

## Eucolait's response to the Single Market Strategy

Eucolait supports a strategy aiming to deepen the integration of the single market by removing regulatory and administrative barriers that continue to hamper free movement. With close to 40% of the milk produced in the EU crossing borders between Member States in the form of various dairy products and ingredients, intra-EU trade within the Single Market is a vital and dynamic factor to consider in the overall health of the supply chain.

Whether further harmonisation of legislation at the European level is required must be assessed on a case-by-case basis. Where this is not needed, it must be ensured that national initiatives that may be taken instead are compatible with EU law. The longstanding concept of mutual recognition is one of the basic principles underpinning the single market, dictating that products which can be sold in one Member State's market must also be allowed to enter the markets of other Member States. Over the past years, the Commission has not always fully lived up to its role of guardian of the treaties by blocking contradictory national standards or labelling rules.

Eucolait further calls for greater consistency in the application of European law. Radically diverging approaches to interpreting EU rules, especially in food safety and import controls, also contribute to the fragmentation of the single market.

Ever conscious of this, Eucolait takes this opportunity to flag several of our concerns with respect to the integrity of the Single Market.

### Pre-certification

Pre-certificates are often requested by the veterinary services of the Member State where the exporting company is based, when the product to be exported contains milk or dairy ingredients from another Member State. In other words, a veterinary certificate is required for an intra-EU shipment in such cases. A simple example could be cheese manufactured in the Netherlands containing milk from Belgium and destined for export.

Despite its harmful effect on the internal market and on the businesses concerned, the request for a pre-certificate is understandable when the food safety or animal health requirements of the third country of destination go beyond those set out in EU legislation. In practice however, there is no

uniform approach across the EU and the extent of pre-certification requirements varies greatly by country and by certifying authority.

As a result, managing the documentation in relation to exports with raw material or ingredients from more than one Member State is a time consuming and burdensome activity, which discourages cross border movement of dairy ingredients within the EU. We call for a workable solution to this longstanding barrier to trade between Member States.

### **Mandatory country of origin labelling**

Within a strong and effective single market, dairy ingredients should be able to freely circulate and be used in any of the Member States. From 2016 onwards, a number of national 'country of origin' labelling schemes were adopted by a handful of Member States and tolerated by the European Commission. Even though products manufactured in other Member States were excluded from the labelling requirements, the national schemes in question, particularly those of France and Italy, greatly disrupted the single market for dairy inputs. This is because buyers of dairy products and ingredients were pressured to give preference to products from their own country and dairy processors were pressured to use exclusively milk from their country in their processing operations. These schemes were adopted with pure protectionism in mind and ultimately, should never have been given the green light.

In the same vein, Eucolait remains opposed to the potential roll-out of mandatory country of origin labelling for dairy products and ingredients at European level. As has been widely demonstrated, there is no objective link between certain qualities of a food, such as taste or its sustainability credentials, and its origin. The campaign for mandatory indication of country of origin is food nationalism that goes against the very essence of the single market. The existing voluntary regime is largely sufficient for ensuring an adequate level of consumer information and preventing misleading origin claims.

### **Restrictions on imports from Ukraine**

In 2023, several Member States bordering Ukraine took national measures to restrict imports of agricultural products from Ukraine, based on market destabilization fears. Even though these unilateral measures were quickly lifted, they set a dangerous precedent and could be invoked in future to further compromise the functioning of the Single Market. National legislation which contravenes the spirit of the internal market cannot be used as a means of pushing for similar legislation at EU level.

## Temporary reintroduction of border checks

Border controls between Member States are authorised in cases of serious security threats but should only be applied as a last resort. While we are not aware of blockages on the movement of goods, the general trend of internal border controls for prolonged periods, mainly to counter irregular migration, is worrying and should be monitored closely.