



The view of the dairy industry on Origin labelling

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Summary

- > Who is EDA?
- > What does origin labelling mean in practice in the dairy sector?
- > What expectations can origin labelling fulfill in the dairy sector?

EDA's Mission in Europe

Promote a competent, efficient and competitive dairy industry by

- supporting our industry with the transfer of information
- representing the European dairy industry towards the authorities and organisations of the EU

An Industry of major importance for Europe

- **135 million tons of raw milk** processed by EU dairy industry
- products for consumption and a wide range of applications
- **120 billions € turnover** (15% of EU Food and Drink Industry)
- **400.000 employees** (13% of the total in the European food and drink industry)

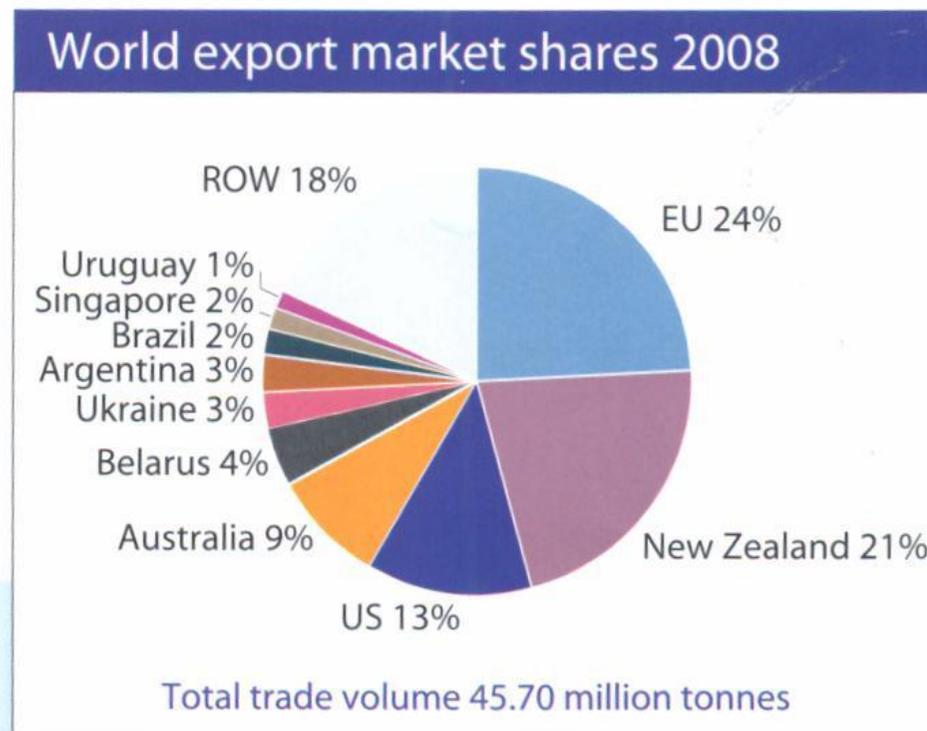


The European Dairy Industry

- **Location all over Europe**
- **Structure of the industry**
 - bigger and SME
 - processed products as well as specialities,
ingredients and pure commodities

The European dairy exports

A high importance on the world market

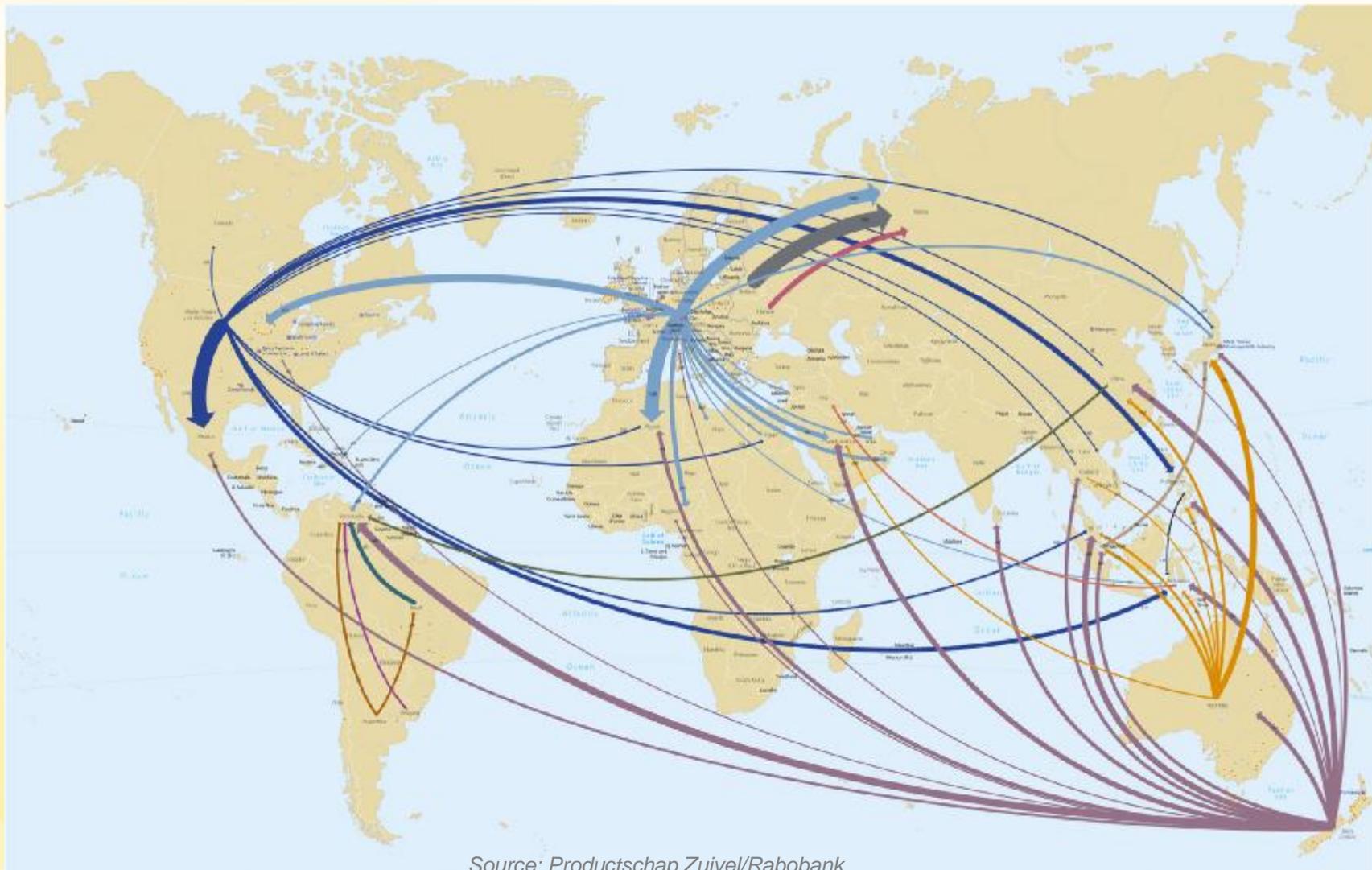


Source: Productschap Zuivel/Rabobank

Around 8% of the EU production is exported



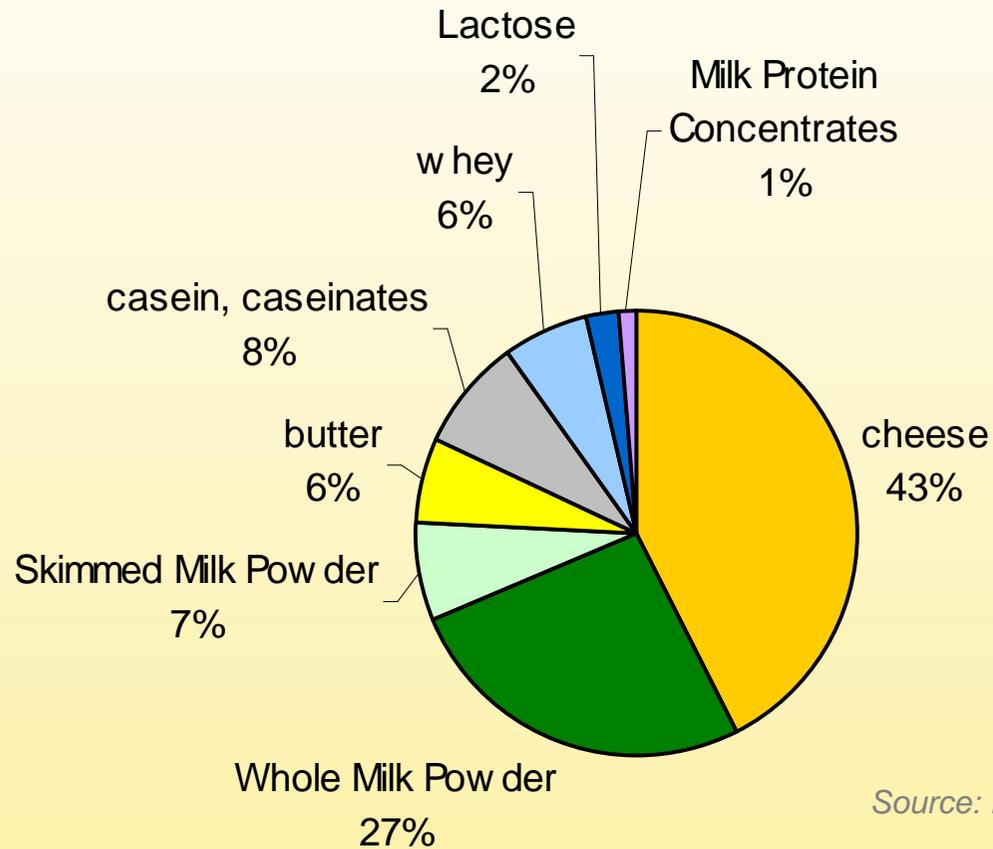
Main trade flows outside the EU



Source: Productschap Zuivel/Rabobank

The European dairy exports - Products

EU27 exports of dairy products 2008



Source: Eurostat Comext

in value, 6 billion €



What is dairy origin?

> Place of primary production / place of farming

Farm where the cow is held to give its milk (often where the cow grows up), place of the raw materials for processed foods

> Place of collection

Dairy collector / processor of first transformation

> Place of manufacture / “country of origin”

Processing into final main “aspect” / processor of second transformation

> Place of final transformation

No substantially transformation, but bringing into final shape (e.g. slicing, grating) / packing

> The places of collection, manufacture and final transformation may be identical.



Who legislates origin labelling?



Origin labelling in current law

> Directive 2000/13/EC:

- Voluntary basis unless the consumer is misled
- In that case the origin labelling becomes mandatory (Art. 3 (1) n° 8)

Origin labelling in legislative proposals

- > “Country of origin”- inclusion of Directive 2000/13/EC in the Food Information Proposal
- > “Place of farming” - in the Commission’s Communication on Quality of Agricultural production of 28 May 2009
- > High Level Expert Group on Milk discussing origin labelling provisions for the dairy sector



The movement of goods in the dairy sector

- **Milk collection every 1 to 3 days**
 - **Bulk product in big tanks**
 - **Milk from up to 6 members states in one tank or one product**
 - **Many ingredients bought separately**
 - **Added ingredients from all over the world, e.g.**
 - **fruits (from strawberries to pineapple), nuts, cereals**
 - **chocolate, vanilla, herbs or spices**
 - **further ingredients as sugar, salt, starch, eggs, etc.**
- > The free movement of goods is essential for the dairy industry**



Origin labelling of dairy products



Example of declaration:

Yoghurt with strawberry-vanilla preparation, 1.5 % fat content (manufactured in Belgium)

Ingredients: semi-skimmed milk (EU: France, Belgium, Germany, Luxembourg, Netherlands), milk powder (EU: France, Belgium, Germany, Luxembourg, Netherlands), strawberries (EU: Germany; Belgium, France, Poland; or Non-EU: China, Israel, Morocco), sugar, lactose and milk proteins, milk ferments, starch, vanilla (non-EU: around 15 countries)

- > **Mandatory origin labelling hinders the free movements of goods**
- > **It is a real burden to the dairy industry**



Free movements of goods?



The principle of free movement of goods is one of the cornerstones of the European Union's internal market.

This principle implies that all measures (potentially) hindering, directly or indirectly, the free movement of goods within the EU shall be avoided. Derogations are only accepted if necessary and proportionate.

- > **What reasons can justify a restriction of the internal market?**
- > **What may consumers be looking for?**



>Does the origin say anything about food safety?

- Food safety guaranteed through legally binding EU rules (Hygiene Regulations (EC) 852, 853 and 854/2004)
- EU law applies to internal production and imported foodstuffs

Implying that origin of foodstuffs determines their safety is misleading for the consumer and will undermine the confidence in EU foodstuffs and EU legislation.



Origin labelling and food quality?



> Does the country of origin say anything about the quality of the foodstuff?

- Quality standards for dairy products and other foodstuffs apply throughout the common market (Hygiene Regulations, Regulation (EC) 1234/2007 and Directive 2001/114/EC)
- EU standards ensure high quality (dairy) products

Implying that origin of foodstuffs determines their quality is misleading for consumers.



Origin labelling and sustainability?

> Does country of origin say anything about the sustainability of the product?

- Transport only of minor importance for total environmental impact of food production
- Sustainability is a process
 - > includes management of resources, energy, water, waste
 - > requires the involvement in the whole food chain
- Tomatoes grown in Spain can be much more sustainable than tomatoes grown in a greenhouse around the corner

Implying that indication of country of origin determines the sustainability of a food product is misleading for consumers.



Interest and costs of origin labelling?

> Does mandatory origin labelling for dairy products give the consumer any useful information?

- Labels become extremely complex
- Labels more confusing than helping the consumer
- Eurobarometer: only 6% of consumers consider origin labelling important information when buying a foodstuff

> Do the consumers accept to pay for the added costs?

- Administrative and financial burdens for industry and whole chain
- Added costs for national authorities to control such measures
- Results in increased consumer prices



Conclusions

> Use the strength of the European system:

- Support and enforce existing legislation
- Protect the Single European Market
- Take advantage of and communicate on existing schemes

(EU quality Policy, high food safety standards, valuable traditions and processing capacity, sustainability)

> Origin labelling should remain voluntary



Thank you for your attention.

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