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Eucolait response to the ENVI draft motion for a resolution on ‘mandatory indication of the country of origin or place of provenance for certain foods’, including milk and ‘lightly processed’ dairy products

Eucolait, the European Association of dairy trade, representing importers, exporters and wholesalers of dairy products, wishes to express its concern and dismay at the publication of the draft motion for a resolution on ‘mandatory indication of country of origin and place of provenance for certain foods’.

The Commission published its report on mandatory origin labelling for milk and milk products on 20 May 2015 as required under the Food Information Regulation. The report 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. In the context of the study, research was carried out on the ground in a number of EU Member States and stakeholders were consulted. To this end, Eucolait participated in a workshop organised by the Commission and the consultants undertaking the task of completing the report on 7 February 2014 and was also interviewed by the consultancy.

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 and because food safety rules are the same across the EU, we see the call for mandatory origin as pure protectionism. As outlined in the Commission report, “dairy processors generally buy raw milk and other milk ingredients from multiple sources and in those dairies located in border regions, it is common that milk from several origins is processed together in the same plant”. Mandatory country of origin labelling will therefore only lead to restrictions on the cross border movement of milk and dairy components, thus impacting negatively on the free movement of goods, one of the key principles of EU law. It would be regrettable if the European Parliament takes the lead in dismantling the fundamental pillar of the Union that is the single market.

As always at times of crisis, the calls for protectionism have increased in the current difficult situation on the dairy market. Mandatory country of origin labelling will however by no means help the dairy sector as a whole as it will not increase sales. Some trade flows will simply be diverted and the flexibility of the industry in terms of sourcing will be limited, leading in the end to higher costs which most consumers are not willing (and in some cases not able) to bare.

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In addition to its general objective, the reference to 'lightly processed' dairy products in the motion (examples provided are cream and cheese) is also problematic. Not only is there no definition of 'lightly processed' or an exhaustive list of what would constitute a 'lightly processed' dairy product, cheese constitutes such a broad range of different products with their own particular characteristics that it is incorrect to assume any one particular processing technique for all cheeses. In all cases however, the processing consists of multiple steps such as standardisation, heat treatment, fermentation, coagulation, pressing, ripening etc., depending on the cheese type. We would therefore not concur with the statement that a product as complex as cheese could be seen as lightly processed.

Moreover, the ruling of the WTO dispute settlement body in relation to mandatory country of origin labelling by the US cannot be ignored in this respect: it was found to be contrary to WTO commitments and ultimately had to be dismantled. It would therefore be unwise for the EU to go down this previously trodden path.

In conclusion, we believe the European Parliament should respect the outcome of an independent study, carried out as foreseen in a regulation adopted by the Parliament together with the Council. Otherwise the discussion on this particular topic will go on forever, as it will always be possible to find academics or researchers who will reach a different conclusion. The dairy sector is currently in a serious crisis and the last thing we need is additional uncertainty created by artificial barriers to the functioning of the internal market, which is still by far the most important market for the European dairy sector.