

# Euro Coop Flash

JANUARY 2013

## Co-operative Governance

### Coop Israel joins Euro Coop as observer member

Coop Israel, a consumer co-operative member of the ICA and CCW, has joined Euro Coop as an observer member.



As Euro Coop's first observer member, Coop Israel will be able to access Euro Coop publications, participate in events, collaborate on working group projects, and contribute to the organisation's governance.

Euro Coop welcomes Coop Israel and looks forward to their input as an observer member.

### Euan Sutherland named new CEO of The Co-operative Group

On 19 December, The Co-operative Group (UK) announced that Euan Sutherland, currently the Chief Operating Officer of home improvement retailer Kingfisher plc, will succeed Peter Marks as its Chief Executive.



"The Co-operative is a great brand and I am very pleased to be given the opportunity to lead the organisation at this important time. The challenge is to build upon the success that has been achieved in recent years and the solid foundations that have been laid for its future growth," said Sutherland.

Sutherland will take on the position this May following Mr Marks' retirement.

## Enterprises Policy

### Coop Netherlands grows revenue by 4% in 2012

Despite pressures on consumer spending, Coop Netherlands' supermarkets increased sales by 4.4% in 2012 for a total of €907 million, up from €869 million in 2011.

The co-operative estimates that over € 38 million originated from the addition of new stores, including thirteen of 54 acquired from Jumbo Supermarkets.



At the end of 2012, Coop Netherlands counted 220 supermarkets. The consumer co-operative hopes to open 30 more in 2013 and attain €1 billion in sales.



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COOPERATIVE ENTERPRISES BUILD A BETTER WORLD

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## Euro Coop members announce new store openings

Consumer co-operatives SOK Corporation (Finland) and The Co-operative Food (UK) opened new stores before the New Year.

SOK opened two new Prisma hypermarkets in St Petersburg, Russia, one covering 8,300 square meters and the other 8,400 square meters.

SOK now counts fourteen stores, five of which were opened this year, plus a logistics centre in St Petersburg, and aims for a total of 30.

The Co-operative Food opened its 83<sup>rd</sup>

new store of 2012 on 20 December 2012, its fifteenth of the month.

The store openings figure into the co-operative's long-term programme to expand and invest in its stock of food stores.

This year, the consumer co-operative additionally completed two major business acquisitions, including ten Costcutter stores and the 28 stores of Scottish convenience retailer David Sands.

## Coop Norway empowers producers through Taste the Difference competition

Coop Norway recently announced family business Stangeland Crusher as the Grand Prize winner in its 'Taste the Difference' competition, which offers Norwegian producers the chance to sell their specialties under the Coop Taste the Difference own brand label.

Stangeland Crusher was chosen for two of its oatmeal products, winning 250,000 NOK in entrepreneurial support and a supply agreement with Coop Norway.

The second place contest winner was Ervikfisk and its line-caught cod, catfish and halibut products, and MS Donna secured third place with its raw crab.

Though not all received prizes, all ten finalist products will be launched under the Coop Taste the Difference Brand.

In total, 35 manufacturers and more than 80 products competed for the prizes.



## Environmental Policy

### Advisory Group discusses proposal on organic products

Euro Coop recently participated in a meeting of the enlarged Advisory Group on organic farming to discuss the inputs for the proposal on organic products that will be published and adopted in 2013.

The most relevant elements of the proposal will be the international dimension of trade exchanges, administrative burdens and problems with the certification organism, GMO and coexistence, the internal market, controls and production and consumer information.

Concerning international trade, there is a need for a system of equivalence and recognition of certificates to manage imports and exports.

It was additionally proposed to have a collective certificate system to solve the administrative burden and problems with controls.

Euro Coop believes that there is a lack of supply to cover the demand of organic products and information in order for consumers to make smart choices.

## Parliament Committee opts for more sustainable fisheries reform

On 18 December, the European Parliament PECH Committee approved a report from German MEP Ulrike Rodust on the basic regulation for the reform of the Common Fisheries Policy (CFP).

The approved report supports the proposal of the European Commission, which called for more sustainable reform, and included the following measures:

- a ban on discards, meaning that from 2014 all caught fish, including those below the minimum size to be sold, must be brought to port and counted in

- the national fishing quota;
- maximum sustainable yields (MSY) to recover fish stocks from 2015;
- multiannual plans with a scientific basis to manage fisheries with reliable data and allow fishermen to better invest in the sector;
- voluntary transferable fishing concessions within Member States;
- a ban on overfishing outside the EU waters for EU fishermen.

Under the proposal, failure to comply

with any of the provisions will result in a loss of financial aid.

Producers will also be more represented in regional advisory councils, and management decisions will be made more at regional and local level.



## Euro Coop participates in EESC hearings on sustainable development



On 18 December, Euro Coop participated in two public hearings hosted by the European Economic and Social Committee (EESC) related to sustainable development.

The first hearing, co-organised by the

European Commission, gave civil society representatives the opportunity to discuss the Commission's public consultation on the EU follow up to the Rio+20 negotiations.

During his intervention, EU Commissioner for the Environment Janez Potočnik expressed his intention to bridge Sustainable Development Goals (SDGs) with the Millennium Development Goals.

Euro Coop is currently working on its response to the consultation, which will inform the Commission's upcoming Communication on Rio+20 follow up.

The other hearing addressed the results of the European Commission's consultation on its post-2015 development framework and allowed participants to give feedback on the Millennium Development Goals post-2015.

# Food Policy

## In light of new studies, Europe still mulling over food taxes

Many more European countries are looking at introducing food pricing policies, including taxes on unhealthy foods, according to the World Health Organisation Regional Office for Europe.

The WHO will soon release a list of "action points", based on the new evidence on food taxes that will become available over the next six months, particularly the new data on Hungary's food taxes and the lessons learned from the Danish saturated fat tax.

At the same time, the scientific community is divided on the positive

effects of taxes on consumer behaviour.

If a comprehensive investigation of 32 modelling studies published in OECD countries shows that taxes on foods high in sugar and fat as well as subsidies on fruits and vegetables could improve diets, another study from New Zealand offers a different interpretation.

Instead of taxing unhealthy food, more promising results were gleaned from studies on subsidies to promote healthier foods.

Despite these reservations, the New Zealander report concludes that pricing strategies have the potential to produce improvements in population diets, at least in developed countries.



## Food Policy (cont)

### Coop Norway guarantees sausages free of gluten and lactose

Coop Norway sausages are now guaranteed gluten- and lactose-free, being produced in a Coop manufacturing plant where the meats are never exposed to milk or gluten.

All the sausages under Coop's own brands (Coop and Taste the Difference) will carry a "Food Without" label to inform consumers of the guarantee.

"Sausages are an important feature of Norwegian cuisine. It is therefore natural for us that sausages are the first product groups to be completely free of allergens", said Hege Berg-Knutsen, own brand manager at Coop Norway Trade.



### European Commission to study effects of own brands, market concentration on food sector

The European Commission plans to carry out a study to determine whether increased market concentration and the use of own brand products reduce choice and innovation in the European food market.

The study is a response to the inability of retailers, food processors, farmers and meat producers within the High Level Forum for a Better Functioning Food Supply Chain to reach an agreement on the voluntary implementation of best commercial practices.

The study will measure the variety of products available in supermarkets in a given shopping area and the level of innovation in the food sector in recent years by determining the range of new products offered.

A statement from the Commission highlighted the concerns of many actors, including the Parliament, consumer organisations, national competition authorities and food producers, that unfair practices have reduced investment and variety in the food supply chain to the detriment of consumers.

EU Commissioner for Competition, Joaquin Almunia, said the results would inform the Commission's impact assessment on unfair trading practices, which may lead to legislation.

## Consumer Policy

### Hispancoop holds press conference on product safety

Hispancoop held a press conference in December at the National Consumer Institute (INC) with CECU, the national organisation for consumers, to present a project on product safety developed with a grant from the INC and the Ministry of Health, Social Services and Equality.

The project involved the creation of a guide, knowledge test and six informational videos that train and inform consumers about how the market is monitored to prevent the sale of unsafe products.

The materials are available on both organisations' websites.

Pilar Farjas, the general secretary for consumer health, congratulated both associations for taking forward the initiative to disclose government action on product safety and named some of the risks that consumers face.

According to Ms Farjas, the products that receive the most alerts are toys, string lighting, clothes, pacifiers, joke items, costumes and decorative elements.

In 2011, the national network received 2,610 notifications, of which 1,880 were from various European bodies, 610 from the regions and 192 from the National Consumer Institute itself.



On 10 January, EU officials kicked off the 2013 European Year of Citizens in Dublin with European Commission President José Manuel Barroso, Commissioner for Justice Viviane Reding and representatives of the Irish Presidency of the EU.

Through the European Year of Citizens, the EU hopes to increase awareness of European rights and responsibilities among citizens, create a dialogue with citizens on a vision for 2020 and pre-

vent high abstention rates in the June 2014 European elections.

The year will see a range of events, conferences and seminars and a strengthening of the visibility of the multilingual Europe Direct and Your Europe web portals to improve information on citizens' rights.

The Commission also plans to publish a second EU citizenship report that will serve as an action plan to remove

any remaining obstacles preventing EU citizens from fully exercising their rights.



## SOK store renovations cater to needs of consumer-members

SOK Corporation's Limingantulli Prisma Center in the Oulu region of Finland is currently undergoing renovations to better serve consumer-members without disrupting the current services offered.

The supermarket will be expanded to 23,000 square meters from 16,000 square meters to accommodate new furniture, refrigeration systems, lighting and cash registers, and a grocery service counter double in size.

The shopping center will also have a bakery, hair salon, home delivery service and ski and skate maintenance area.

The nearby ABC service station will move to a new location in order for the number of fueling points to double, and the

supermarket parking lot will provide several hundred more spaces.

All of these renovations will increase the number of employees from 20-30 to 150, creating much-needed jobs in the region.



## Euro Coop Agenda

### January 2013

- 22 Cooperatives Europe Development Platform meeting; Cooperatives Europe, Brussels, BE
- 23 Meeting of the core expert group on B2B relations; Brussels, BE
- 31 Meeting of the Advisory Group on energy and non-food crops; Brussels, BE

### February 2013

- 7 **Euro Coop Presidency meeting; Brussels, BE**
- 7-8 European Consumer Consultative Group meeting; Brussels, BE
- 8 DG SANCO Working Group meeting on food waste and food losses; Albert Borschette Conference Centre, Brussels, BE
- 19 Meeting of DG AGRI Advisory Group on quality; Brussels, BE
- 21 Retailers' Environmental Action Programme (REAP) meeting; ERRT offices, Brussels, BE
- 28 Meeting of the Co-operative Identity Working Group; Sofia, Bulgaria
- 28 EU Platform on Action for Diet, Physical Activity and Health; Brussels, BE

### March 2013

- 7 **Euro Coop workshop on innovation on products and services; Brussels, BE**
- 7 **Euro Coop Board meeting; Brussels, BE**
- 12 EUCC meeting: Cooperatives Europe offices, Brussels, BE
- 13 SENSE project meeting; Brussels, BE
- 25-26 ICA Board meeting; Moscow, Russia

Please do not hesitate to contact us for further information on any of the issues mentioned in this publication.