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Eucolait considerations on GB 'not for EU' labelling

Eucolait is the European Dairy Trade Association, representing importers, exporters and wholesalers of dairy products and ingredients. We have members in most EU Member States, as well as a UK delegation headed by the Provision Trade Federation.

The dairy trade flows between the EU and the UK are massive, with a total value of around 5,4 billion euros in 2023. It is crucial for operators on both sides of the channel and for European dairy supply chains that this trade can continue as freely as possible in both directions.

Eucolait therefore strongly opposes plans to introduce "not for EU" labelling on consumer goods sold on the GB market. The planned scheme represents a significant technical barrier to trade which will increase costs for both UK based and third country operators and flies in the face of company efforts to operate more cost-effectively and efficiently.

The planned regulations do not appear to be based on any clear and legitimate policy objective and as such seem unnecessary. This in turn raises serious concerns about their compatibility with the EU-UK TCA and the WTO TBT agreement which notably provide that "technical regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create".

It is not clear what value the statement "not for EU" has for the consumer. On the contrary, it may serve to confuse the consumer who will wonder why the product is not fit for the EU market. We would also argue that such an indication is misleading as the same product may in fact also be sold in the EU.

Companies supplying both the EU and UK markets will incur disproportionate costs resulting from the printing of new labels, frequent label changes and the potential separation of packaging lines. Businesses, for which the UK (or the EU) is not a major market, may decide it is not worth the effort. An additional challenge is that a product, once labelled as "not for EU", could no longer be placed on - or returned to - the EU market.

The “Not for EU” marking requirement will ultimately harm the UK consumer in the form of food inflation (the additional costs will likely be passed on) and reduced product choice.

Furthermore, the timing of this rule is very problematic as no final legislation has yet been published. Operators are reluctant to pre-emptively take action to order new labelling before the finalised statutory instrument has been confirmed. If this policy decision is not reversed, the deadline should at least be pushed back. 1 October 2024 represents an impossibly tight deadline for businesses to make the necessary arrangements to comply with the rule and would stretch resources to their limit.

We would also call for a much more generous transition or lead-in period allowing operators to exhaust existing stocks of labels, in addition to permitting products already placed on the market to be sold as they are.