

Commissioner Elżbieta Bieńkowska
Member of the European Commission
Internal Market, Industry, Entrepreneurship and SMEs

Brussels, 28 June 2018

Dear Commissioner Bieńkowska,

European Commission has emphasized several times that bigger role should be given to green, social, innovative and qualitative aspects of public procurements, including the objectives of circular economy. Therefore, in order to truly put these aspects into practice, I am convinced that special attention should be given to **food sector** which is of crucial importance for our society. Let's not forget that public sector institutions as centres of procurement represent a large portion of food people eat every day. However, the current statistics show worrying trends. According to the World Health Organization, around 1 in 3 children in the EU aged 6–9 years were affected by obesity or excess weight in 2010. This constitutes a major public health concern. Healthy eating is the key to maintaining and improving health and helps to bring about a better quality of life and sustainable health systems. But to achieve that objective public procurement procedures must follow the principle of short food supply chains, which promotes purchase of locally produced food and is an important factor in self-sufficiency.

We owe this to current and future generations, which is why I strongly advocate for **the purchase of locally produced food in kindergartens, schools, homes for the elderly and hospitals**. It is society's most vulnerable groups which are involved here and they need to be treated with particular care. Food plays a key role in this context. In practice, the current public procurement system is still too often based on the lowest price, therefore a large proportion of the food in public institutions is cheap food produced globally, which is often of lower quality and poor in nutrition. Locally produced food, that is of high quality, fresh, nutritional and rich in vitamins is found all too rarely on the plates. The existing legislation allows given lots of goods and services to be excluded from public procurement procedures if the estimated value of a lot is less than EUR 80 000 and the total value of all lots does not exceed 20 %. My home country Slovenia already uses this exemption when purchasing food, but the practice shows that this exception is not enough in order to make a real step towards healthy and quality food; also it is very difficult for contracting authorities to implement it.

All too often we forget that the purpose of public procurements is not solely to ensure competition and the lowest prices; it should also help to meet other objectives – environmental, demographic, social and health. Are economic interests the only thing that matters when it comes to such a vital issue as food? I am firmly convinced that when choosing between competition and health we simply have to give priority to health, otherwise sooner or later we will have to pay the price for our actions, and it will not be cheap.

Let us not forget what short food supply chains and locally produced food can bring to our societies. It is not only the question of **enhancing and maintaining health**, but it also positively affects **the environment**. Short food supply chains have a smaller carbon footprint and produce lower transport-related emissions, and are therefore much more environmentally friendly. They also require substantially less packaging. Secondly, increased consumption of locally produced food **boosts domestic agriculture and create new jobs**. Every year, over 250 000 public authorities in

the EU spend around 14 % of GDP, equalling EUR 1.9 trillion, on the purchase of services, works and supplies, among which food represents a sizeable share. Because of this, public institutions have the potential to drive the market and encourage healthier food diets. In Slovenia there is over EUR 200 million spent on food products in public establishments every year (some estimations go up to EUR 500 millions). A 1 % increase in self-sufficiency in Slovenia could create up to 1 000 new jobs.

Moreover, shorter food supply chains mean also **less food waste**. In the European Union we throw away 88 million tonnes of food a year, at the same time as 55 million Europeans cannot even afford a good-quality meal every other day. Some 377 000 tonnes of tomatoes alone are discarded every year in the EU. In addition, by introducing shorter food supply chains there are also **fewer unfair trading practices**, through which big businesses often pressure smaller, weaker farmers into a vulnerable and powerless position. Closer links between producers and final consumers mean fewer intermediaries, making it easier for producers to achieve a fair price for their products. The quality of locally produced food can also be better monitored since it is produced on the basis of domestic standards, and the entire food supply chain is more transparent.

As we can see by **increasing the purchase of the locally produced food in kindergartens, schools, homes for the elderly and hospitals** we gain to achieve many important objectives that European Commission puts high on the agenda. The question of the quality of food is thus a question of a healthy future, therefore I strongly argue it needs a special attention and specific organizational approach in the procurement process.

Existing EU legal framework for public procurement does not classify food as an exception and it does not allow for exclusion of food from public procurement system. However, the crucial question is whether this field could be specifically regulated below the EU public procurement thresholds for the reasons fully explained above? As we know, above thresholds EU rules including the public procurement Directives are fully applicable. Yet my question is, whether below the EU thresholds, Slovenia or any other EU member state can arrange the purchase of food for kindergartens, schools, hospitals, homes for the elderly and other similar public institutions in a way that locally grown food is put at the centre, while at the same time respecting the fundamental principles and main objectives of public procurements, including efficiency, transparency and accountably.

Let me once again emphasize that by doing so we would bring healthy, seasonal locally produced food to the most vulnerable groups of our society, improve public health, shorten the path from farm to fork, increase self-sufficiency, reduce the food waste and promote agricultural development. It would also help in achieving the green and sustainability goals of the Europe 2020 strategy. We need to make our health a priority again!

I look forward to receive your reply and hope that together we can find a way to make the "Farm to Fork" slogan a reality.

Yours Sincerely,

Dr Igor Šoltes

