



## Against mandatory origin labelling for milk

As part of the Farm to Fork Strategy, the EU Commission is considering extending mandatory origin labelling to more food products because consumers want to know where their food comes from.

**EDA is concerned about the negative consequences mandatory origin labelling would entail, i.e., higher regulatory burden, adverse economic and environmental impacts for both producers and consumers.**

Mandatory origin labelling would hamper the functioning of the single market and contradict the environmental objectives in the EU Green Deal and Farm to Fork Strategy.

We therefore urge the EU Commission to protect the single market and withdraw any possible extension of mandatory origin rules to milk and milk as an ingredient in dairy products.

**EDA members are committed to ensure an accurate and credible labelling information to the EU consumers. [The EDA guidelines on voluntary origin labelling for milk dairy products](#)<sup>1</sup> are part of the EDA commitment to ensure an accurate and credible labelling information to the EU consumers, and highlight specific origin links of a product, where the food business operator wishes to do so.**

**While supporting an EU harmonised voluntary origin labelling scheme, EDA opposes any form of national or European additional mandatory measures on origin labelling for milk and/or dairy products, for the following reasons:**

- 1. Mandatory origin labelling contradicts the basic principles of the EU Single Market and free movement of goods**
- 2. The need for well-functioning supply chains**
- 3. Consumers misinterpret origin information as confirmed by the EU Commission JRC report**
- 4. Mandatory origin labelling is not environmentally friendly**
- 5. Mandatory origin labelling has a negative economic impact**

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<sup>1</sup> EDA sectorial guidelines aim to serve as a guidance to the application of voluntary origin labelling for dairy products according to Article 26.3 of the EU Food Information to Consumers Regulation (EU) No 1169/2011.



## Mandatory origin labelling contradicts the basic principles of the EU Single Market and free movement of goods

**The European Court of Justice (ECJ) has repeatedly ruled that mandatory origin labelling has negative economic consequences for the EU Single Market.**

For instance, paragraph 17 of ECJ judgment 207/83 (Commission v United Kingdom) clearly states: "In that respect, it must be recalled that the Court has already held, as regards the interpretation of Article 34 TFEU, that the purpose of indications of origin or origin-marking (...) is to enable consumers to distinguish between domestic and imported goods and that this enables them to assert any prejudices which they may have against foreign goods. Within the internal market, the origin-marking requirement not only makes the marketing in a Member State of goods produced in other Member States in the sectors in question more difficult, it also has the effect of slowing down economic interpenetration in the European Union by handicapping the sale of goods produced as the result of a division of labour between Member States"<sup>2</sup>

In several rulings, the ECJ has consistently confirmed<sup>3</sup> that **mandatory origin labelling will lead to food nationalism and protectionist markets** which might create the **misconception that products from one country imply better quality than that of another**. In fact, the requirements for **milk safety and quality were harmonised at EU level a long time ago**, so that the origin of milk has become irrelevant.

**The latest judgment of the ECJ (Lactalis case, C-485/18) confirms that national decrees on mandatory origin labelling for milk are illegal.** Consequently, France had to withdraw its national decree after the ruling. As mentioned in the Lactalis judgment, the fact that consumers believe there is a link between origin and certain qualities of the food had not been objectively established.

Other national decrees on mandatory origin labelling for milk and milk products which have been introduced in Finland, Italy, Lithuania, Portugal, Greece, Romania and Spain should also be deemed illegal and withdrawn immediately, following France. As such national measures are violating EU law, their existence cannot, by any means, be used as a justification for introducing mandatory origin labelling rules.

## The need for well-functioning supply chains

**Mandatory requirements will weaken the well-functioning supply chains and the free movement of goods in the internal market. This will make the dairy chain less resilient.**

The closed borders during the COVID-19 pandemic and the current geopolitical context have shown how important it is to have well-functioning supply chains and being able to accommodate change in availability,

<sup>2</sup> "Irish Souvenirs" (C-113/80); "Buy Irish" (C-249/81); "Apple and Pear Development Council (C-222/82); "Commission v United Kingdom" (C-207/83), "CMA-Gütezeichen" (C-325/00); "UNIC" (C-95/14); see also [Commission Guidelines on Articles 34-36 TFEU of 23 March 2021, page 58](#)

<sup>3</sup> "Irish Souvenirs" (C-113/80); CMA-Gütezeichen" (C-325/00); "UNIC" (C-95/14)



costs, etc. The fact that the **dairy sector was authorised in the green corridors** in spring 2020 showed the **importance of open borders for food security inside the EU** – ensuring milk flow and transportation between borders.

**The EU Commission has recognised the importance of well-functioning supply chains, including in times of crisis**, and has therefore prepared a contingency plan, to be activated when there is a crisis that affects all or part of the food system in the EU and puts in danger food security within the EU.

A measure such as mandatory origin labelling would be counterproductive and not coherent with the EU Commission's work since it would **remove flexibility in the food supply chain, hinder the free movement of goods and restrict the ability of the single market** to operate fully, as well as handle unforeseen market disruptions.

## Consumers misinterpret origin information as confirmed by the EU Commission JRC report

The EU Commission justifies a mandatory extension by an increased **demand from consumers**.

In September 2022, the Joint Research Centre (JRC) published a technical report on origin labelling to assess consumers' understanding and use of origin labelling on food packages and its impact on their attitudes, perceptions, consumption and behavior.<sup>4</sup> The study highlights that **consumers find it important to know the origin because of patriotic duty or ethnocentrism**.

Most consumers in all studied countries believe that domestic food products are safer, healthier, fresher, tastier, more environmentally friendly etc. than imported. However, the origin of a product does not guarantee such characteristics. The origin is just an information of where a product comes from.

The JRC report acknowledges that **food safety standards are harmonised across the EU**: *"The Court of Justice of the EU and others have held that campaigns promoting national and local products "solely because of their national origin" and not on the basis of their specific properties do not comply with Article 34 of the Treaty on the Functioning of the European Union. These campaigns partly appeal to consumer ethnocentrism and contribute significantly to preferences for national/local food products. Therefore, in order to mitigate the effect of ethnocentrism on consumer choice, it might be advisable for the EU and member states to communicate more actively that food safety standards are harmonised and that **food safety and product quality have to live up to the same high standards throughout the EU.**"*

**The consumer is therefore basing its interest on a wrong concept of origin. It is of crucial importance that the European policies are not based on a misunderstanding, misinterpretation or knowledge gaps regarding origin information.**

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<sup>4</sup> [JRC technical report on consumer understanding of origin labelling on food packaging and its impact on consumer product evaluation and choices, a systematic literature review, September 2022](#)



## Mandatory origin labelling is not environmentally friendly

**Mandatory origin labelling rules would contradict the objectives in the EU Green Deal and Farm to Fork Strategy.** Extended rules would add enormous complexity to the production process and have negative environmental implications for several reasons:

- An obligation to indicate the origin means **loss of productivity and energy efficiency by not using full production capacity**.
- Companies collecting milk and ingredients across borders would **need more trucks to keep separate milk from different origin**, hence would **use more fuel**. This would not be commercially viable or environmentally friendly.
- Companies using milk and/or dairy ingredients from several member states would have to invest in **dedicated production lines and storage facilities (silo tanks)**, in order to implement a fully segregated supply chain and **clean production lines and storage facilities** after any batch of different origin materials has been processed.
- Frequent mixing of dairy ingredients from different suppliers is common practice. Mandatory requirements would therefore entail **change of food labels every time the origin of the ingredients change** which means **more packaging waste** (contradicting the aim of reducing packaging in the new EU Packaging and Packaging Waste Regulation proposal).
- In addition, there would be a **decrease in sourcing flexibility** which would inevitably lead to more **food waste** and **increased use of water and energy** (contradicting the aims of the Farm to Fork Strategy) due to the multiplication of production lines to produce the same products when keeping different origin separated.

**The fact is that there is no proven link between mandatory origin labelling and environmental sustainability. These aspects would entail economic implications as well.**

## Mandatory origin labelling has a negative economic impact

- Milk is processed into a multitude of dairy products and ingredients and each of those “milk derivatives” has its own supply chain. **The collection and processing of milk is highly complex** and cannot be compared to the harvest, transport and packaging of fresh fruits or eggs.
- **Dairy products often contain ingredients from several countries** which vary depending on price, seasonality and market availability. Mandatory origin labelling will not lead to any benefits at all for the dairy chain.
- On the contrary, extended requirements would add **enormous complexity to the sourcing and production process** and would lead to **more administrative burdens and higher costs**, hinder the development of more sustainable business practices, and lead to higher prices for consumers.
- **Additional costs** for EU dairies may result from:



- higher costs for further **separation** of collection and production streams, **packaging**, labelling,
  - **cleaning** between milk of different origins,
  - **reduced flexibility in sourcing** by renationalisation of supply chains.
- Mandatory origin labelling would have a **negative impact on international trade** as well as on **free movement of goods within the EU** as it would **discriminate against imported dairy products and ingredients**, and in turn encourage a challenge from our trading partners on failure to uphold our international trading obligations, **creating barriers to trade**.
  - When combined with **high energy prices and food inflation**, consumers with no interest or willingness/or possibility to pay more would be the most affected by additional prices increase resulting from mandatory requirements. **Even though consumers declare having an interest in knowing the origin of food, this does not translate clearly in the real shopping experience**. During the actual purchasing decision the consumer pays much less attention to where food products come from, because they are more sensitive to the price factor.<sup>5</sup>
  - This is further supported by the latest EU-wide poll on food safety which found that **cost (54 %) and taste (51 %) are the most important factors affecting food-related decisions** and have become even more important amid **rising energy and food costs**.<sup>6</sup>
  - To date, consumers can, if they are interested in the origin, opt for products where the **origin information is voluntarily provided**. This is done on a voluntary basis, where appropriate, feasible from an operational point of view, and **only where consumers are willing to pay a higher price**. This is a sign that the market is properly working.
  - This was confirmed in 2015 by the EU Commission itself through a report following a detailed impact assessment of different options for mandatory origin labelling for milk and milk products.<sup>7</sup> EDA has not seen any analysis that provides reason to believe that anything has changed since then.
  - The EU Commission's policy and law-making must be **proportionate**. This means that it must strike a balance between consumer interest and costs for businesses. In this case, **the negative economic and environmental implications are so high that it cannot be justified by the mere consumer interest only to know the origin**.

<sup>5</sup> JRC technical report on consumer understanding of origin labelling on food packaging and its impact on consumer product evaluation and choices, a systematic literature review, September 2022

<sup>6</sup> Food safety and food origin come third (both 46 %). The proportions of respondents indicating where the food comes from (-7 percentage points) as driving their decision when buying food have slightly decreased since the question was asked in 2019. Conversely, respondents are more likely than in 2019 to indicate that cost (+3 pp) and taste (+2 pp) are important. The slight increase takes place amid rising living costs across the EU and inflation ([EFSA special Eurobarometer 2022](#))

<sup>7</sup> [Commission report of 20.05.2015](#) regarding the mandatory indication of the country of origin or place of provenance for unprocessed foods, single ingredient products and ingredients that represent more than 50 % of a food.