

IMACE POSITION ON A LEVEL-PLAYING FIELD FOR BUTTER AND MARGARINE

The European Union is committed to improving its resilience to climate change and becoming carbon neutral by 2050. In order to achieve this goal, the Farm to Fork Strategy sets the path towards building more sustainable food systems, recognising the environmental and health benefits of a shift towards more plant-based diets. The Strategy is also linked to other policies, such as Europe's Beating Cancer Plan, with the aim to make food production and consumption more sustainable and healthier.

IMACE welcomes the EU objective to promote and support plant-based diets. In this context, margarine is the healthier and more sustainable plant-based analogue to animal-based fats, and can directly contribute to:

- **The EU health goals.** Margarine and plant-based spreads are made from a variety of plant-based oils, which are high in unsaturated fatty acids – also known as “good fats” – while animal-based fats are a major source of saturated fatty acids, which significantly increase the cholesterol level in the body¹. For example, 100 grams of butter contains 66 grams of saturated fatty acids and 3 grams of unsaturated fatty acids, while 100 grams of margarine contains 36 grams of saturated fatty acids and 50 grams of unsaturated fatty acids². Moreover, due to the sector's investment in product reformulation to minimise the TFA content in margarine, plant-based spreads are now almost TFA-free and fully compliant with current EU maximum levels³. Currently, the main intake of TFAs in the diets comes from ruminant TFAs, found in meat and dairy products, which are not subject to any restriction but have the same public health impacts of industrial TFAs and are present at a concentration between 2 and 9% of total fat⁴, which is higher than the EU maximum levels. Lastly, margarine is an ideal carrier of vitamins A, D, E, and K. These health benefits apply to both B2C and B2B products: margarine is therefore not only a healthier alternative for consumers,

¹ [Type of fats](#), Fediol, 2020

² [The Contribution of Modern Margarine and Fat Spreads to Dietary Fat Intake](#), 2016, Page 640

³ [Regulation \(EU\) No 2019/649](#)

⁴ [Scientific advice related to nutrient profiling for the development of harmonised mandatory front-of-pack nutrition labelling and the setting of nutrient profiles for restricting nutrition and health claims on foods](#), 19 April 2022, p. 16

but also for food manufacturers wishing to improve the fatty acid profile of their products (e.g. bakery, pastry products and ready meals).

- **The EU sustainability goals.** The plant-based nature of margarine makes it an environmentally friendly source of fats: margarine uses about **half the land used to produce butter**, and its **carbon footprint is less than a third of that of butter**⁵. A Life Cycle Assessment⁶ (LCA) conducted across 21 markets found that plant-based spreads were accountable for 3,3kg CO₂ emissions, while the same amount of butter was accountable for 12,1kg CO₂ emissions. The study confirms that plant-based spreads have much lower climate, water and land impacts than butter. The margarine industry has also implemented more sustainable processes to improve the sustainability of the production chain, by using renewable energy sources (e.g. photovoltaic panels, thermal energy)⁷, as well as using sustainably-sourced palm oil as an ingredient for margarine production. IMACE and its members are part of the Roundtable on Sustainable Palm Oil (RSPO), and IMACE is one of the signatories of the Amsterdam Declaration, showing the commitment of the margarine industry to sourcing certified sustainable palm oil.

Despite the science-based health and environmental benefits of plant-based foods and fats vis-a-vis their animal-based counterparts, there are several regulatory and financial hurdles hindering the development and the promotion of the plant-based fat sector and limiting the attainment of the EU food sustainability goals.

IMACE calls on EU institutions to tackle the current regulatory and financial hurdles hampering the creation of a level playing field between plant-based and animal-based fats. This would facilitate the uptake of sustainable and healthy fat products in line with the EU Farm to Fork Strategy's objective to shift towards more plant-based diets.

In order to create a level playing field for plant-based and animal-based fats, IMACE urges the European Institutions to take into consideration the following aspects:

- **Transparent consumer communication.** Consumers should be able to easily identify plant-based alternatives to animal-based products. The use of words familiar to consumers is therefore key to guide them to make more conscious and well-informed

⁵ [Upfield plant-based spreads and margarine vs. dairy butter](#), 2020

⁶ Liao, X. et al. [Large-scale regionalised LCA shows that plant-based fat spreads have a lower climate, land occupation and water scarcity impact than dairy butter](#). *Int J Life Cycle Assess* 25, 1043–1058 (2020).

⁷ [IMACE Examples of Best Practices](#)

choices. In the case of fats, terms such as “**plant butter**” and “**dairy butter**” would be helpful since they are directly linked to a product in terms of taste, texture and function (“butter”) while clearly indicating the origin of the product (“plant” or “dairy”). Such terms are not misleading as long as the products’ nature is made clear on the packaging and/or in commercial communications⁸, which is currently being done on the front and back of pack by defining the percentage and the kind of fats which are used. Beyond the set category names, consumers – especially young people – naturally tend to associate plant-based and animal-based fats with a similar name, without being misled on the origin of the product: for instance, a study in Norway found out that 88% of consumers use the word “smør” (“butter”) instead of “margarin”. The word “butter” is also employed to define other products – such as in “peanut butter” or “sheabutter” – without posing any issue for consumers’ understanding since they inform on the texture of the product rather than on its origin.

- **Protection of dairy terms.** Despite their potential role to facilitate transparent consumer communication, the denomination of dairy products is currently protected under Regulation (EU) 1308/2013 establishing a common organisation of the markets in agricultural products (CMO Regulation), where it is foreseen that dairy terms, such as “butter”, cannot be used to define non-dairy products, even when the plant-based nature of product is specified, as per point 6, Part III, Annex VIII. The *raison d’être* of this provision in the CMO Regulation – and of the overall financial support and promotion of dairy products – lied on the need to stabilise markets, ensure the availability of both current and future supplies, and support innovation in the dairy sector. This led to an increase in production of dairy products in the last decades, sold at a more competitive price on the market. This approach is no longer fit for purpose: nowadays, EU production of dairy exceeds domestic consumption by 14%⁹, and consumption patterns need to evolve towards more plant-based food options, driven by sustainability, health or ethical concerns¹⁰. Regulators should take such developments into account in revising EU legislation and making it fit to achieve the EU sustainability objectives.
- **Food innovation.** Innovation in margarine, combined with increasing consumers demand for more plant-based foods, led to widening the portfolio of products available on the market, based on the percentages of fat and on the application of the product (e.g., spreading, cooking, baking, frosting). The current product category name established under the CMO Regulation – “spreadable fats intended for human

⁸ BEUC: [One bite at a time, consumers and the transition to sustainable food](#), 2020

⁹ [Europe Eats the World: How the EU's Food Production and Consumption Impact the Planet](#), WWF, May 2022, p. 13

¹⁰ [What do consumers want: a European survey on consumer attitudes towards plant-based foods, with a focus on flexitarians](#), SmartProtein project, November 2021

consumption” – is therefore outdated compared to the advances made by the sector in the last decades, and needs to be amended in order to properly reflect the current range of products available to consumers.

IMACE urges the European Institutions to reconsider the current protection of dairy terms and to update the fat products’ category name within the CMO Regulation, taking into consideration evolving consumption patterns, the range of products available on the market, as well as the EU goal of facilitating a shift towards more plant-based diets. In this regard, IMACE supports the use of the term “plant butter” and “dairy butter” to seize the innovation potential of the margarine sector while ensuring clear consumer communication.

- **VAT.** The Farm to Fork Strategy highlights the important role of taxation incentives in driving the transition to more sustainable food systems: financial and taxation instruments, such as VAT, have a great impact on the affordability of and access to healthy and sustainable products. This is the case of plant-based fats, which are often subject to different VAT rates compared to their animal counterpart: for instance, in France, the VAT rate for margarine is 20%, while that for butter is only 5,5%. Considering that price is a key driver of consumption choices, such disproportionately higher VAT on margarine distorts the market and *de facto* hinders the shift towards more sustainable diets, as the most sustainable fat option – in this case, margarine – results to be less affordable for consumers.

IMACE urges Member States to foster an equal VAT rate for plant-based fats and butter, enabling fair competition on the market and providing equal grounds to make more sustainable and healthier choices, helping to make sustainable fat products the default option for consumers.

- **Trans fatty acids labelling.** High consumption of trans fatty acids (TFA) is notably associated with an increased risk of coronary heart disease and related mortality¹¹. On that ground, the margarine sector took action and successfully reduced the industrial TFA content in plant-based fats, which fully comply with Regulation (EU) 2019/649 setting maximum limit of 2 g TFA/100 g of fat in the final product¹². However, such limit only applies to industrial TFAs, while ruminant sources of TFAs - naturally found

¹¹ [Guidelines: Saturated fatty acid and trans-fatty acid intake for adults and children](#)

¹² [Regulation \(EU\) 2019/649](#) – amending Annex III to Regulation (EC) No 1925/2006 as regards trans fats, other than trans-fat originally occurring in fat of animal origin

in meat and dairy at concentrations between 2% and 9% of total fat¹³, above the maximum limits allowed for industrial TFAs – are still exempt from any restriction, even though there is no demonstrable difference in health impact between the two, based on equal intake levels^{14,15}. This has an impact on consumers' perception of plant-based and animal-based fats.

IMACE urges the European institutions to adopt mandatory labelling of TFA (both ruminant and non-ruminant) aligned with the current EU maximum levels, to give consumers the instruments to understand the dietary intake of TFAs and help them make more conscious food choices.

- **Subsidies.** The current subsidy system within the framework of the Common Agricultural Policy (CAP) needs to be reevaluated to make it fit to support the transition towards more plant-based diets and facilitate affordable, sustainable and healthy food across the Union. In fact, the CAP has been heavily supporting the animal-based sector, with an estimated financial subsidy equal to 18% and 20% of the EU budget during the period 2014-2020¹⁶. Such a substantial support did not result in more sustainable livestock farming: the CAP did not reduce the carbon footprint of the sector and does not provide incentives to reduce production of animal-based products, which is needed to move towards more sustainable agricultural practices¹⁷. The revised CAP for the period 2023-2027 provides the opportunity to align farming subsidies to the sustainability goals of the Farm to Fork Strategy using, among others, eco-schemes, which can support the development of sustainable crop farming for (plant-based) food production and consumption.

Another example is constituted by the EU promotional programme for agricultural products, where only a few plant-based products (vegetable oils, some processed fruits in the form of jam or compote, and fruit juice) have been financed. Their share only represented about 20% (€ 45 million) of the budget allocated to meat and dairy products (€ 223 million) over the past seven years¹⁸. Attaining the EU food

¹³ [Scientific advice related to nutrient profiling for the development of harmonised mandatory front-of-pack nutrition labelling and the setting of nutrient profiles for restricting nutrition and health claims on foods](#), 19 April 2022, p. 16

¹⁴ Scientific and technical assistance on transfatty acids, EFSA, 2 June 2018

¹⁵ Brouwer IA. Effect of trans-fatty acid intake on blood lipids and lipoproteins: a systematic review and meta-regression analysis. WHO 2016; Gebauer S. et al. (2015), Vaccenic acid and trans fatty acid isomers from partially hydrogenated oil both adversely affect LDL cholesterol: a double-blind, randomized controlled trial. American Journal of Clinical Nutrition, 2015; doi:10.3945/ajcn.115.123646

¹⁶ [Feeding the problem: the dangerous intensification of animal farming in Europe](#), Greenpeace, February 2019.

¹⁷ [Common Agricultural Policy and Climate: Half of EU climate spending but farm emissions are not decreasing](#)

¹⁸ [Marketing Meat: How EU promotional funds favour meat and dairy](#), Greenpeace, April 2021.

sustainability goals also requires a reassessment and reduction of the financial support given to animal-based products while increasing that for plant-based foods and products made from EU crops.

IMACE urges the European institutions to encourage production of plant-based foods and fats by increasing financial support to the sector and reducing subsidies given to the animal-based counterparts, that distort the market and impact the affordability of plant-based fats compared to butter.

- **Comparability based on product’s functionality.** Consumers make their consumption choices by comparing ‘interchangeable’ products, that they can use or consume in a similar way and that represent the alternative offers within the same functional category (e.g., plant-based spreads and butter, which belong to the category of “spreadable fats”¹⁹). Labelling schemes aimed at informing consumers about the environmental performance of products should therefore apply this function-based approach. Regrettably, this is not the case for the current Product Environmental Footprint method for food, which categorises products based on their composition (e.g. dairy products), undermining the effectiveness and usefulness of the method as well as its ultimate goal to guide consumers towards more sustainable choices.

IMACE urges European institutions to develop a harmonised labelling scheme which enables consumers to identify environmentally friendly products by allowing comparability according to a function-based approach.

The above-mentioned points need to be taken into consideration in the attainment of the EU Farm to Fork goals, in order to ensure that consumers are kept transparently informed about and have equal access to healthy and sustainable fat alternatives. IMACE is eager to work alongside policymakers and other stakeholder organisations to develop a forward-looking regulatory framework that reflects the EU political ambitions and is able to face the current and future challenges of European food systems.

¹⁹ Annex VII, Appendix II of Commission Regulation 1308/2013 establishing a common organisation of the markets in agricultural products, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0671:0854:EN:PDF>