



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HEALTH AND FOOD SAFETY

Food and feed safety, innovation
Food information and composition, food waste

SUMMARY REPORT OF THE SEMINAR ON ORIGIN LABELLING AND TEMPORARY NATIONAL MEASURES

HELD IN BRUSSELS ON 8 JULY 2019

Chair: Director, Food and Feed safety, Innovation, DG SANTE

1. Introduction

The Chair introduced the objective of the meeting to take stock of the situation regarding the temporary national measures on origin indication of milk, milk and meat used as an ingredient in certain foods, which were notified to the Commission between 2016 and 2017 and to discuss their impact with MS and stakeholders. The Chair emphasised that the outcome of this joint meeting should help the Commission in the evaluation of the national temporary measures and contribute to the discussion on the next steps.

2. Presentation by DG SANTE, Head of Unit, DG SANTE E1

The Commission gave an overview of the historical and current EU legal framework on the origin indication of foods.

3. Presentation of the Member States on the national temporary measures on origin labelling (FR, FI, IT, PT, GR; *ES presentation did not take place due to cancelled flight*)

3.1. FR and FI national temporary measures covering origin labelling of milk, milk and meat used as ingredient and the related evaluation reports as to their impact on the Single Market

FR:

- explained, that the measure entered into force on 1 January 2017 with an initial validity until 31 December 2017 and was extended until 31 March 2020;
- informed, that the measure was evaluated by independent external consulting firms;
- listed the main outcomes of the evaluation report (report was submitted to the Commission in March 2019): (1) confirmation as to the consumers' interest in the origin of milk, milk and meat used as ingredient; (2) the requirement of the mandatory origin indication had very small impact on the production costs, sales prices and trade; (3) the stakeholders involved in the monitoring wish to maintain the origin labelling for long term;
- emphasised the need for discussion at the European level on the future harmonisation of mandatory origin labelling of raw materials in processed products.

FI:

- explained that the measure covers prepacked milk, milk and meat used as ingredient intended for consumers or mass caterers and manufactured in FI. The measure is in force since June 2016 with an initial validity until May 2019 and was extended until 31 March 2020;
- outlined that voluntary origin indication is not sufficient to fulfil consumers' right to access sufficient and correct information on the origin of food and its ingredients;
- called for further development of harmonised origin labelling in EU legislation and expressed expectations to have this issue on the agenda of the next Commission;
- listed the main outcomes of the evaluation report (the report was submitted to the Commission in February 2019): (1) high consumer satisfaction with the increased availability of country of origin information and (2) according to industries' feedback there is no significant impact of the origin labelling on the market.

During the discussion the following issues were raised:

COPA inquired if there was any pressure on food business operators from other MS to indicate origin on the label. **Eurocommerce** asked the Commission what will happen if MS start to re-notify national origin measures after the Implementing Act on the origin indication of the primary ingredient has entered into application (1 April 2020) and what would be the interaction between such national measures and the Implementing Act. **CLITRAVI** questioned France's methodology of calculating the additional costs caused by the legislation. **FoodDrinkEurope** inquired about the impact of the measures on trade in the Single Market and whether there was any consultation with third countries. **BE** stated that they are in favour of harmonised rules on the subject matter and questioned whether the legal requirement of Article 39(2) of Regulation (EU) No 1169/2011 on food information to consumers ('FIC Regulation'), requiring to prove the link between certain qualities of the specific types of food and their origin is fulfilled in relation to the adopted national measures. BE also stated that the link to the quality has an objective nature. The **European Dairy Association (EDA)** raised the following points:

- how the legal requirements of Article 39(2) of FIC Regulation were proven in relation to the link between certain qualities of the specific types of food (milk, milk and meat ingredient) and their origin;
- how the Commission perceives that it is not known which questions were put to the consumers when France was collecting evidence as to the consumer interest in origin labelling of the concerned specific types of food;
- due to the French measures German companies, in particular from the border regions, have experienced market loss in France;
- the Commission's report adopted in 2015 on *mandatory indication of the country of origin or place of provenance for milk, milk used as an ingredient in dairy products and types of meat other than beef, swine, sheep, goat and poultry meat*, clearly explains the impact of mandatory origin indication on the Single Market and that the national measures lead to renationalisation of the market, create barrier to the Single Market and are not in line with the Treaties.

In its reply FR emphasised (1) that the measure is not mandatory for manufacturers not manufacturing in France, (2) the ad hoc character of the additional costs, (3) the minor impact of the decree on the sector and (4) that the report will be online available by the end of the summer for the public. FI stated that the national measure did not change a lot the market, the milk market remained domestic and those companies importing on regular basis meat used as ingredient continued to do so, and only those who imported

occasionally tend to focus now on domestic products. FI also stated that for consumers the quality aspect is not clearly measurable, and consumers often link the quality of the food to its origin.

The Commission explained that although the scope of the Implementing Act is different than the scope of the national measures, its application will change the situation. The objective pursued by the national measures would be covered to a certain extent by the EU rules. The Commission clarified that if MS wish to maintain the national temporary measures beyond 31 March 2020, they should re-notify them in accordance with the FIC Regulation. The Commission will assess such notifications on a case-by-case basis in light of the provisions and objective of the EU legislation, including the Implementing Act on the primary ingredient. In response to **FoodDrinkEurope's** call for an independent pan-European assessment of the evaluation reports submitted by Member States on the implementation of the national measures, the Commission explained that they will be assessed all together once submitted to the Commission. The Commission also stated that it welcomes further input from stakeholders regarding the impact of the national measures

3.2. IT, PT and GR presented their national temporary measures covering origin labelling of milk and milk used as ingredient

IT:

- explained that, the measure requires mandatory origin indication for domestic prepacked milk and milk used as ingredient and entered into force in April 2017;
- listed the preliminary results as to the impact of the measure on the market (submission of the IT's evaluation report to the Commission is pending): (1) results show that the majority of the respondents consider very important to know the origin of the primary ingredient of the food and the place of processing; (2) the information on the origin is strongly related to the consumers' perception on food safety and quality of the food; (3) consumers' willingness to pay more for origin indication on the label; (4) need for easy to read origin indication of the primary ingredient and place of processing; (5) information on the origin of the primary ingredient supports consumption.

PT:

- explained, that the national measure requires origin indication for domestic prepacked and non-prepacked milk and milk used as ingredient, including those supplied to mass caterers. The measure is fully applicable since January 2018 and will be re-evaluated by 30 June 2020;
- listed the preliminary results as to the impact of the national measure on the market: (1) a general increase in the production of dairy products regardless of origin; (2) decrease in the import of some dairy products and increase in import of yogurt.

GR:

- explained, that, the national measure requires origin indication for prepacked and non-prepacked milk and dairy products. The measure has been applicable since April 2018 and will be re-evaluated by April 2020;
- stated, that the measure aims also to contribute to the protection of fraud prevention;
- explained, that in general there is an adequate level of compliance with the rules;
- stated, that GR is in favour of EU harmonised rules on origin labelling which go beyond EU/non-EU indication reflecting the consumer expectations regarding this

type of information;

- stated that for Greek consumers the indication of origin is an essential component of the quality perception.

During the discussion the following issues were raised:

Union Européenne du Commerce du Bétail et des Métiers de la Viandes (UECBV) referred to the negative impact of the national origin measures on food business operators from other countries than the domestic market e.g. more difficulties in the trade. UECBV inquired how controls are carried out and mentioned cost elements in this respect. **EDA and UECBV** emphasised that the national measures do not fulfil the legal requirements of Article 39(2) of the FIC Regulation, which requires to prove the link between certain qualities of the specific types of food and its origin, and that the national measures violate the Treaty on the Functioning of the European Union. UECBV further referred to the requirements of Article 39(2) of the FIC Regulation, which need to be fulfilled when requiring the country of origin of the specific type of product: proven link between the quality of the food and its origin **plus** that a particular interest from the consumers. **FoodDrinkEurope** repeated the concerns of the EDA and raised additional concerns regarding the re-evaluation of the national measures and their timing. In particular, FoodDrinkEurope called for clarity on the interaction between the Implementing Act on the indication of the primary ingredient and those national measures (*PT and GR*) which will be re-evaluated only after the date of application of the Implementing Act (1 April 2020) and apply beyond this date. FoodDrinkEurope stated that it is challenging to know for the public the state of the national notifications, i.e. when was a national measure notified, when the assessment period of the Commission finished and when the measures will be re-evaluated. FoodDrinkEurope also asked IT about the non-notified national origin measures (rice, durum wheat used in pasta and tomato derivate). **BEUC** stated that it is in favour of flexibility regarding the level of the origin indication (country and EU/non-EU). The **Association of Poultry Processors and Poultry Sector (AVEC)** explained that today, 25 % of the breast poultry meat consumed in the EU is imported from third countries (mainly Brazil, Thailand and Ukraine) and that this amount can increase due to trade agreements with Mercosur and Ukraine. AVEC called for all products containing poultry meat and offered by mass catering, food services or meat preparations to be mandatorily labelled “EU” or “non EU” with the name of the third country. **COPA** stated that quality is a subjective aspect and that the legislator has to acknowledge that origin labelling is also used to meet consumer expectations and to provide information on the safety of the food. **DK** referred to negative effects of the meat origin labelling on Danish slaughterhouses and questioned the real interest of the consumers in origin indication.

GR replied that the trade flows to GR did not decrease due to the national measures, but contrary, since the establishing of the national measures, GR is experiencing its worst crisis in the dairy sector. Additionally, GR replied, that “Quality is the totality of features and characteristics of a product” (as stated in the ISO definition) and that consumers’ perception of quality is influenced by the product’s intrinsic attributes as well as by extrinsic indicators and credence cues (like COOL). While credence cues cannot be accurately evaluated by consumers, the expectations they generate have an effect on consumers’ perceived quality and sensory experiences. Regarding milk and milk products or meats, GR referred to scientifically proven, and well known observations, that parameters like genetics, feeding systems etc. establish a link to the origin of an animal and influence the quality features of these foods. **PT** stated that for the consumer it is important to have the information on the origin of the product. **FR** explained that the national measure did not influence the intracommunity trade. **IT** replied concerning the

non-notified measures they opted in favour of transparency for their consumers regardless the possible consequences. The Commission stated that food safety standards are harmonised and that the concept of quality is not static.

4. Stakeholders' point of view: panel discussion with BEUC, CLITRAVI, EUROPEAN DAIRY ASSOCIATION (EDA), COPA-COGECA

BEUC:

- referred to recent survey (2018) from BEUC's Swedish member, which shows that the consumers want to have the information on the origin of meat also when they eat out;
- presented key learnings on the French national measure: (1) the significant and positive impact of the measure for consumers, (2) level of transparency on the origin seems to be more influenced by company/retail policy than product category or technical constraints and (3) the non-existence of price increase attributed to origin indication;
- concluded that (1) there is a high consumer demand for origin indication in the EU especially for animal products (milk and meat used as ingredient); (2) the Implementing Act on the origin indication of the primary ingredient does not compensate for the absence of mandatory origin indication; (3) there should be EU-wide legislation for origin labelling of meat and milk (research has shown EU/non-EU is not meaningful enough for consumers, who wish to know about place(s) of farming and processing).

CLITRAVI:

- explained the negative effects of the French measure on the meat processing sector (additional cost, reorganisation of storage and production...);
- stated that it is wrong to make people believe that food of a particular origin has many advantages over other foods;
- concluded, that the current EU legal framework on origin adequately ensures that consumers are protected from being misled.

EDA:

- presented data of the milk sector from BE, DE, SW and NL to demonstrate the negative effects in particular of the French and Italian origin measures on milk and milk used as ingredient;
- explained, that BE milk sector has no longer access to certain markets in FR and French distributors increased sales prices;
- explained, that additional funds obtained by French companies do not allow a higher price to be paid to French producers, while French companies use this additional revenue to export IT, SP and BE at lower prices (dumping);
- referred to cancelled or lost contracts, loss of businesses in particular in France and Italy and to the pressure from retailers to indicate the origin of milk despite that it is not mandatory for exported products.

COPA-COGECA:

- referred to the impact that non-harmonised national legislation may have on the Single Market and on agri-food products and that voluntary origin indication cannot become a marketing tool;
- called for clear distinction between 'place of farming' and 'country of origin' where voluntary origin indication on the food is given;

- stated that origin labelling rules should be justified on a case-by-case basis taking into account the specificities of the particular sectors;
- explained that COPA-COGECA support a default EU/non-EU mandatory origin labelling. It further specified at which level origin labelling be provided for certain sectors: (1) for rice at MS level; (2) for cereals/flour only EU/non-EU, (3) for fresh and processed fruit and vegetable (and derived products) mandatory indication at MS level and voluntary indication of EU; (4) vegetable oils only EU/non-EU; (5) for honey/hive products at MS level; and (6) eggs and poultry indication of the place of birth, rearing and slaughtering at MS level.

During the discussion several stakeholders (**COPA-COGECA, EDA, CLITRAVI, UECBV, BEUC**) took the floor and stated:

- that although it might be the case that the national measures have not resulted in an increase of the retail price for consumers, the additional costs have been passed to other stages of the food supply chain;
- the aspect that mandatory origin labelling can lead to increased retail prices, which again can jeopardize the access to food at valuable price;
- that bigger companies are able to deal with the situation better, while small companies are facing more negative consequences;
- the need to base the discussion on facts and the data generated by the national experiments (e.g. the FR experiment found low and one-off additional costs for processors triggered by origin labelling, which therefore were not passed on to consumers).
- the request for a mandatory indication of the national origin is the result of a distrust of the consumers in the internal market;
- that the request to indicate the country of origin results in increased costs, which will be reflected in the price of the food. It would be at the detriment of the poorest people

CZ stated that it does not support mandatory origin labelling at national level as this can create barriers to the Single Market.

CONCLUSIONS

At the end of the meeting the Chair concluded, that there is a need to work collectively on reinstalling trust in food and brought the example of the revision of the General Food Law Regulation aiming at improving transparency and trust in the food system. The Commission underlined that while the wish of the consumers to have as precise origin indication as possible is be acknowledged, the impact of national origin measures on the internal market should be also taken into account. The Commission emphasised that the real impact of the national measures on the internal market has now to be assessed on the basis of evidence and invited all players to provide relevant information in this process. The Chair further stated, that the Commission will study the reports all together, and discuss them also in the Standing Committee. The Commission referred to the Implementing Regulation on origin indication of the primary ingredient, which will largely address the concerns and demands for transparency regarding the origin of foods. The Commission is conscious that origin indication will remain a politically sensitive topic and referred to the vital place of food in people's life and to the needs to provide all people with quality food.

List of participants

EU Member States (25): AT, BE, CZ, DE, DK, EE, ES, FI, FR, GR, HR, HU, IE, IT, LT, LU, LV, NL, PL, PT, RO, SI, SE, SK, UK.

EFTA Countries : NO

Members of the Advisory Group on the Food Chain and Animal and Plant Health

AIPCE-CEP European Fish Processors & Traders Association
A.V.E.C Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Européenne asbl
BEUC Bureau européen des unions de consommateurs
CELCAA European Liaison Committee for Agriculture and agri-food trade
CLITRAVI Centre de liaison des industries transformatrices de viandes de l'UE
COGECA European agri-cooperative
COPA European farmers
EFPRA European Fat Processors & Renderers Association
ELO European Landowners' Organization
EURO COOP
Eurogroup for Animals
EDA European Dairy Association
FACEnetwork Farmhouse and Artisan Cheese and dairy producers' European network
FESASS Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire
FSE Food Supplements Europe
FOODDRINK EUROPE
FOODSERVICE EUROPE

HOTREC
Independent Retail Europe
IPIFF International Platform of Insects for Food & Feed Association
PFP Primary Food Processors
Slow Food
SMEunited
SNE Specialised Nutrition Europe
U.E.C.B.V. Union Européenne du Commerce du Bétail et des Métiers de la Viande