

CASE PROGRAM

France's industrial food revolution (B)

In January 2014, after considerable debate, the French Senate narrowly passed legislation $(177 \text{ to } 170)^1$ requiring all food service establishments to indicate which dishes were homemade. These regulations applied to anyone selling prepared meals to the public, including but not limited to: restaurants, cafes, fast-food chains, caterers and street vendors. The "homemade" or "fait maison" label applied to any dish of any cuisine made on the premises from raw ingredients. Under the March 2014 implementation decree, purveyors would need to affix the "fait maison" label or saucepan logo to their signage and/or menus from July that year (*Exhibit A*). Operators had three different sets of obligations, depending on what they sold:

- No Homemade Dishes: Establishments that did not make any of their own products could not use the "fait maison" designation on informational materials.
- All Homemade Dishes: These vendors could choose to either put the "fait maison" logo or label next to each dish on the menu, or at the top of the menu to indicate that all dishes are cooked on premises.
- Both: Venues that served a combination of homemade and bought-in meals would have to affix the "fait maison" logo or label to each homemade dish on the menu.

However all premises, regardless of whether they prepared homemade food or not, were legally required to display the statement: "'*Homemade*' dishes are prepared on site from raw products", to remind consumers about the existence of the law.²

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¹ Parussini, G. "French Legislation Would Require Restaurants to Better Disclose Food Origins" *The Wall Street Journal*, 29 January 2014.

This case was written by Marinella Padula, Australia and New Zealand School of Government for Dr Michael Di Francesco as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation.

² "Guide d'utilisation de la mention 'Fait Maison' en restauration" Ministere de La Economie, du Redressement, Productif et du Numerique, Secretariat D'etat au Commerce, a La Artisanat, a La Consommation, et a

L'Economie Sociale et Solidaire, 15 July 2014, <u>www.economie.gouv.fr</u>, Accessed: March 2015.

Under the decree, "prepared on site" generally meant made on the premises from which it is sold. Thus dishes made in large central kitchens used by restaurant chains to supply several branches were not eligible for "fait maison" status. However, caterers who did off-site preparation for their events could use the logo provided that they cooked the dishes themselves from scratch. Meanwhile, "raw ingredients" referred to uncooked foodstuffs as close to their original state as possible when received by the venue. Yet, there was a series of exceptions. Ingredients (besides potatoes) could be bought peeled, sliced, cut, chopped, cleaned, boned, stripped, ground or powdered; smoked, salted; chilled, frozen, or vacuum-packed. Exemptions were also made for modified items such as:

- cured meats, fish and charcuterie, except terrines and pates;
- cheeses, dietary fat, cream, and milk;
- bread, dry flour and biscuits;
- dried and candied fruits;
- pasta and cereals;
- fermented and tinned vegetables;
- yeast, sugar and gelatin;
- condiments, spices, herbs, concentrated, chocolate, coffee, herbal teas, teas and infusions;
- syrups, wines, spirits and liqueurs;
- mayonnaise, sauce bases and aromas; and
- puff pastry dough.³

This meant that dishes containing these items could still qualify as "homemade". The government acknowledged that the list was not fully comprehensive but noted that it had been designed in close collaboration with professional organisations, based upon multiple criteria, including:

- the difficulty of performing particular tasks on site (for example smoking meats);
- the difficulty of obtaining certain items fresh;
- food safety considerations; and
- public expectations (for example most restaurants weren't expected to bake their own rolls).

The government estimated that homemade dishes would take 20-30 percent more labour to create but predicted that some of the additional cost could be offset using fresh, seasonal ingredients.⁴ The rules would come into effect on 15 July 2014 but restaurants would be given a 6-month grace period to adjust to the new regime. Sanctions would be in force from 1 January 2015 and under French consumer law, restaurateurs misrepresenting dishes as "homemade" could face fines of up to €300,000 or a maximum two years in prison, and up to 10 percent in turnover, if part of a corporation.⁵ Establishments failing to use the "fait maison" logo would not be penalised but educated on the importance of the law by inspectors. These new rules would apply to approximately 150,000 food outlets across

³ 'Guide d'utilisation de la mention 'Fait Maison' en restauration'' Ministere de La Economie, du Redressement, Productif et du Numerique, Secretariat D'etat au Commerce, a La Artisanat, a La Consommation, et a

L'Economie Sociale et Solidaire, 15 July 2014, www.economie.gouv.fr, Accessed: March 2015. ⁴ Ibid.

⁵ "Le contrôle du 'fait maison' déjà remis en question" *Le Point*, 16 July 2014, <u>www.lepoint.fr</u> Accessed: March 2015.

France.⁶ Restaurants that made all their dishes in-house, according to the regulations, would also be eligible to apply for "Maître Restaurateur" status, provided that they met an additional set of standards, including atmosphere and service. The laws would be enforced by the Directorate General for Competition, Consumer Affairs and Repression of Fraud (DGCCRF) which reported to Secretary of State for Trade, Craft and Consumer Affairs Carole Delga.

Leaving a bad taste

The government's "fait maison" regulations proved instantly divisive. Members of the public, tourists and some industry groups welcomed the regulations as a positive step towards recognising genuine cooking and improving transparency but many initial supporters of the legislation were disappointed with the outcome. Amongst them was restaurateur and fresh-food campaigner Xavier Denamur who felt that the regulations didn't go nearly far enough:

"I chop all my steak tartare to order, but someone who buys it in, vacuum packed in a controlled atmosphere, where it might have come from 10 different cows, can call theirs 'fait maison' too. It's ridiculous...We could have set an example for Europe, but instead we have this catch-all where the government is trying to go some way to please the consumer, some way to please the restaurant industry and some way to appease the industrials...If you can't make the base for a sauce, don't make one. Don't use an industrial one – that's not real cooking, it's not 'fait maison''.⁷

Prominent food critic J.P Gene also criticised the "fait maison" laws, believing them to watered down to the point of meaninglessness. He noted out the strange anomaly that prevented McDonald's and similar fast food purveyors from calling their French fries "homemade", while any frozen vegetable other than potatoes could be cooked and presented as "fait maison".⁸ Moreover, any dish using pre-made elements could still qualify as homemade so long as its source was disclosed, for example a dessert topped with ice-cream from the parlour next door. French parliamentarian Daniel Fasquelle was unsatisfied with the situation too, accusing the government of trying to "bury" the issue with deliberately ambiguous and overly inclusive legislation that would change little. He pledged to introduce a further amendment which would legally limit the use of "restaurant" to establishments where dishes are prepared on-site.⁹

Commerce and Tourism Minister Sylvia Pinel denied that the government had caved in to pressure from major food suppliers, countering that "fait maison" regulations represented a realistic and pragmatic response: "Today we cannot deny the diversity that exists in our country," she said during a radio interview, "We have to work with everybody in the profession, to find a compromise solution."¹⁰ Writing at *Slate*, Mark Naimark pointed to another issue:

"The fact that identifying homemade food as such is not an option but an obligation strikes everyone I've spoken to here in Paris as nonsensical. How fair is it that the burden of

⁶ Cody, E. "French restaurants acknowledge serving factory-frozen food" *The Washington Post*, 9 July 2013.

⁷ Haurant, S. "Will France's 'fait maison' law save its culinary reputation?" *The Guardian*, 15 July 2014.

⁸ Gene, J.P. "Fait maison, décret bidon" *Le Monde*, 10 July 2014.

⁹ Cody, E. "French restaurants acknowledge serving factory-frozen food" *The Washington Post*, 9 July 2013. ¹⁰ Ibid.

compliance lies on those offering real food—the people this law is supposed to protect—rather than the purveyors of factory-made food?"¹¹

Many chefs felt that a law requiring restaurateurs to indicate which dishes were not homemade would have been preferable but Carole Delga disagreed: "This message would have been very stigmatizing and negative for our gastronomy. It's better to communicate positively and consumers are smart, they will choose homemade dishes ahead of others. This change will encourage restaurants to cook more dishes on site. Quality will be pulled upwards."¹²

However, by early 2015 it was clear that the solution was not working. Many chefs complained that the regulations were too onerous and confusing. Others worried about making a mistake and falling foul of consumer law. As a result, the "fait maison" logo was little used.¹³ It also looked as though the law would be little enforced. Industry observers noted that the DGCCRF already struggled with its existing workload and lacked the resources necessary to conduct detailed audits of supplier invoices: "The implementation of 'homemade' regulations is likely to be more complicated than we think", remarked Benoît Feytit, CEO of produce wholesaler Metro, upon the introduction of the law, "I do not see how we will be able to control the entire restaurant industry in France, [the DGCCRF] would have to hire additional controllers and that will not be the case."¹⁴

In March 2015, the French government prepared to start again from (almost) scratch and create a new "clearer, simpler, more pragmatic" version of the "fait maison" regulations to encourage house-made dishes.¹⁵ Meanwhile, chefs, owners and patrons waited to see what the authorities would cook up this time.

¹¹ Op cit.

¹² Boff, C. "Carole Delga: 'La mention 'fait maison' va tirer la qualité de la restauration française vers le haut" <u>www.20minutes.fr</u>, Published: 15 July 2014, Accessed: March 2014.

¹³ "Le label 'fait maison' fait un four!" France 3, 17 March 2015, <u>http://france3-regions.francetvinfo.fr</u> Accessed: March 2015.

¹⁴ "Le contrôle du 'fait maison' déjà remis en question" *Le Point*, 16 July 2014, www.lepoint.fr Accessed: March 2015.

¹⁵ Op cit.

RÈGLES D'AFFICHAGE DES MENTIONS OBLIGATOIRES

3 formules à la carte



Mention obligatoire : «Les plats «faits maison » sont élaborés sur place à partir de produits bruts »

CERTAINS PLATS SONT «FAITS MAISON»

Mention obligatoire : «Les plats «faits maison» sont élaborés sur place à partir de produits bruts»

+ Le logo (recommandé) ou la mention « fait maison » en face de chacun des plats « faits maison »

TOUS LES PLATS SONT «FAITS MAISON»

Mention obligatoire : «Les plats «faits maison» sont élaborés sur place à partir de produits bruts» +

Le logo (recommandé) ou la mention «fait maison » à un endroit unique de la carte ou en face de tous les plats (au choix)







Tous les professionnels de restauration ont l'obligation d'afficher la mention légale à un endroit unique visible de tous les consommateurs :

Les plats «faits maison» sont élaborés sur place à partir de produits bruts

Source: "Guide d'utilisation de la mention 'Fait Maison' en restauration" Ministere de La Economie, du Redressement, Productif et du Numerique, Secretariat D'etat au Commerce, a La Artisanat, a La Consommation, et a L'Economie Sociale et Solidaire, 15 July 2014, <u>www.economie.gouv.fr</u>, Accessed: March 2015.