes of food waste generated annually in the EU are linked to date marking. Furthermore, it was explained that the Commission is considering possible options to simplify date marking on foodstuffs and promote better understanding and use of date marking by all actors concerned. In the context of the EU Platform on Food Losses and Food Waste, a dedicated sub-group of on date marking has been established to discuss possible options and guide all work in this area involving all actors concerned, with the first meeting to take place on 20 April 2018.

In relation to e-commerce, DG SANTE explained the provisions of Article 14 of Regulation (EU) 1169/2011 on the mandatory food information, which has to be provided before the purchase is concluded (i.e. at the moment the consumer is ordering the food) and at the moment of delivery.