

British jam, continental influences and EU harmonisation

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A little about me, my company and my associations. I am retired but retained by James Robertson on buying and export strategic work and trade relations.

Robertsons is part of RHM and Tomkins plc with factories in Ledbury and Manchester. With our sister company Red Wing in the USA we are among the biggest manufacturers of jams, marmalades and jellies in the world, third behind Schwartauer/ Hero and J M Smucker.

Trends in jams are similar to other food categories, perhaps illustrated best by a frequent query from older consumers -'Why doesn't jam keep like it used to -why do we have to put it in the fridge these days?' Tastes are less sweet and preservatives not allowed to replace the sugar Thirty years ago jam and marmalade was made with 70% final total soluble solids, 20 years ago 65% and today on average 62/63%.

Our industry is actively supported in the UK and represented in Europe at company director and proprietor level through the associations UKPMA, the United Kingdom Preserves Manufacturers Association, and OEITFL, the Organisation Europeene Des Industries Transformatrices de Fruit et Legumes (Association of Fruit & Vegetable Processing Industries).

RETAIL JAM SUPPLIERS IN UK

Brand/Company	Also Known by	Principal/country	Remarks
Baxter		Family /UK	
Boin		Private/France	Produce retailer brands
Bonne Maman	Andros Group	Family/France	
Chivers Hartley	Roses, Moorehouse, Mamade	Hillsdown/UK	3 owners in 15 years
St Dalfour		Chambourd/France	
Danish Orchard		Danisco/Denmark	Streamline/DBC link until 1997. Netto link
Duerrs		Family/UK	
Elsenham	La Favorit	Cheer Grey Holdings/UK	Owned by JM Smucker US until 1995
Hero	Classico	Schwarto/Germany	Nearest to a European wide brand
Materne Coniflux	Materne/Belgium	Combines with	Produce retailer brands.

		Andros group/France	Joined with Andros early 90s
Materne France		Hillsdown/UK	Owned by Danone until mid 90s
Samuel Moore	Wiltshire	Hazlewoods/UK	
Nelson of Aintree		Assoc British Foods/UK	
Robertsons	Golden Shred Keiller	Tomkins/UK	3 owners in 15 years
Scandic Foods	Dana	DDG Holdings/Denmark	Netto Link
Scotts		Schwartau/Germany	
Streamline		DDG Holdings/Denmark	Owned by Danish Bacon until 97
Stute		Private/Germany	Aldi & Lidl links
Tiptree	F Wilkins and Sons	Private/UK	

Ownership to the best of the speaker's belief

The European market is mature and growing only slightly with France having the highest per capita consumption 3.7-4.0kg, Belgium and Germany second at 3.5-3.7kg. The UK is around 3kg.

I will concentrate on the business to business category in this paper, and choose this moment to thank you for asking me to join your conference. I am going to focus on the retail side for a few minutes for general interest and background to my industry.

Tastes are changing, and so is ownership. Continental manufacturers are featuring in the marketplace with approximately 200%, of all retail jams in the UK now being made on the mainland, and even 8% of marmalades. The first chart shows the retail suppliers in the UK and my belief about their ownership. You will see France, Denmark and Germany appearing repeatedly and you will see how ownership has changed in recent years - lots of change and lots of influence from Europe

You can take it that most UK suppliers make retailer brands as well. Retailer brands have half the UK jam market but only a third of marmalades

France, Germany, Belgium and Then mark are especially involved in export/import within the EU. The UK is the strongest LU exporter to countries outside the EU. Marmalades and jams are the only sector within the UK fruit industries with a trade surplus despite current trends in the market and the strength of sterling.

If I were listing shares of processed fruits for the industrial market (see table overleaf) I would add Mr Kipling/Lyons and Muller, for their in-house processing capacity is very significant.

Supplying the industrial sector lightens up the life of a jam maker. Traditional retail products are kept in the larder or fridge. A pot of jam or marmalade is purchased only eight times a year. There is not much impulse or wicked indulgence about using a pot of preserves except perhaps in home baking. Much of your business is impulse/indulgent and in daily or short life products. A multi-buy or a buy one, get one free sale of jam in the multiples means no purchase for 16 weeks. So it is your categories that can bring some sparkle into our businesses.

That said, industrial supplies are also technically more challenging. It is not often a consumer compares consecutive jars of jam from the same production batch. Consecutive drops of, say jelly for Jaffa Cakes must be the same, and this from a mixture of raw materials whose characteristics are affected by crop, husbandry,

climate and so on. I mention Jaffa specifically, for in seconds each drop must set as the biscuit is turned and carried on the set jelly through the chocolate enrobing process.

Very many industrial products are bespoke, and individual use dictates supply in containers as little as 15kg through 1 tonne to 23 tonne tanker loads.

The sparkle, technical challenge and tailor-made nature make the category jam's most dynamic where service, consistency and specification all play a full part - but it's our speed of response to match your or your customer's needs that makes or breaks a contract.

The business to business category is worth £120 million, split two thirds/one third between dairy and bakeries, biscuits etc.

Industrial jams are exempt from the regulations shown in the table below but most companies keep products to the directive for fruit and sugar and customers/users will know where levels are distinctly different. The exemption is for practical reasons of storage, handling and finished product life and exceptions are usually in the area of use of preservatives.

In the future South Africa will feature for oranges and canned fruits. When infrastructures improve, countries such as Zimbabwe will develop for example in strawberries. Developing Southern Africa causes interesting debate in EU meetings for jam makers sit at the same table as the canners. South African prices are competitive. Protectionism can emerge although the OFITEL general policy is that we will use EU/UK fruit while it is sensibly and competitively priced and abundant.

INDUSTRIAL CATEGORY IN UK: BAKERS, BISCUIT MAKERS, OTHER SIMILAR PROCESSORS AND DAIRIES' SUPPLIERS

Company	Also Known by	Principal/Country	Remarks
Bako		Bakers Cooperative/UK	Formed 30 years ago
British Fermentation Products	BFP	Gist Brocades/Netherlands	
Chivers Hartley		Hillsdown/UK	
Fleming Howden		Dalgety/UK	Mainly Supply Scotland For sale
Kerry Ingredients	Margetts Broadheath	Kerry Foods/Ireland	Margetts ex Allied Lyons Broadheath ex Albert Fisher 1995
Kluman and Balter		Private/UK	MBO 1996/7
W T Mather		James Fleming/Netherlands - LEBE PSV	Private until 1997
Samuel Moores		Hazlewoods/UK	
Nelsons		Assoc British Foods/UK	
Renshaw	Renshaw Scott	Schwartau/Germany	
Robertsons	Ledbury Preservers	Tomkins/UK	

	Stewart and Arnold		
Sias		Pernod/Ricard/France	
Spinks		Gist Brocades/Netherlands	
Rudolph Wild		Family/Germany	
Zentis		Private/Germany	

Ownership to the best of the speaker's belief.

UKPMA does not have brilliant relations with the Farmers' Union and Scottish \FU even though the Scottish raspberry is one of the best for us. They grow for the fresh market, strains that are often unsuitable for jam making and give us the leftovers. If the crop is tight for the fresh market we get none. They have the philosophy, 'Well it's only for jam anyway!' Consequently we deal with growers/processors who will commit to the processing industry.

Superb glass, caps, plastic, cardboard suppliers are vitally important to us as all our fruits are seasonal and require lengthy stockholding, so just in time packaging supplies can help our financial management, or we are left relying on sugar to keep our cash flow in any shape

at all - accepting of course the baking industry's excellent record as payers and returners of our empty containers!

The LU regime has been a main interest and focus for me in the last few months -not that I have made any practical difference! To have a main raw materials price dependent to a large extent on the relative strength of sterling is difficult. We are thankfully at more ordinary price levels at present. CIUS, the European Sugar Users Association, and others work hard to change the regime and to influence the sugar industry, who diligently and equitably apply prices within the parameters of the regime. The extending or widening of the LU as Eastern European countries join up and may provide the opportunity for changing the system. Many have concluded that supervision of how the LU sugar surplus is priced and disposed of on the world market should be stepped up to help keep costs down for us.

BRITISH JAM REGULATIONS/DIRECTIVES

Standard Jam 35g fruit(blackcurrant 25gms) per 100g Whole or pulped or pureed or part processed. Solids 60% minimum at 20°C

Extra Jam/Conserves 45g fruit(blackcurrant 35g) per 100g Whole fruit fresh or frozen generally. Solids 60% minimum

Marmalade 20g fruit per 100g As standard jam. Solids 60% minimum

Reduced sugar jams and marmalades. As normal standard extra or extra jams and marmalades. Solids 30 - 55%

Sugar aside, our associations' work has been taken up with the new EU horizontal directives and our own jams, marmalades and jellies directive plus Quid, Codex etc, as well as vainly trying to remove prescribed quantities via the DTI.

Focusing on our 'Jams' Directive - there are some key areas where member states cannot agree. Total soluble solids is a main issue - jam in Denmark is at 50%, whereas France will insist no product may be called jam below 60%. The UK has reduced sugar jams at 30- 55% and demands a derogation.

I don't know how much you know of the systems for change in Brussels and the EU but let me show you who has had a say in putting the jam directive together -not yet achieved by the way and it has taken four years to date!

1 European Commission issued draft new Directive

2 National associations debate the draft Directive, reach a 'position' and go to the

OEITFL

3 OEITFL debates all countries' positions and reach OFITFL - not fully unanimous - position, briefed to the Commission

4 ECOSOC - the EU Economic and Social Committee of Consumers - reports to the Commission through its own rapporteur

5 CIAA - the Association of FI)Us - also debates and makes suggestions to the Commission

6 OEITFL or industry position briefed to government departments, in our case MAFF, and MAFF officials become the UK 'experts'

7 Experts meet and debate national issues that may overtake the industry position. Government level compromises or emphasis changes occur and recommendations go to the Commission

S Attache's, national civil servants based in Brussels, are briefed by the experts', meet, compromise and recommend to the Commission

9 The European Parliament debates the texts and compromises, dogma takes over and recommendations are sent to the Commission here by a rapporteur who happens to be an MEP for the Green Party. The European Parliament is in consultation for the jams directive but is legislative for chocolate and honey, which are being debated at the same meetings

10 The Commission reissues the draft directive with amendment recommendations at each stage

11 Final meetings of attache's, experts and the Commission

12 Final Directive published.

We have still to go through stages 11 and 12. But just imagine:-

The effect of Austria, Sweden and Finland joining in halfway through.

The levels of trust or doubts that all delegates of our industry will brief the agreed position of our industry into their national government and not revert back to original national position.

- The compromises taken at each level
- As chocolate and honey are being dealt with at the same time by the same government people, will compromises be across categories?
- How personal taste in the different negotiations may affect judgement.

At this time I don't believe there will be too much change for the UK. Our special sector, marmalade, is always under fire but I believe it is safe. I believe the exemption of industrial products is also safe - it is certainly still in the latest drafts.

We continue to lobby and influence progress. We use commercial contacts, the size of our industry. MEPs, MPs, MAFF, CIUS. Other countries' delegations, for example in Denmark, are close to our position. The end will come - then on to other issues no doubt.

SOURCES OF MAIN RAW MATERIALS

Bitter oranges	Seville
Sweet oranges	Spain
Strawberries	Poland Spain UK Ireland
Raspberries	Scotland Serbia Hungary Chile
Apricots	Greece Italy France Spain
Blackcurrants	UK Denmark Poland
Pectin (apple)	UK
(citrus)	Brazil UK
Sugar	UK refineries. Some jam makers
	profession preference for cane sugar

Q: Do we have any information on the apparent decline in home baking and the effect or benefit this might have on the master baker in the UK?

A: I don't carry the figures in my head, but there certainly is a decline. It's not so big, as in other European countries, that it actually affects retail sales. But it is on the decline and if you look at surveys by age group you will find that our children and grandchildren are virtually non-cooks. So as the years go by the use of jam in cooking will go down and down. The best example of this is probably mincemeat, where the trend has raced in favour of the baker's mince pie over the last decade in place of mincemeat bought to make mince pies at home. In countries like France and Germany, however, the tonnage of jam used in home baking is almost equal to that used for spreading. If there is a bad crop, it affects the retail jam market enormously.

Q: What are the areas of innovation in the industry?

A: It is mainly to do with cold filling industrial jams. The market is moving towards yog-fruit type products with very high standards in hygiene, almost dairy standard. These can be cold handled into your product. Linked with that is lower sugar, with fruit flavour -because that is the effect of taking sugar down. In terms of manufacturing, there are quite a few different developments going on with both batch and continuous processes for producing jams. Nearly all are based on a minimum of destruction of the fruit by literally getting to the temperature needed to kill bugs as quickly as possible for as short a time as possible to get more and more whole fruit. That is true for all products, retail and industrial.

Q: One of the problems you mentioned in the context of low solids jam was microbiological shelf life. What is the problem with putting preservatives in? Is this just cultural? Will we have a situation in future where we will be allowed to use preservatives?

A: Denmark uses preservatives in its jams and if you buy Danish jam in the UK you will find that it contains benzoate or sorbate. It all depends on the way this directive is shaped. At present there is a feeling that the Commission may say that anything with over 50% solids can be called jam. And if you are making jam at 50% solids there is no way you can make it last without putting preservatives in it.

The other school of thought is that it will stay at 60% because the French, German, Dutch and even Belgian lobby will be such that they get their way. If that's the end of it then the industry is almost destroyed for such as the Danes. I don't think that can happen, so you could end up with derogation whereby if you have made reduced sugar jams for the last 17 years then you can at your government's discretion still make reduced sugar jams in the UK or wherever. I don't know where you put your money, but I suspect that preservatives will still be around.

As far as industrial jams are concerned, once you break the set in a jam you have a job to keep it if you don't use something. The exception of leaving out the industrial jams is hated by probably 10 of the 15 countries involved on the basis that they say jam is jam. If the worst came to the worst, you would arrive at a position where a jam doughnut would have to contain jam absolutely to the directive. But if you put jam into a product that was going to be processed further, like the little bit you put in a Bakewell tart between the filling and the pastry, you could use some sort of filling that you would still be able to call jam.

As the previous speaker alluded to, it is a real game out there. Marmalade is a special category in the European Jam Directive, and a lot of Europeans cannot see why Britain once more has a special deal