



14.09.2016

## Proliferation of mandatory origin labelling for dairy products in EU Member States – why is this happening and how far will it go?

Too much ink has been spilled on the subject of (mandatory) origin labelling over the past 10 years or so, including by this organisation. In the EU, the marathon negotiations on the food information regulation resulted in a compromise in 2011, whereby the indication of the origin should in principle remain voluntary (unless the consumer would otherwise be misled) but the Commission would have to present reports on the feasibility, costs etc. of indicating the 'country of origin' or 'place of provenance' on a mandatory basis for a number of products, including dairy. The delayed Commission report finally concluded, rightfully, that the costs would clearly outweigh any potential benefits and that voluntary was the way to go. A report by the European Parliament challenging the conclusions of the report did not manage to change the dynamics. Frustrated by the impasse at European level and using the crises in various agricultural sectors as a pretext, a number of Member States began working on their own labelling plans. However, unlike in the past when these types of initiatives were blocked by the Commission without exemption, it seems today other political priorities can outweigh the sanctity of the EU single market.

The decision of the Commission not to object the French decree on the origin of milk used as an ingredient is absolutely devastating in that it constitutes a first step towards dismantling the internal market for dairy products. It is clear that the sole purpose of this decree is to limit the use of milk and dairy ingredients from other Member States in dairy products processed in France. It is neither compatible with the core principle of the free movement of goods, nor with the provisions in the food Information to consumers regulation which only allow national rules in this field under very strict criteria. The fact that the decree is presented as a two year trial – which it most probably is not – by no means changes this assessment. And yet the decree was allowed to pass – a decision that can only be qualified as purely political. What is more, the conditions on the dairy market which led to the preparation of the decree in the first place no longer exists as the market situation is now improving at a rapid pace. There is also something to be said about the lack of transparency and communication throughout the procedure. There was no triumphant press release on this one.

Aside from the disastrous impact on companies engaged in dairy trade between France and other Member States, the most worrying consequence of this development is the snowball effect it has created. Member States such as Italy, Greece and Lithuania which had previously submitted

mandatory origin labelling plans for approval – without success – have now been encouraged to submit revised drafts, taking the French measure as a blueprint. Other countries have also followed suit and most likely we have not seen the end of it.

The Commission, as the Guardian of the Treaties, should reject any further mandatory origin labelling pilots, whether they are limited in time or not and whether there is a mutual recognition clause or not. The fact is that the purpose of mandatory origin labelling is always to grant preference to domestic products by limiting trade between Member States. The same goes for 'like' initiatives such as the amendments to the Romanian law on trading food products obliging retailers to source locally. After a long legislative process, mandatory origin labelling at EU level has been rejected and for very good reasons. Why should each individual Member States now be able to decide the opposite? It seems like an option that is even worse as not only does the labelling become obligatory but in addition the rules are not harmonised.

At the very least, the assessment of the other decrees should be put on hold until the results of the French experience can be evaluated and pending the outcome of possible legal challenges. And hopefully there will be some.

But will it be possible to block, even temporarily, any of the new measures which are so similar in content to the French one? Unfortunately this topic is likely to keep us busy for the next 10 years as well.