

Product Board

Margarine Fats Oils



Vision Statement
2011- 2015

The margarine, fats and oils sector

Representing a production value averaging 4.6 billion Euros, the margarine, fats and oils sector is one of the main agribusiness sectors in the Netherlands. The sector has both a vegetable and an animal component. The companies included in the chain are the processors of oilseeds, the manufacturers of rendered animal fats, the companies that refine oils and fats and then process them, the manufacturers of margarines and sauces, the oleo chemistry, the collectors and recyclers of used oils and fats, the traders in oilseeds, oils and fats and other products, the tank storage companies and the specialised transporters.

Over 90 percent of the vegetable raw materials are imported. North and South America are mainly sources of soy beans, while South-east Asia is the main supplier of tropical oils. From Eastern Europe we primarily import rapeseed and sunflower seed. The Dutch animal fats sector depends on the domestic market for its supply of raw materials. Animal fats rendering plants derive their raw materials from slaughterhouses.

Ranking after Germany and Spain, the Netherlands are the third-largest processor of oilseeds in Europe and may count itself among the main European producers of refined and processed vegetable fats and oils.

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Introduction

The Vision Statement 2011 - 2015 of the Product board for Margarine, Fats and Oils (henceforth: MVO) answers questions such as: what is the mission and what are the core values of MVO? Where does the product board stand in relation to trade associations, trade unions and external stakeholders? In which focus areas is MVO active, and what are its ambitions in each area? And also: in which way is the business community involved in these activities and what efforts does MVO make for the employees in the sector?

In conjunction with the business community, the Product board MVO is committed to an internationally competitive sector that takes its social responsibilities seriously. We are convinced that we can only fulfil this mission if we work closely together with the sector's companies and employees. Thus, employers and trade unions are in control of the product board. In this view, it is only fitting that the Vision Statement 2011- 2015 has been realised in close consultation with the trade associations, the trade unions and the MVO working groups.

The MVO sector is in good shape. Over the past years, the image of oils and fats has improved and many investments have been made. Still, there are plenty of challenges left. This Vision Statement 2011 - 2015 outlines our schedule for the years to come. In the next few years, we shall put this vision into practice with huge enthusiasm and conviction, as we'll continue to work closely with the sector.

Handwritten signature of Wim Oosterhuis in black ink.

Wim Oosterhuis
Chairman

Handwritten signature of Frans Claassen in black ink.

Frans Claassen
General manager





Identity mission and core values

Mission

In conjunction with the business community, the Product Board for Margarine, Fats and Oils MVO is committed to an internationally competitive sector that takes its social responsibilities seriously.

Core values

MVO operations are based on a vision of the future in which attention is focussed both on the interests of the sector and on the public interest. When realising our vision of the future, we are:

Committed

We are committed to the entire oils and fats chain and provide a platform for consultation, public opinion and fine-tuning.

Conscious of our environment

We continue working on good relations with (National) government, civil society organisations, politics, science, chain parties and media.

Service-minded

We offer added value to companies in the entire oils and fats chain based on professionalism.

In doing so, we opt for a creative and proactive approach, in which the continuous pursuit of good internal and external collaboration as well as open communications define our behaviour.

Position

As a result of its position as a chain organisation and a statutory body, the Product Board MVO is the intermediary between companies, employees and external parties. We are an information source, service provider, coordinator, initiator and booster.



The Product Board MVO is the extension of individual companies and trade associations and is able to efficiently carry out and pursue the activities and objectives desired by society as well as the sector. MVO is funded entirely by the companies in the chain and administrated by employers and employees. Together they decide what the priorities are and which activities need to be developed by the product board.

Tasks

What the Product Board MVO does for the sector and for society as a whole:

Platform

We bring together parties from the entire oils and fats chain and provide a platform for consultation, public opinion and fine-tuning.

The sector (employers and employees) itself decides on the product board's priorities and activities. By combining forces the sector works effectively and efficiently.

Advocate

We protect the interest of the sector as a whole and act as spokesperson in the case of sector-wide topics and activities.

For topics such as health claims, sustainable development of the production of palm oil or soybeans/ soybean oil, genetic modification, trade policy, quality and food safety, 'fat tax', and so on, we act as spokesperson on behalf of the sector and we enter into dialogue with chain parties, government, politics, civil society organisations, science, education and media.

Self-regulation

We achieve objectives that bear on the entire chain and that do not merely serve the interests of individual companies or the sector, but also serve the public interest as a whole.

We are convinced of the power of self-regulation to achieve strategic (social) objectives. Self-regulation has proven its worth in the fields of, for instance, sustainable supply of raw materials, energy saving, supply chain transparency, food safety and improving the fatty acid composition of foodstuffs. Self-regulation will become even more important in the years to come, when the government will continue to scale down as a result of budget cuts.

Knowledge

We act as a source of reliable and balanced information and actively analyse our knowledge, which we share with the sector (companies and employees).

Knowledge is at the basis of our activities. We are the knowledge centre of the sector, and on behalf of the sector we give account on products, production methods, developments, priorities, visions and points of view.

Structure

Management

The management is responsible for the framework and the outlines of the policy to be pursued. The executive board manages the equity and the receipts and expenditure of the product board.

Working groups

The working groups for the various focus areas prepare and implement points of view and activities. The working groups report to the management on progress and results. Apart from regular consultation within working groups, consultation on topical subjects takes place in ad hoc working groups.

Fine-tuning

Subjects such as food safety, sustainable development, trade policy and health demand an (inter)national approach. This takes shape in consultation with various (inter)national trade associations.

Strategic sessions

The strategic sessions with the companies and trade unions cause all the companies to be committed to the policy and the activities of the Product Board MVO and enhance the shared vision of the future.

Communications

The Product Board MVO and the Information Bureau for Margarine, Fats and Oils attend to communications and act as spokespersons. In doing so, both organisations set out to strengthen the image of the oils and fats sector.

The Product Board MVO specifically addresses chain parties, governments, politics, media, civil society organisations and science.

The Information Bureau for Margarine, Fats and Oils acts for the following target groups: food information specialists, (youth) health care staff, education, catering industry, retail and media.

The Information Bureau for Margarine, Fats and Oils is an independent foundation with its own management. The costs incurred by the information bureau are defrayed by the product board and the Dutch Margarine Manufacturers Union (BNMF).

*We actively share our knowledge
with the sector:
companies and employees.*





Topics ambitions activities

In consultation with the sector we have chosen six topics regarding which the Product Board MVO represents an added value in relation to individual companies or national trade associations. These are topics that do not only bear on our companies, but have a social relevance as well:

Sustainable development

Biotechnology

Food and health

Quality and food safety

Employment and training

Market developments and innovation



Sustainable development

Sustainable development forms an integrated part of our way of thinking and acting. We aim for sustainable raw materials, production methods and products for the sector. That includes, for instance, energy saving, our ecological footprint, environmental impact and the reuse of residual flows and waste matter. The product board takes responsibility in the shape of facilitating, coordinating and communicating ambitions and results with regard to corporate social responsibility at sector level.

Ambition

The Dutch margarine, fats and oils sector sets the agenda in the field of sustainable development.

Activities

- we are active both in the Netherlands and at European/ international level, assuming equal competitive conditions;
- we support the sector in its aim to Rethink (supply of raw materials), Reduce (energy consumption, ecological footprint and environmental impact) & Reuse (reuse residual flows);
- we take an active part in sustainable development processes in related sectors (feed, bio fuel, food industry and retail), within the government and in collaboration with civil society organisations;
- we dedicate ourselves to transparency and communications about commitment and results achieved in our sector and the chains in which we are active;
- we develop a sustainability report for the sector.

Rethink making the supply of raw materials sustainable

Ambition

By the end of 2015, only sustainable raw materials will be used for palm oil, soybean oil and animal fats, and substantial steps will have been taken towards making other raw materials more sustainable.

Activities

- we are committed to expanding the support base for international initiatives (RSPO, RTRS) aimed at making the production of palm oil and soybeans/soybean oil more sustainable;
- we work together with chain parties, government (Dutch Sustainable Trade Initiative (IDH), Platform for More Sustainable Food) and civil society organisations to actively achieve the conversion to sustainable raw materials (Task Force Sustainable Palm Oil / Task Force Sustainable Soy);
- we communicate about production and consumption of sustainable raw materials (for instance palm oil, soybeans/soybean oil, animal fats) within the food industry, retail and to consumers.
- we initiate concrete action plans for making sunflower and rapeseed more sustainable; we aim for sustainable raw materials, production methods and products.

We are committed to sustainable raw materials, production methods and products.



Reduce **reducing the energy consumption, ecological footprint and impact on the environment**

Ambition

Energy saving in the scope of the MJA3 (20 percent in 2020) is on schedule. Concrete results have been achieved to reduce our ecological footprint. The sector has an understanding of the water footprint and has defined concrete steps towards improvement.

Activities

- in the scope of MJA3, we provide an insight into the target values and results;
- we analyse the sector's ecological footprint, formulate a concrete action plan to reduce it and enter into a discussion with chain parties to reduce the footprint of the entire chain;
- we carry out research and share knowledge in the field of logistic optimisation as well as for more stringent environmental requirements with regard to waste water, air, air pollution and noise nuisance;
- we take part in discussions about the impact on the environment in related sectors (feed, bio fuel, food industry and retail).

Reuse **reuse of by-products and residual products**

Ambition

By-products and residual products from the margarine, fats and oil sector are being deployed and applied at a high standard.

Activities

- we promote the high-quality use of by-products and residual products as it befits a bio-based economy;
- we are committed to the collection of used frying oils and fats.

Biotechnology

The admission and acceptance of genetically modified organisms (GMOs) in Europe is a subject that will continue to be hugely topical in the years to come. New GMO varieties and the introduction of technical solutions for varieties that have not (yet) been admitted are of major concern for the entire margarine, fats and oils sector.

Ambition

The admission and acceptance of GMOs in Europe stay in line with the trend in the rest of the world.

Activities

- together with chain parties, national and European governments and politics, we aim for solutions to the problems regarding GMOs that have not (yet) been admitted in Europe;
- we are committed to faster admission of new GMOs in Europe;
- we promote the support base for green biotechnology among civil society organisations, government, food industry and consumers;
- we follow and, wherever possible, support international research;
- we inform government and politicians about the importance and the consequences of GMOs;
- we are committed to bridging the gap between reality and perception with respect to genetically modified organisms.



Food and health

Healthy food is a subject that has a huge social impact. Over the past years, the image of oils and fats has improved, partly as a result of the commitment of the Product Board MVO and the sector. The results within the Task Force Responsible Fatty Acid Composition have brought about an improved fatty acid composition of the Dutch diet. Due to activities of the information bureau, knowledge about fats in a healthy diet has improved. Paying attention to the role of fats in diets continues to be important and will have to bring about behavioural change.

Ambition

Increased use of oils and fats that are consistent with a healthy diet.

Activities

To strengthen the image of oils and fats in relation to health and to promote the use of fats and oils that complies with a healthy and sustainable diet:

- we are committed to further improving the fatty acid composition of the Dutch diet;
- we expand and deepen the knowledge retail and food industry have about healthy and sustainable development of oils and fats.

For information to intermediary target groups (through the information bureau):

- we aim for unambiguous communications regarding the importance of fats in a healthy diet;
- we seek collaboration with government, NGOs, scientists and other chain parties (for instance the Netherlands Nutrition Centre and the dairy sector);
- we follow and initiate scientific research into developments in the field of fats and health, and we share this knowledge with the sector.

To create sufficient scope for product innovations in the field of fats:

- in close collaboration with the trade associations, we serve the interests of the sector at national and European level with regard to the development of new policy and legislation about, among others, claims and advertising, labelling, micronutrients and notices in the field of trans fat restrictions;
- we proactively participate in improving the healthy image of oils and fats at a European level.

We promote the use of fats and oils that are consistent with a healthy and sustainable diet.





Quality and food safety

The demanding modern consumer, downscaling by the government, the impact and risks of food safety issues and their consequences for the retail, feed and food industry define the importance of a proactive attitude on the part of MVO with regard to quality and food safety. Self-regulation, enhancing transparency and advocacy in relation to national, European and international governments and organisations continue to gain importance.

Ambition

A transparent sector that has guaranteed quality and food safety.

Activities

- we are the sector's representative and advocate in the field of quality and food safety;
- we follow and serve the sector's interests with regard to the establishment of national and European policy and legislation, particularly in the field of hygiene, contaminants and pesticides, as well as veterinary instructions;
- we promote Good Agricultural Practices and food safety (systems) in collaboration with national and international chain parties (among others in major Eastern European production areas of raw materials);
- we actively support the EFISC system;
- we actively support the Food Standard;
- we coordinate the contribution to GMP+ as regards content;
- we take action in case of food safety issues and are involved in the coordination during crises;
- we maintain and develop sectoral risk analyses in the entire chain.

Employment and training

To be able to attract and keep staff showing talent and ambition, both the margarine, fats and oils sector as a whole and the companies in the sector need to present and prove themselves as attractive employers. The Product Board MVO supports companies that aim for well-balanced supply and demand in the job market. By providing various training options for staff, the product board further commits itself to improving the knowledge position of employees.

Ambition

Employees are well trained and consider the margarine, fats and oils sector an interesting sector to be employed in.

Activities

- we continue with the collaboration between the trade unions and the product boards within the Dutch Embedding Employment project;
- we substantively flesh out the Dutch Employment and Training Programme of the Dutch government and the product boards;
- we enhance the relationship between the margarine, fats and oils sector and the educational institutions;
- we maintain the MVO Knowledge Centre and continue to expand it;
- we organise courses and workshops on:
 - Food Safety of vegetable oils and fats
 - *Sustainability of oils and fats*
 - Health and safety officer
 - The job market
- we develop concepts for social traineeships and implement them;
- we are committed to enhancing the collaboration with companies and trade unions in the field of labour.



Market developments

The product board has competitively non-sensitive information at its disposal in the fields of import, export, production and consumption that is important to the entire margarine, fats and oils sector. Thanks to expertise and an effective network, the Product Board MVO analyses and reports on the developments in government policy, politics and science as well as in civil society organisations. Thus the product board supports the operational management in the sector.

Ambition

The product board is the ultimate knowledge centre for oils and fats.

Activities

- we follow the day-to-day market, trade policy developments, trends and innovations;
- we follow national and international research and collaborate with major knowledge centres;
- we analyse market developments and competition data;
- we keep statistics;
- we make information actively accessible through websites, newsletters, factsheets, and quick scans as well as 'tailor-made' information.

Innovation

Ambition

The product board is well-informed on the opportunities and threats of the Biobased Economy thanks to which the sector can prepare itself for future developments.

Activities

- in conjunction with scientists and sector specialists, we explore the opportunities and threats regarding products based on animal and vegetable oils and fats. Our observations will focus on high-quality applications, the raw materials of which do not directly compete with existing (food) markets.



Trends and developments

The following social trends and developments will impact on the margarine, fats and oils sector in the 10-20 years to come.

Increase of world population

The world population will increase from 6 billion people today to 9 billion in 2050. As a result, the demand for oilseeds and animal and vegetable fats will double by 2030.

Increase of prosperity

The increase of prosperity in particularly non-western countries will result in an increased demand for animal and vegetable oils and fats for human consumption.

Climate change

Climate changes are expected to cause more fluctuations in weather patterns, resulting in larger harvest variations.

High prices for fossil fuels

By 2030, the population growth, increase of prosperity and decrease of exploitable available reserves will lead to price-rises of 50 to 100 percent compared to the prices in 2004. As a result, the demand for animal and vegetable oils and fats will increase.

Europe dependent on import

In the years to come, the supply reliability of raw materials for margarine, fats and oils will come under pressure. The growing demand will result in supply expansion in, among others, Eastern Europe, Asia and South America. Europe will continue to be strongly dependent on imports for its vegetable oil and fat and protein needs.

Strong price fluctuations

The prices of raw materials for margarine, fats and oils will fluctuate more strongly than before. Higher prices for the raw materials for margarine, oils and fats hugely affect the working capital needed in the entire chain.

Globalisation and progressive trade liberalisation

Globalisation and progressive trade liberalisation will vastly impact the margarine, fats and oils sector. In terms of percentage, stimulating alternative crops within Europe will have little effect on the imports.

Sustainable production and consumption

In the years to come, demand for sustainable production and consumption will increase strongly. Developments take place under pressure from governments and civil society organisations, or on the initiative of the business community itself.

Transparency and guarantees with regard to quality, food safety and sustainability

The importance of transparency and traceability in the entire production chain will increase in the years to come. The downscaling process of the government will place additional responsibility at the business community's door.

Healthier eating patterns

More attention will be paid to healthier eating patterns. Attention that is being paid to the role of fats in foodstuffs will increase. The need for independent research to achieve good information and policy will grow.

Ageing EU population

Demographic developments lead to a higher percentage of older people within the EU. This will have an effect on the demand for more products with health claims. Ageing in the EU may also result in decreased availability of (particularly young) employees for the job market.

Government loses authority and continues downscaling

Consumer and citizen trust in institutional organisations (banks, government, multinationals) will continue to decrease. Support base and self-regulation possibilities will increase.

Genetically modified crops

Worldwide, more and more genetically modified crops will be used. The market for non-GMO products is expected to become an increasingly small and exclusive niche market.

Biobased fuel

In the years to come, we shall witness a growing production and consumption of biobased or renewable fuel. As a result of government policy, demand for renewable bio fuels will increase from 2 percent of the present transport fuel market to 8 to 10 percent in 2020.

Biobased economy

In 2030, biomass will replace approximately 30 percent of the fossil raw materials for chemistry, transport, heat and electricity.

Livestock development in Europe

At Dutch/ European level, meat consumption will stabilise or decrease. Worldwide, pork production will increase. Compared to other types of meat, poultry proves to become more and more attractive. Cultured meat production is a development that is still in its infancy.

Increased scale

The scale of (overseas) transport and processing (crush and refining) is increasing internationally.



Organisation



MVO working groups

Many product board activities are prepared and implemented in an MVO working group or ad hoc working group. Participation in these working groups is open to all companies in the sector.

The working groups are active in various focus areas:

- Working Group Labour and Education
- Working Group Sustainable Development
- Working Group Energy Efficiency Improvement
- Working Group Feed/GMP+
- Working Group Food/Feed Quality and Safety
- Working Group Food and Health

- Ad hoc expert consultation oils and fats training
- Ad hoc Working Group FROF (Fully Refined Oils and Fats) standard
- Ad hoc Working Group on pesticides



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