



Mr Vytenis Andriukaitis
Commissioner for Health and Food Safety
European Commission
Rue de la Loi 200
1049 Brussels

29 June 2016

Subject: Italian draft decree on the mandatory indication of origin of milk and milk used as an ingredient

Dear Commissioner,

With the present letter, Eucolait, the European association representing the importers, exporters and wholesalers of dairy products and ingredients, expresses its alarm at the draft Italian decree concerning the indication of origin of the raw material for milk and processed milk based products. The draft decree provides notably for the mandatory indication of origin of the milk used in dairy products. While the decree would principally apply to products made in Italy since products legally placed on the market in another Member State are excluded from its scope, it would also affect the sourcing of milk and dairy ingredients from other Member States. We consider the draft is incompatible with EU labelling rules and with the principle of free movement of goods and that the Commission should not allow it to be adopted, not even on a trial basis.

Origin labelling at EU level – voluntary approach chosen

Because we have a single market for food, origin labelling is regulated at European level in the food information regulation (FIR) 1169/2011 and in particular its article 26. As required under the regulation, the Commission has published a report on mandatory origin labelling for milk and milk products, which is in turn based on a comprehensive study carried out by an independent consultancy. In this report, there are clear conclusions that the complex distribution channels for milk and dairy ingredients in the EU would mean that the introduction of mandatory origin labelling would be an onerous burden on operators and that the costs would outweigh the benefits. Therefore, a voluntary approach was deemed more appropriate. The rules for indicating the origin of a product on a voluntary basis are very clear and are currently being fleshed out by your services in the form of a Commission implementing regulation.

Eucolait is of the view that origin labelling should be a choice and should therefore be facilitated on a voluntary basis: operators should have the option of indicating the origin of their product if they so wish and consumers should have the option of buying an origin indicated product, again if they so wish. Since consumers today do have the option to buy a product for which detailed information on its origin is given (also in Italy) and because food safety rules are the same across the EU, we see this plan to introduce mandatory origin labelling as pure protectionism.

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National rules on origin labelling under the food information regulation – conditions are not met

Article 35 of the FIR allows for national measures concerning the mandatory indication of the country of origin or place of provenance to be adopted under certain strict conditions. To our knowledge Italy has not provided any justifications that would live up to the standards of article 35. Apart from a claimed wish of the consumer (by means of a public consultation) to know the origin or provenance of a product, there is no established link between Italian origin and a particular quality attribute.

If there is indeed a strong interest and even a willingness by a majority of the Italian population to pay more for regional or Italian products – which we doubt - this is by no means an argument for making such labelling obligatory. We are convinced that more and more food businesses would respond to such a call by indicating the origin on a voluntary basis as it is in their economic interest to do so.

Experimentation period

Finally, the idea to 'experiment' with this decree on origin labelling for a period of more than 2 years (until 31 December 2018) is simply absurd. The decree, if adopted, will have huge consequences for a significant number of dairy operators who will have to adjust their product flows and/or change their product labels. In a normal scenario, the impact of such measures is seriously analysed beforehand, not on a 'trial and error' basis after being adopted. An assessment in a little over two years' time concluding that the prices of products did in fact increase and that the desired effect of increasing consumption was not achieved will do little to satisfy the operators and consumers who will bear the additional cost.


Conclusion

Mandatory origin labelling, especially when introduced by a Member State rather than the EU, constitutes a serious breach of the free movement of goods, one of the key principles of EU law. The Commission, as the guardian of the Treaties, has rightfully blocked previous attempts to introduce similar national rules on origin labelling for milk by other Member States and we strongly believe the same approach should be followed in this case.

As always in times of crisis, the calls for protectionism and food nationalism have increased given the current difficult situation on the dairy market. Such measures will not provide a solution to the current challenges facing the dairy sector, rather it will provide an impetus for other Member States to adopt similar measures which will seriously undermine the functioning of the single market.

We hope you will take our comments into consideration and adopt a firm approach against this proposed decree. We remain at your disposal for any further information.

Yours sincerely,



Jukka Likitalo

Secretary General