

Report on mandatory origin labelling for milk, milk used as an ingredient in dairy products and "other types of meats"

AGRI C3

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Regulatory frame

- Origin labelling has been compulsory for beef (fresh & frozen) since 2002
- For pork, poultry, sheep and goat meats, origin labelling became compulsory from April 2015 – detailed rules adopted by the Commission in 2013
- For other foods, the FIC regulation foresaw Commission reports

External studies

- On milk and meat, the study was carried out by a consortium under the management of LEI Agricultural Economics Research Institute (NL) – DG AGRI
- On unprocessed products, single ingredients and ingredients > 50%, the study was carried out by the Food Chain Evaluation Consortium (FCEC) – DG SANTE
- Different origin labelling scenarios (voluntarily versus mandatory, at EU/non-EU and MS/non-MS level) were considered for milk and milk products (places of milking/processing) and other meat products (birth-rearing-slaughtering)

Study findings on milk

- Clear consumer interest
- Products with voluntary origin labelling meet consumers' interest in origin information
- Costs of mandatory origin labelling increase with the complexity of the production process → highest for butter, then in decreasing order for yoghurt, cheese, and drinking milk
- Highest cost increases for firms operating in border regions and/or having significant cross border trade to source raw material

Study findings on other meats

- Mandatory origin labelling would entail additional operational costs in rabbit, game and horse meats
- A full origin labelling is technically challenging for most of the animal species

The study also states that:

- There is a clear consumer interest in origin labelling but different surveys suggest that consumers' willingness to pay for origin labelling is low and likely to be overstated.
- The presence of voluntary origin labelling can be interpreted as a signal that the market is properly functioning: where there is a group of consumers with a sufficiently high willingness to pay, there are also suppliers providing that information since voluntary origin labelling has a commercial added value.
- The introduction of mandatory origin labelling will, depending on the specific labelling option chosen, lead to an increase in the cost of production

Conclusions of the Commission report

- Currently consumers may, if they so wish, opt for milk or meat products where origin information is voluntarily provided for by food business operators. This can be a suitable option without imposing additional burden on the industry and the authorities.
- Mandatory origin labelling would entail higher regulatory burden for most of the products and therefore, the question at stake is to assess whether the balance between costs and benefits is such that it would justify its mandatory indication.
- Mandatory labelling will impact more dairies located in border regions or in areas non self-sufficient in milk and manufacturers of highly processed products

Additional considerations

- Voluntary origin labelling meets the Commission's objective of growth and jobs
- Most of the minor meats are marketed locally and/or non-prepacked
- Mandatory origin labelling is not pertinent to address food scandals; the safety of food products is guaranteed by the proper enforcement of EU food legislation

- The report was adopted by the Commission on 20th May and sent to the Council and EP
- The report is available on

http://ec.europa.eu/agriculture/milk/origin-labelling/index_en.htm

- The study is available on

http://ec.europa.eu/agriculture/external-studies/milk-meat-origin-labelling-2014_en.htm