



European Association of Dairy Trade
Europäischer Verband
des Handels mit Milcherzeugnissen
Association Européenne du Commerce
des Produits Laitiers et Dérivés



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

29 April 2016

Subject: French draft decree on the mandatory indication of origin of 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, wishes to express its dismay at the draft French decree on the indication of the origin of milk and meat used as ingredients notified to DG SANTE on 11 March 2016. The draft decree provides notably for the mandatory indication of origin of the milk used in dairy products. While the decree would only apply to products made in France since products legally placed on the market in another Member State are excluded, 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 the 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 France) 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

It is clear that the explanations provided by France do not live up to the standards of article 35 of the FIR which allows for national measures concerning the mandatory indication of the country of origin or place of provenance to be adopted under certain strict conditions. Apart from a claimed wish of the consumer to know the origin or provenance of a product, there is no established link between French origin and a particular quality attribute. In addition, no credible proof is given as to how the measure could be justified on one of the grounds listed in that article.

A potential interest by consumers does not justify mandatory labelling

If there is indeed a strong interest and even a willingness by a majority of the French population to pay more for regional or French 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. As in any functioning market, it is up to the supplier, not the public authorities, to respond to its client's demands. The market place should be allowed to differentiate. People who do not wish to or cannot afford to pay more for products with detailed information on origin, should not be forced to do so.

Traceability versus origin labelling

One of the other justifications used is improved traceability which in fact has absolutely nothing to do with indicating the origin on the packaging. Traceability is a legal obligation all food business operators have to comply with. Cases like the horse meat scandal mentioned in the French note reveal that there are problems in enforcing existing legislation in order to prevent food fraud and such shortcomings should of course be addressed. Unfortunately such cases are also being misused by scaremongers to push for more legislation, including on completely unrelated issues like origin labelling.

Experimentation period

Finally, the idea to 'experiment' with this decree on origin labelling for a period of 2 ½ years 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 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. Indeed, the sole purpose of the planned measure is to limit trade flows between Member States. 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 at times of crisis, the calls for protectionism and food nationalism have increased in the current difficult situation on the dairy market. Apart from its incompatibility with internal market rules, it is crucial to stress that mandatory country of origin labelling will not help addressing any of the difficulties faced by the dairy sector as it will not lead to more dairy products being sold. If the measure is adopted, other countries are sure to follow and we will witness a step by step dismantling of the internal market for food.

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