

# IMPACT OF DON REGULATION



# Who is CAOBISCO?

CAOBISCO represents:

- ✓ Over 1800 companies from the Chocolate, Biscuits & Confectionery Industries in Europe
- ✓ More than 245,000 direct employees
- ✓ more than 45,4 billion Euros annual turnover
- ✓ a production of 11,3 million tonnes of products
- ✓ 3,9 billion Euros of exports (10% of the total value of EU food exports)
- ✓ Import value of 1,1 billion Euros
- ✓ Use 30% of the European production of sugar
- ✓ 35% skimmed milk powder at full EU price
- ✓ 50% of the world production of cocoa beans

# Who is ESA?



The European Snacks Association is Europe's only trade organisation dedicated to advancing the savoury snacks / nuts industry on behalf of member snack manufacturers and suppliers.

We represent:

- 200+ member companies
- All major manufacturers across EU
- An industry with an annual European turnover exceeding €12bn

We aim to create an operating environment that is conducive to category growth through:

- Working with legislators and regulators
- Influencing key opinion formers
- Aligned industry-wide self regulation
- Providing a platform to facilitate cross-industry cooperation

# Who is CEEREAL?

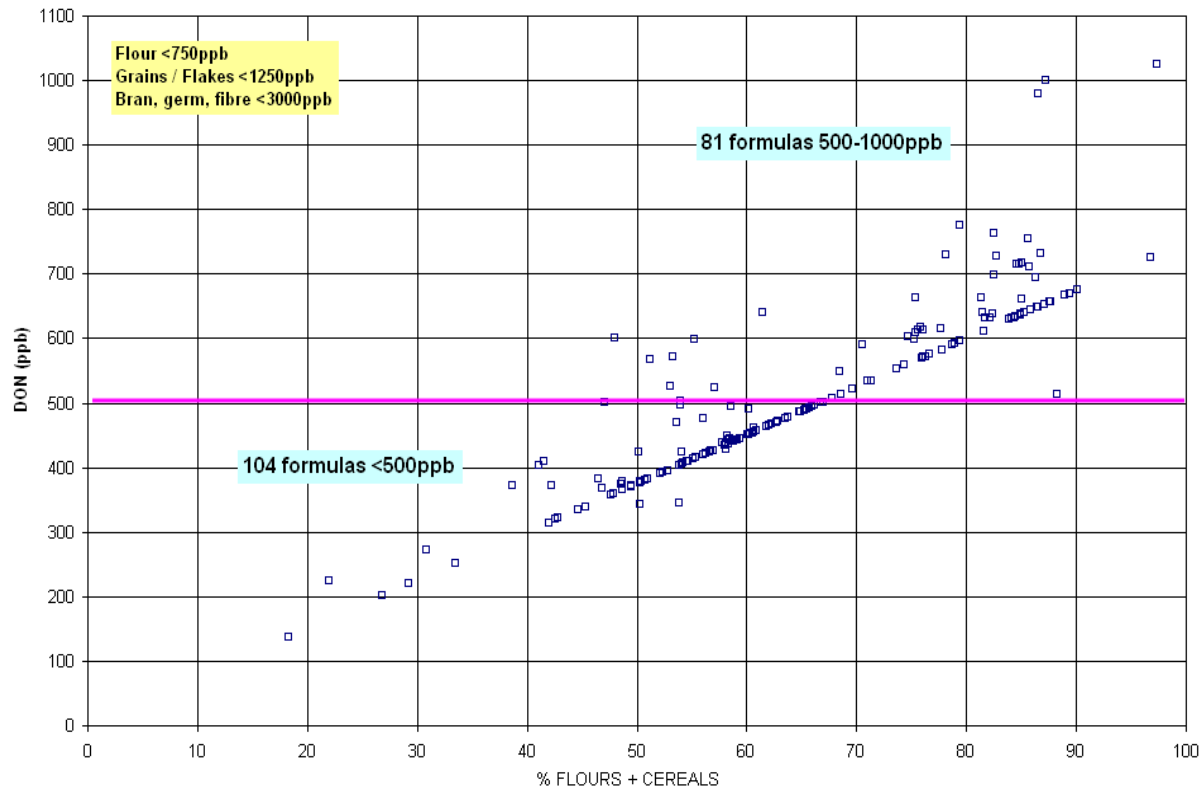


CEEREAL represents the breakfast cereal and oat milling industries towards the European institutions, industry and consumer associations as well as consumers. Established in 1992 by eight national breakfast cereal associations, today CEEREAL has 13 member associations in 12 European countries.

## Quick Facts about the European Breakfast cereal industry

- a. Worth more than € 4 billion
- b. Production of 1 million tonnes per year
- c. UK, Germany and France are the main markets for breakfast cereals with respectively 50%, 20% and 10% shares of the market
- d. Per capita consumption varies from 0.5 Kg in Italy to 8 Kg in Ireland
- e. More than 70 companies employing over 11,000 people

# Impact of DON regulation inconsistency



## Modeled examples in wheat products:

185 product recipes were modeled.

81 (44%) are potentially **not able to comply** to finished product limit although **made from conformed raw materials**

Finished goods manufacturers must require limits lower than the regulation which have an **overall knock-on effect:**

- Wheat flour 500ppb => Wheat grain 500-1000ppb vs 1250ppb
- Wheat bran 750ppb => Wheat grain 250ppb vs 1250ppb

# Additional impacts



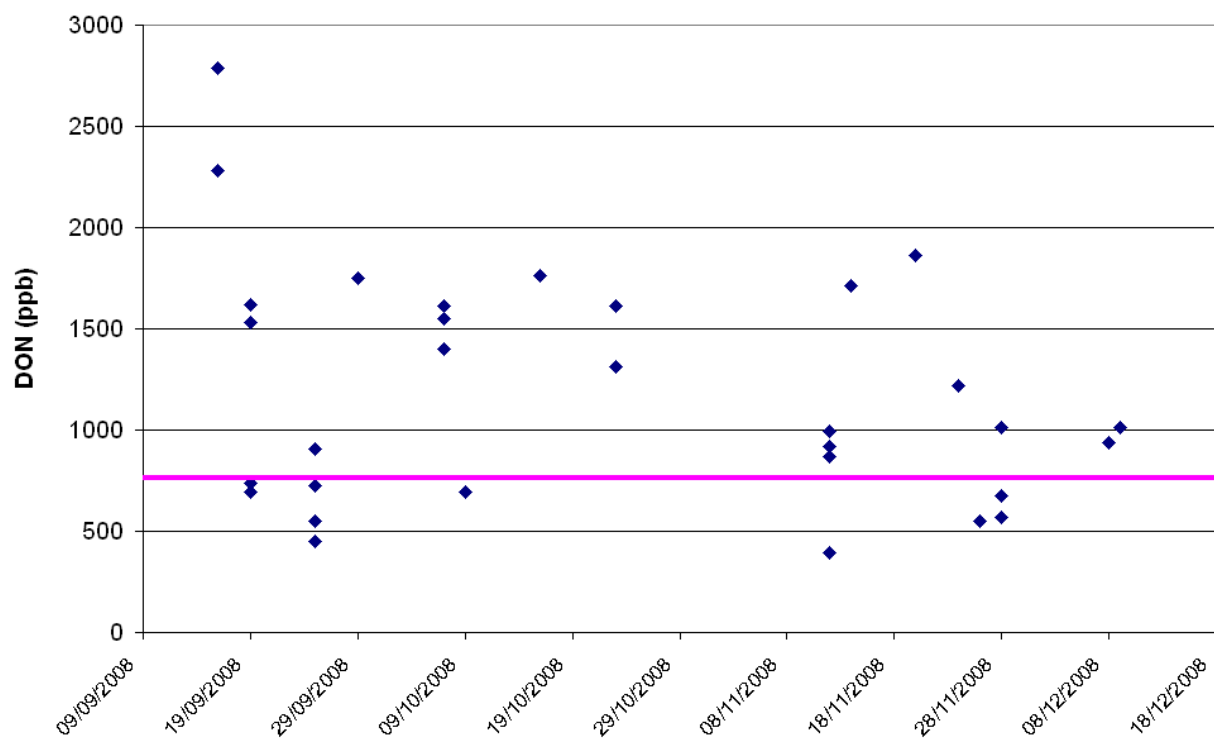
- Logistic: Dedicated storage for each grain and flour quality
- Raw material shortage and supplier change
- Increased raw material and analytical cost
  - Difference in cost price between masa flour at 750ppb and 500ppb of DON: +10.43€/t
- Tension in supplier/client relation and distortion between small and large companies.
  - Difficulty for small companies or small volumes to negotiate specific requirements on DON below regulation.
- Operational / Enforcement difficulties
  - Sampling reliability
  - Error associated to Quick test vs Elisa/HPLC.

# Sourcing difficulty

## Example of DON level in wheat bran in Western France (2008)

Out of 32 samples, 21 (66%) were above 750ppb

=> Sourcing problem to comply with customer specification



# DON alerts (RASFF 2007-2008)

Year	Week	Type of Notification	Detail	Product	Country of Origin
2008	14	Information	deoxynivalenol (DON) (11000; 2100 µg/kg - ppb) in unprocessed wheat from Hungary	Wheat (Unprocessed)	Hungary
2008	17	Alert	deoxynivalenol (DON) (2600 µg/kg - ppb) in wheat flour from Germany	Wheat (Flour)	Germany
2008	18	Alert	deoxynivalenol (DON) (1835.75 µg/kg - ppb) in corn flakes from Poland	Corn (Flakes)	Poland
2008	19	Alert	deoxynivalenol (DON) (1513.04; 1514.22; 1966.84 µg/kg - ppb) in corn flakes from Poland	Corn (Flakes)	Poland
2007	15	Alert	deoxynivalenol (DON) (1467 µg/kg - ppb), zearalenone (79.7 µg/kg - ppb) and fumonisins (2007 µg/kg - ppb) in maize meal from Italy	Maize meal	Italy
2007	33	Alert	deoxynivalenol (DON) (1040 µg/kg - ppb) in pasta from Hungary	Pasta	Hungary
2007	35	Alert	deoxynivalenol (DON) (1104 µg/kg - ppb) and zearalenone (84 µg/kg - ppb) in tortilla chips from Belgium	Tortilla chips	Belgium
2007	38	Alert	deoxynivalenol (DON) (828 µg/kg - ppb) in tortilla chips from Belgium	Tortilla chips	Belgium
2007	39	Alert	deoxynivalenol (DON) (912 µg/kg - ppb) in tortilla chips from Belgium	Tortilla chips	Belgium
2007	40	Alert	deoxynivalenol (DON) (977 µg/kg - ppb) and zearalenone (94 µg/dm <sup>2</sup> ) in tortilla chips from Belgium	Tortilla chips	Belgium
2007	43	Alert	deoxynivalenol (DON) (1400 µg/kg - ppb) in tortilla chips from Belgium, via Germany	Tortilla chips	Belgium
2007	49	Alert	deoxynivalenol (DON) (2521; 2706 µg/kg - ppb) in wheat from France. The alert concerns two deliveries of durum wheat (and not common wheat). For this product category, the maximum legal level set for DON is 1750 µg/kg (and not 1250 µg/kg).	Wheat	France
2007	51	Alert	deoxynivalenol (DON) (1601; 1350; 1741 µg/kg - ppb) in wheat from France	Wheat	France
2007	51	Information	deoxynivalenol (DON) (1453 µg/kg - ppb) in popcorn from the Slovak Republic, raw material from Hungary	Popcorn	Slovak Republic



# DON Management in wheat

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- Good agricultural practices:

- ▣ Cultivar sensitivity to fusarium

Resistant cultivars are scarce, not adapted to all agroclimatic conditions and technological needs (no resistant biscuit wheat cultivars to date)

- ▣ Crop rotation

Avoidance of corn / wheat rotation is impractical in major corn growing areas

- ▣ Inconsistent agricultural advices

Minimum tillage has been promoted as an environment and biodiversity friendly practice

# CAOBISCO/ESA/CEEREAL Proposal

Consistency between limits for categories of materials and products to commit effective compliance:

- 2.4.5 - Pasta (dry), rusks, crispbreads, crackers, plain dry biscuits, whole grain fine bakery wares, breakfast cereals and savoury cereal based snacks: <750 ppb
- 2.4.6 Bread (including small bakery wares), pastries, biscuits other than 2.4.5 : <500ppb