

Food and catering services: Procura⁺ Key Criteria – Extended version

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1 Introduction

1.1. Key environmental/social impacts

Impact		Approach
<ul style="list-style-type: none"> The use of chemical fertilisers and pesticides, resulting in local water and soil pollution and negative impacts on human health 	→	Increase the share of organic food
<ul style="list-style-type: none"> Small-scale producers of products imported from developing countries (e.g. coffee, tea, fresh fruit and juices, chocolate) receiving a low wage and working under poor conditions. 	→	Increase the share of Fair Trade products

The largest life-cycle environmental impacts relating to the foodstuff sector occur during the production/cultivation stage, where the negative impacts mainly result in eutrophication, acidification and ecotoxicity, due to the use of chemical fertilisers and pesticides. These have significant effects both on water and soil contamination. Agricultural activities, the way they are organised nowadays, also contribute to global warming, loss of biodiversity, land-use and soil erosion. Other significant life-cycle impacts relate to energy consumption during food processing and, especially, transportation, and the use of resources in product packaging.

Furthermore, international trade does not benefit everyone in the world. Many of the small-scale agricultural producers in the developing world who cultivate the food we eat (e.g. coffee, tea, fresh fruit and juices, chocolate) live in poverty, receive a low wage and work under poor conditions. This has led to the emergence of the concept of Fair Trade, which aims to guarantee that producers in less developed countries receive a fair price that not only reflects the true costs of their production and work, but also makes socially just and environmentally sound production possible.

1.2. Procurement considerations

European public authorities are major consumers of foodstuffs for use in canteens, vending machines and catering at events and meetings. This purchasing power represents a huge opportunity for boosting the market share of organic and Fair Trade products.

In many cases public canteens are now run by private catering companies with service contracts awarded through a competitive tendering process. The criteria presented take this trend into account and present a slightly adapted version for use when tendering services to private or public companies.

1.3. Cost implications

A key concern expressed by many consumers in relation to organic produce is that it costs more. In most cases the products themselves are more expensive (by varying degrees depending on the type of food), although there has been a significant narrowing of this gap in recent years. However, this does not mean that the costs of catering will necessarily spiral if organic produce is introduced. The following issues need to be considered here:

- **Appropriate target setting and prioritising food types:** Although the supply of organic produce continues to increase in most European countries, for some foodstuffs significant price differences between organic and non-organic products still exist. As a result, purchasing 100% organic in some contexts is unrealistic in the short to medium term. Therefore, appropriate target setting must take local market conditions into account when determining what is affordable.
- **Organisational measures and appropriate menus:** If the approach taken is simply to focus on purchasing organic products then prices will inevitably rise. However, if this initiative is combined with an examination of current catering practices and the approach to menu setting, then it is possible to achieve substantial savings which can offset and even exceed the additional costs of organic produce. This is looked at in more detail in the *Further Ideas* section below.
- **Price capping:** Using organic/Fair Trade produce as an award criteria rather than a specification is one way to put a limit to any possible price increases, and can be used if you are uncertain about market conditions. However, this approach does not guarantee you will actually buy organic/Fair Trade products of course.

1.4. Relevant European legislation

In Europe, food products can only legally be called “organic” if they are produced in accordance with the *European Council Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs*. This regulation details how food must be produced, processed and packaged in order to be identified as organic and makes the procurer's job far easier in determining whether food products were produced organically or not. Also relevant is the *European Council Regulation No 1804/1999 of 19 July 1999 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs to include livestock*. This regulation defines rules on production, labelling and inspection of the most relevant animal species, covering, for example, animal welfare, disease prevention and the exclusion of GMOs from organic production methods.

On 6 July, 2006 the European Parliament adopted a resolution on Fair Trade and Development (A6-0207/2006) indicating the Parliament's full support for the concept of Fair Trade and defining a number of criteria which need to be fulfilled and urges the European Commission to issue a recommendation on Fair Trade.

2 Procura⁺ Key Criteria – Organic products

The Procura⁺ key criteria for food purchases and catering purchases presented here focus on increasing the share of organic produce purchased. Two versions of the criteria have been developed, depending on whether you directly purchase food products or if this is done by a contracted catering company. Both versions recommend the setting of minimum percentages of certain foodstuffs to be from organic sources with award criteria designed to reward even better offers. No exact minimum percentages for organic produce are offered here, as market conditions vary significantly between European countries. Some market research about possible price differences for different foodstuff groups is recommended.

Direct food purchases – organic products

Subject matter: *Purchase of food with a certain percentage from organic sources*

Specifications: *X% of [insert name of foodstuff(s), e.g. X% of vegetable, X% of dairy] by weight [insert weight] must be organic and thereby in compliance with EEC Regulation 2092/91 of 24 June 1991 on organic production of agricultural products and EC Regulation 1804/1999 of 19 July 1999, which specifically refers to organic products of animal (livestock) origin*

Award criteria: *The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:*

- *Share of organic produce: 10 points (out of 100). Points awarded for an increase, by weight, in the share of organic produce for the foodstuff(s) (e.g. vegetable, dairy) included in the specification above the minimum level demanded*
- *Other: 90 points (out of 100)*

Catering services – organic products

Subject matter: *Contract for catering services including the provision of organic produce*

Specifications: *'X% of [insert name of foodstuff(s), e.g. X% of vegetable, X% of dairy] by weight [insert weight] must be organic and thereby in compliance with EEC Regulation 2092/91 of 24 June 1991 on organic production of agricultural products and EC Regulation 1804/1999 of 19 July 1999, which specifically refers to organic products of animal (livestock) origin*

Award criteria: *The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:*

- *Share of organic produce: 10 points (out of 100). Points awarded for an increase, by weight, in the share of organic produce for the foodstuff(s) (e.g. vegetable, dairy) included in the specification above the minimum level demanded*
- *Other: 90 points (out of 100)*

Implementation notes



Specifications: Due to greatly varying market conditions in different EU countries it is not possible to recommend specific minimum percentages for the different food types. It is advisable to carry out some market research to determine what percentage of organic foodstuffs (e.g. vegetables, dairy, cereals) to demand, without substantially increasing costs. This percentage can be gradually increased in future tenders. See Section 1.3 for more advice on other aspects that can be considered to keep costs down. Where there is no possibility to carry out market research this can be used as an award criterion instead of a specification.



Contract clauses: The organic produce requirements must be clearly included within the contract signed with the winning supplier, together with appropriate monitoring mechanisms and strict penalties for non-compliance. This is particularly relevant for catering service contracts.



Award criteria: The exact point scheme used and the aspects considered will depend on the tendering authority.

3 Procura⁺ Key Criteria – Fair Trade products

Two sets of criteria have been developed for demanding Fair Trade products in tenders, again depending on whether you directly purchase food products or if this is done by a contracted catering company.

Fair Trade versions of a number of different foodstuffs are now available: Beverages (tea, coffee, fruit juice, cocoa, wine, beer), chocolate, fresh and dried fruit, nuts and cereals (e.g. rice, quinoa). The criteria sets below can be adapted to focus on any of these foodstuffs.

No exact minimum percentages for Fair Trade products are offered here, as market conditions vary significantly between European countries. Some market research about possible price differences for different foodstuff groups is recommended.

Direct food purchases – Fair Trade products

Subject matter: *Purchase of coffee with a certain percentage from Fair Trade sources*

Specifications: *X% of coffee products must be produced in compliance with the parameters of the European Parliament Resolution on Fair Trade and Development (A6-0207/2006)*

Verification: *Suppliers must provide credible proof that these criteria are met. Products carrying a Fair Trade label, or imported and distributed by Fair Trade Organisations, will be deemed to comply.*

Catering services – Fair Trade products

Subject matter: *Contract for catering services including the provision of Fair Trade products*

Specifications: *X% of coffee, tea, chocolate, tropical fruit, and tropical fruit juice products offered in carrying out the catering services must be produced in compliance with the parameters of the European Parliament Resolution on Fair Trade and Development (A6-0207/2006)*

Verification: *Suppliers must provide credible proof that these criteria are met. Products carrying a Fair Trade label, or imported and distributed by Fair Trade Organisations, will be deemed to comply.*

Implementation notes



Specifications: Some potential legal issues to purchasing Fair Trade products have been raised within EU public procurement regulations. Although no definitive advice can be given, legal concerns can be minimised to make Fair Trade procurement work successfully. For more information on Fair Trade products see Buy Fair – A Guide to the public purchasing of Fair Trade products in the attached CD-ROM, also available at www.buyfair.org



Specifications (percentages): Due to greatly varying market conditions in different EU countries it is not possible to recommend specific minimum percentages for Fair Trade produce. It is advisable to carry out some market research to determine what minimum percentage to demand, without substantially increasing costs. This percentage can be gradually increased in future tenders. See Section 1.3 for more advice on other aspects that can be considered to keep costs down. Where there is no possibility to carry out market research this can be used as an award criterion instead of a specification.



Specifications (choice of products): If any of the products indicated in the introduction are grown locally (e.g. tropical fruit or fruit juices) the public authority may wish to leave this product out of the list.



Verification: The criteria behind product labels (such as FLO) can be used by procurers, however it cannot be specified that a product must have a certain label. The labels themselves can also be used to prove compliance with criteria, but other forms of proof must also be accepted. For more information on using product labels see Chapter III.



Contract clauses: The Fair Trade produce requirements must be clearly included within the contract signed with the winning supplier, together with appropriate monitoring mechanisms and strict penalties for non-compliance. This is particularly relevant for catering service contracts.

4 Further ideas

Fish and fish products

Fish is an increasingly popular source of protein and lifestyle food choice. But there are large concerns about the impacts of fishing practices both on fish stocks and marine ecosystems more generally. Approximately 52% of the world's fisheries are fully exploited and approximately 24% are overexploited, depleted or similar. Two thirds of Europe's fish stocks are considered as being overexploited. In some fisheries large amounts of unwanted fish are caught together with the fish being targeted – commonly termed as bycatch. Much of this bycatch is discarded and does not survive. In other fisheries there is an incidental catch of seabirds, turtles or marine mammals, including some threatened species. Some fishing practices cause damage to seafloor communities. One of the worst of these is the use of cyanide and dynamite to catch fish in tropical fisheries resulting in the widespread destruction of coral reefs. Common fishing practices such as bottom trawling and dredging can also damage seafloor communities when used inappropriately.⁶

The Marine Stewardship Council (MSC) labels fish and fish products originating in sustainable fisheries, ensuring the avoidance of fish stock depletion, an active approach to the recovery of already depleted stocks, minimal ecosystem impact, and an effective management system.

As with the issue of Fair Trade outlined above, it is possible to refer to the criteria covered by a particular product label in tendering specifications. As such, it is possible for purchasers to ask for compliance with MSC criteria (available in several languages at: www.msc.org), and allow the label to be used as proof of compliance, along with the possibility of suppliers providing other credible forms of proof.

Currently, there are relatively few MSC certified fisheries, and consequently the supply of certified fish on the market is small. However, public procurers can take an active role in encouraging an increase in certification by providing an incentive in the award phase of a contract for suppliers who offer MSC certified fish.

Catering practices

A complementary approach to the introduction of organic produce into public canteens, as presented in the *Cost Implications* section above, would involve the examination of the menus and catering practices of the publicly run canteens. The types of food products purchased are of course determined by what is on canteen menus, and the type of food chosen can have significant environmental consequences. One attractive option is to develop a more seasonal approach to menus, only offering the food that is produced locally within the appropriate season. In this way, food transportation will be minimised and the local agricultural community will benefit. The production of meat generally has a higher environmental impact than that of vegetables. Meat also tends to be more expensive, providing more reason to increase the vegetarian dishes offered.

As the case study from the City of Kolding in Box 1 below demonstrates, significant financial savings are possible by carrying out a thorough review of catering practices as a first step. In this case, the expert analysis of the practices in a number of local canteens resulted in substantial cost cutting allowing a greater proportion of organic food to be purchased without incurring additional costs.

One of the goals of the City of Kolding, Denmark, is to ensure that environmentally conscious kitchen operations are implemented in public canteens. The City faced a challenge in finding organic products at affordable prices due to the lack of local suppliers, but found a solution to this challenge based on reducing the amount of purchases that were needed. The actions were very successful: within a few

⁶ Peacey, "The Marine Stewardship Council Fisheries Certification Programme: Progress and Challenges" available at www.orst.edu/dept/IIFET/2000/papers/peacey.pdf

months 20 out of 30 participating kitchens had reached the goal of having a minimum of 20% of purchases being organic with the best achievement being 62% in one kitchen.

The following actions led to success:

Utilising existing opportunities and resources: The City researched the availability of local and regional solutions. As the result, ten kitchens in the City of Kolding joined the regional project, where kitchen professionals and environmental experts joined forces to create kitchens where healthy food was produced with minimal environmental impacts.

Involving experts: Experts with a thorough knowledge of the market for organic food products assisted kitchen staff to find suppliers and make the necessary contracts, etc.

Identifying cost reduction potentials: Purchasing patterns and cooking habits were examined in the participating kitchens and mapped in order to identify the options with the most favourable economic savings, for example: the change of recipes, where some meat was replaced with vegetables; technological solutions that could reduce the consumption of water and energy; changes in cooking practices; and training of the kitchen staff.

Using savings achieved from sustainable procurement: Resulting savings were then used to increase the amount of organic food products used, creating a cost neutral solution.

Box 1. Reducing costs by re-organising and setting appropriate menus in Kolding, Denmark

Transportation

As mentioned in the introduction, there are several other aspects which may be considered to further reduce the environmental impact of purchasing decisions. The transportation of food products, and thereby the fuel consumed, is also environmentally important particularly in terms of CO₂ emissions. This is extremely relevant in relation to fresh food flown in from outside Europe. However, long-distance land or sea transportation should also be minimised, although not at the expense of organic production, as explained above. Hence, support for local organic production is advisable, where possible, and best achieved by ordering products in season in the respective region.

Genetically modified organisms (GMOs)

The three main genetically modified crops are maize, soy and cotton. There are several issues for the environment concerning genetically modified crops: gene flow, loss of biodiversity, use of pesticides can result in an increase in weed and insect resistance and soil, food and water toxicity. The possible impacts on human health caused by GMOs still remain largely unknown, whilst the economic effects of increased costs for genetically modified seeds may spell disaster for farming communities, especially in developing countries¹.

Public procurers can demand GMO free foodstuffs in tendering, as long as this is explicitly mentioned in the subject matter of the tender.

5 Relevant product labels

¹ Information source: The WWF Web Site, specifically:
www.panda.org/about_wwf/where_we_work/europe/what_we_do/epo/initiatives/agriculture/common_ag_policy/cap/problem/modified_crops/index.cfm



The International Fair Trade Association (IFAT)

www.ifat.org



Fairtrade Labelling Organizations International (FLO)

www.fairtrade.net



Marine Stewardship Council (MSC)

www.msc.org



EU-Organic Product Label
(production compliant with EEC Regulation 2092/91)



Demeter (branding products produced in compliance with Biodynamic principles)

www.demeter.net