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Eucolait views on the possible extension of mandatory origin labelling requirements

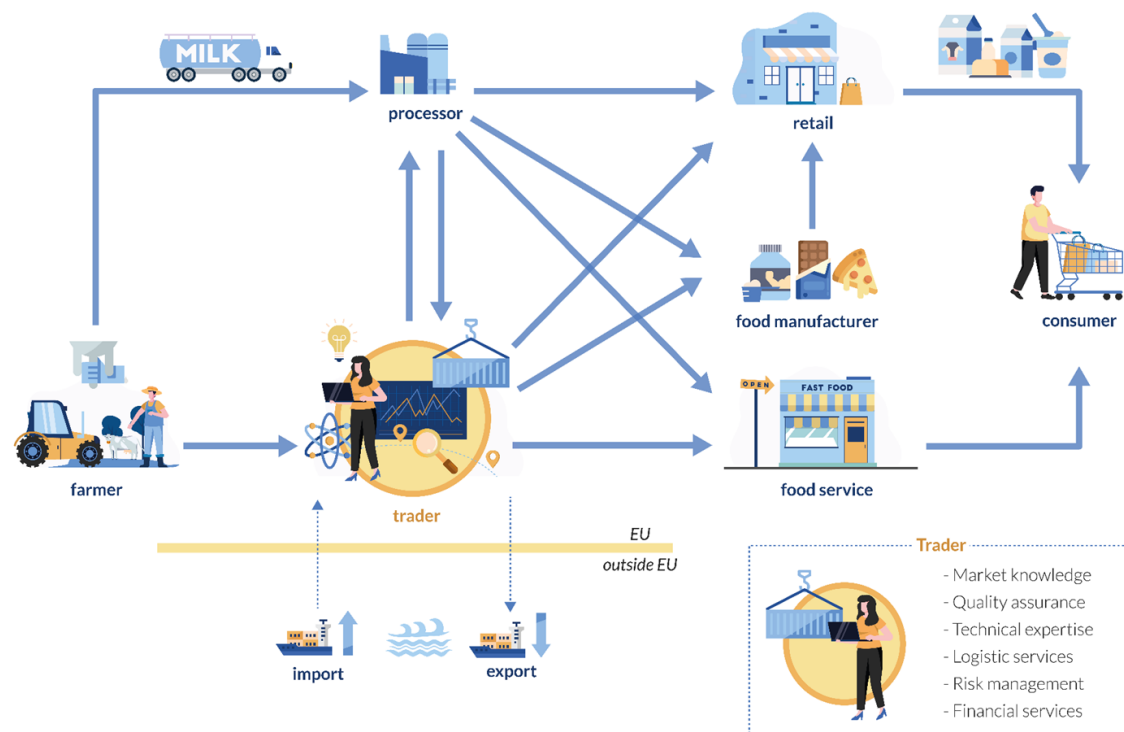
Eucolait welcomes the opportunity to comment on the possible extension of mandatory origin labelling requirements in the public consultation on the revision of EU legislation on food information to consumers in the context of the Farm to Fork strategy.

We consider that for milk and milk in dairy products, origin labelling should remain a choice for operators and should not be mandatory. Businesses which provide consumers with this origin labelling have made a commercial decision to do so and have designed their supply chains to ensure that product is always sourced from a certain country or region. In fact, this information is provided on a voluntary basis for a very large share of dairy products offered for sale in retail. Consumers have the option to buy products with detailed information on product origin if this is a top consideration for them. Additional EU rules for voluntary origin claims became applicable as recently as 2020. Their impact should be thoroughly evaluated prior to considering any additional regulation in this area.

Mandatory (country of) origin labelling for dairy products (among other foods) has been under discussion for at least 15 years but has so far not materialized for good reasons. It appeals to nationalistic instincts and is by its very nature contrary to one of EU's fundamental principles, the free movement of goods.

For many dairy operators in the EU, there are daily cross border movements of raw milk and dairy ingredients. About 1/3 of the milk produced in the EU is consumed in a Member State other than

the country of production. This is testimony to the dynamism of the single market, ensuring that supply in certain regions can be matched with demand in others. Manufacturers are constantly buying raw material (raw milk, cream, skimmed concentrate, whey etc.) or dairy ingredients from varying origins, depending on availability, price, contractual relations or quality considerations. The introduction of a blanket requirement for all milk and milk in dairy products to bear origin labels (at country or even regional level) would be catastrophic for these supply chains. Labels would have to be constantly changed or supply chains readjusted completely.



Especially in border regions, dairies collect raw milk from 2 or more Member States and the share sourced from each country is rarely constant. Furthermore, dairy products are not just made from milk but may also include other dairy ingredients such as milk powders, whey powders, casein or lactose, often not produced in the same location. Finally, origins cumulate in the case of multiple processing steps. Taking the example of butter, it can be produced from cream of different origins

and the cream can in turn also be made from milk of different origins. It is crucial for the well-functioning of dairy supply chains that the flexibility operators currently enjoy is maintained.

The main objective of the Farm to Fork Strategy as part of the Green Deal is to enhance all pillars of sustainability. There is however no direct proven link between mandatory origin labelling and any potential sustainability gains. Locally produced foods are trendy but can never be used as proxy for lower GHG emissions or better environmental performance in general. It is well established that the environmental impacts of transport are dwarfed by differences in carbon footprint per kg of milk between regions and productions systems. In addition, in the case of larger countries such as France, a country-of-origin label will say little about the distance the product has travelled. In this sense, we are firmly opposed to any move to introduce a blanket requirement for origin labelling in any form.

In summary, given the potential irrevocable damage that could be caused by a decision to impose (country of) origin labelling on a mandatory basis, we call for a balanced approach which recognises that all products should receive equal treatment on the national market of each EU Member State and that products bearing detailed origin information are amply available on the market, satisfying the demand of consumers who consider this as important information for their purchasing decisions. Mandatory origin labelling does not belong to the measures which have the potential to enhance sustainability of EU food systems, the ultimate goal of this initiative and of the Farm to Fork strategy. In many situations, it would achieve the contrary by unduly burdening European SMEs and reducing their options of doing business within the single market.