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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

regarding the mandatory indication of the country of origin or place of provenance for milk, milk used as an ingredient in dairy products and types of meat other than beef, swine, sheep, goat and poultry meat

1. INTRODUCTION

Regulation (EU) No 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers (hereinafter, 'the FIC Regulation')[1] introduces a set of provisions on origin labelling for foods.

In particular, Articles 26(5) and (6) of the FIC Regulation require the Commission to submit a series of reports to the European Parliament and the Council concerning the possibility to extend mandatory origin labelling for other foods. A first report on mandatory origin labelling for meat used as an ingredient in prepacked foods was adopted on 17 December 2013.[2]

The present report covers the obligation of the Commission to submit reports to the European Parliament and the Council by 13 December 2014 regarding the mandatory indication of the country of origin or place of provenance for milk, milk used as an ingredient in dairy products and types of meat other than beef, swine, sheep, goat and poultry meat. For the scope of this report, milk and dairy products are considered as defined in Regulation (EU) No 1308/2013, Annex VII, Part III. The types of meat concerned are fresh and frozen meat from horses, rabbits, reindeer and deer, from farmed and wild game, as well from birds other than chicken, turkey, ducks, geese and guinea fowls.

As outlined in Article 26(7) of the FIC Regulation, this report takes into account:

– the need for the consumer to be informed;

– the feasibility of providing the mandatory indication of the country of origin or place of provenance for the different products and

– an analysis of the costs and benefits of the introduction of such requirements on both food business operators and administrations as well as their impact on the internal market and on international trade.

With the purpose of carefully assessing mandatory origin labelling for the foods under the remit of this report, the Commission services entrusted an independent consultant with a survey[3] (hereinafter, the 'study') to analyse the impact of different labelling scenarios. Its main findings are discussed in this report. Voluntary or mandatory origin labelling were evaluated in 9 Member States for drinking milk and products using milk as an ingredient such as cheese, yoghourt, etc., and in major producing countries for horse, rabbit and game meats.

2. MANDATORY AND VOLUNTARY ORIGIN LABELLING

Mandatory origin labelling rules exist for several products, such as honey[4], fruit and vegetables[5], unprocessed fish[6], beef[7], olive oil[8], wine[9], eggs[10], imported poultry[11] and

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1 Regulation (EU) No 1169/2011 of the European Parliament of the Council of 25 October 2011 on the provision of food information to consumers, amending Regulations (EC) No 1924/2006 and (EC) No 1925/2006 of the European Parliament and of the Council, and repealing Commission Directive 87/250/EEC, Council Directive 90/496/EEC, Commission Directive 1999/10/EC, Directive 2000/13/EC of the European Parliament and of the Council, Commission Directives 2002/67/EC and 2008/5/EC and Commission Regulation (EC) No 608/2004, (OJ L 304, 22.11.2011, p. 18).

2 COM(2013)755, 17.12.2013.

3 http://ec.europa.eu/agriculture/external-studies/index_en.htm

4 Council Directive 2001/110/EC relating to honey (OJ L 164, 3.6.2014, p. 1).

spirits drinks[12]. As provided for in the FIC Regulation, the Commission adopted detailed rules with regard to the mandatory origin labelling of fresh, chilled and frozen meat of swine, sheep, goats and poultry[13]. These rules require the compulsory indication of the country where the animal was reared for a substantial part of its life together with the indication of the country of slaughter. The new requirements will apply as from 1st April 2015 to pre-packed meat but Member States may decide to extend them to non-prepacked meat as well.

Although detailed data to assess the market share of food products participating in voluntary food labelling schemes is not available, existing inventories show that the milk and meat sectors have a relatively higher penetration of food labelling schemes. Milk and meat products sold on the EU market are already labelled voluntarily, either via an EU scheme (PDO, PGI or TSG[14]) or via private or public organisations (such as group of operators, retailers, NGOs or public authorities). Such labelling usually refers to a Member State or a lower geographical level (region). The criteria used in these voluntary schemes to link certain attributes with a geographical provenance can differ considerably from one to another.

3. MILK AND OTHER TYPES OF MEATS – OVERVIEW OF THE SECTORS

3.1. Supply and processing chains

Dairies, slaughterhouses and processing plants are key actors for passing origin information to the next player in the food chain. The higher the degree of vertical integration, the easier it is to ensure that origin information is passed along the food

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5 Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors, (OJ L 157, 15.6.2011, p. 1).

6 Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, (OJ L 354, 28.12.2013, p. 1).

7 Regulation (EC) No 1760/2000 of the European Parliament and the Council establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products,(OJ L 204, 11.8.2000, p. 1).

8 Commission Implementing Regulation (EU) No 29/2012 of 13 January 2012 on marketing standards for olive oil (OJ L 12, 14.1.2012, p. 14).

9 Regulation (EU) No 1308/2013 of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p.671).

10 Commission Regulation (EC) No 589/2008 of 23 June 2008 laying down detailed rules for implementing Council Regulation (EC) No 1234/2007 as regards marketing standards for eggs (OJ L 163, 24.6.2008, p. 6).

11 Commission Regulation (EC) No 543/2008 of 16 June 2008 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards the marketing standards for poultrymeat (OJ L 157, 17.6.2008, p. 46).

12 Regulation (EC) No 110/2008 of the European Parliament and the Council of 15 January 2008 on the definition, description, presentation, labelling and protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ L 39, 13.2.2008, p.16).

13 Commission implementing Regulation (EU) Nº 1337/2013 of 13 December 2013 laying down rules for the application of Regulation (EU) No 1169/2011 of the European Parliament and of the Council as regards the indication of the country of origin or place of provenance for fresh, chilled and frozen meat of swine, sheep, goats and poultry (OJ L 335, 14.12.2013, p. 19).

14 PDO = Protected Designation of Origin; PGI = Protected Geographical Indication; TSG = Traditional Speciality Guaranteed

chain. On the contrary, the more complex and sophisticated the processing is, the more burdensome origin labelling becomes.

Data on the structure of the EU dairy industry available from an enquiry carried out in October-November 2009 shows that small and medium size enterprises, producing less than 100 000 tonnes of milk, account for 81% in milk processors and processed 28,5% of the total volume of milk. In large producing Member States about 50% of processing is often concentrated in the 5 largest companies. Farmers are heavily dependent on local processors given the perishable nature of the product and continuous flow of production. Dairy processors generally buy raw milk and other milk ingredients from multiple sources and in those dairies located in border regions, it is common that milk from several origins is processed together in the same plant.

The types of meat under the remit of this report tend to involve also short supply chains often within the same Member State. Retailers buy these meats mainly from traders on spot markets, abattoirs or cutting plants. Horsemeat can have longer supply chains with more operators involved and more intra-EU and external trade.

3.2. Consumption of milk, dairy products and types of meat under the remit of this report

Average per capita consumption in the EU is around 62 kg for drinking milk, 17 kg for cheese, 16 kg for acidified milk, 5 kg for cream, 4 kg for butter and 9 kg for other fresh dairy products (Eurostat, 2013).

The EU milk market is rather mature and sizeable increases in per capita consumption are only likely to materialise in the Member States that acceded in the last decade, while consumption is expected to increase only marginally in the 'old' Member States.

Consumption of the types of meat under the remit of this report account only for 3% of total EU meat consumption[15] although figures available from Member States are not always updated. Consumption of horse and rabbit meats is more relevant in Italy, France, Spain, Belgium and the Netherlands. Game meat is mainly consumed during the hunting season, i.e. from October till December.

3.3. Production and trade

The EU is largely self-sufficient in milk and dairy products with nearly 65% of the milk collected being processed into consumer products, mostly for the domestic market. The manufacture of cheeses and fresh products constitutes the most important segments in terms of milk use (53 and 43 mio tonnes of milk equivalent respectively). By volume, powders (skimmed, whole and whey) and butter production are relatively smaller (12 and 25 mio tons milk equivalent respectively). Their intra-EU trade is nevertheless significant (1,6 and 0,6 mio tonnes respectively) but less important than for cheeses (3,6 mio tonnes). Volumes fluctuate slightly every year depending on supply and market conditions.

Imports of dairy products are limited to preferential access granted to some third countries within bilateral or multilateral agreements, while dairy exports account for some 10% of milk production. Overall, the EU is a net exporter of dairy products.

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15 Impact Assessment – Commission Staff Working Document – Mandatory Origin indication for Unprocessed Pig, Poultry, Sheep and Goat Meat.
http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2013/ia_meat_origin_labelling.pdf

The annual production of other types of meat under the remit of this report is estimated to be only 2% of the overall EU meat production. Rabbit, horse, and game meats account for around 490, 73 and 131 thousand tonnes respectively (FAO, 2012) while production figures for other types of meat covered by this report are substantially smaller. The intra-EU trade involves almost 52 and 22 thousand tonnes respectively of horse and rabbit meats whereas there are around 25 thousand tonnes of imports from third countries of either horse meat, mainly from Argentina, USA, Canada and Mexico and rabbit meat, primarily imported from China (more than 7 thousand tonnes). Imports of venison originate principally from New Zealand.

3.4. EU traceability systems

The traceability system in the EU for food products aims to ensure food safety and is not necessarily fitted to pass origin information along the food chain:

- Food safety[16]requires to register information 'one step back – one step forward' along the food chain: food business operators must be able to identify the businesses to which their products have been supplied and those from which they sourced their material. For foods of animal origin, more detailed information requirements are imposed[17]without however requiring a systematic link to the country of origin or place of provenance of the raw material used.
- A health or identification mark indicating the last establishment of production/processing/packaging, and the Member State in which it is located, has to appear on the labelling of products of animal origin (Article 5 and Annex II section I of Regulation 853/2004)[18] but this does not necessarily relate to the origin or provenance of the raw material used.
- Although identification and registration systems for live animals exist, their operation varies across species and, for most of them do not constitute a sufficient base to generate information for a full origin labelling (born/reared/slaughtered).
- For the meats under the remit of this report, the only case for which a system of identification and registration of live animal exists is for equidae (e.g. horses). Equidae have to be accompanied in the movements across the EU by an identification document or passport in accordance with Commission Decision 2000/68/EC and Commission Regulation (EC) No 504/2008 laying down rules on the identification of equidae born in or imported into the Union. However, this system does not include a compulsory centralised database to trace the movements of the animals. Work on strengthening the registration

[16] Article 18 of Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

[17] Commission Implementing Regulation (EU) No 931/2011 of 19 September 2011 on the traceability requirements set by Regulation (EC) No 178/2002 of the European Parliament and of the Council for food of animal origin (OJ L 242, 20.9.2011, p. 2).

[18] Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin (OJ L 139, 30.4.2004, p. 55).

requirements is ongoing and new requirements will be applicable as from 2016[19].

4. CONSUMERS' ATTITUDE TOWARDS MANDATORY ORIGIN LABELLING FOR MILK AND OTHER TYPES OF MEAT

According to the Eurobarometer survey 2013[20], most EU citizens consider necessary to indicate the origin of milk, whether sold as such or used as an ingredient in dairy products (84%). A similar percentage (88%) has been recorded for the meats under the remit of this report. However, even in these cases, expectations on the precise information that consumers would like to receive under the notion "origin" vary greatly.

For milk and dairy products, preference was expressed for the country of milking or processing whereas the place where the animal was raised and slaughtered were the main points of interest for meats, with the place of birth attracting less interest. Information at Member State or third country level was considered more appropriate than the regional or "EU/non EU" levels.

Consumer surveys reveal that the origin is an important purchase factor for milk, dairy and meat products but only after price, taste, and best before/use by dates.

Nonetheless, most of them also show that there are significant differences in consumer preferences between Member States and discrepancy between consumers' interest in origin labelling and their willingness to pay for that information. Therefore, in spite of their interest to be informed, consumers are not necessarily ready to buy products at a higher cost to have that information. Varying methodologies show that there are difficulties in estimating the real willingness to pay either because of a methodological bias or because consumer replies to surveys do not always correspond to their purchasing behaviour. In the 2013 Eurobarometer only around half of consumers declared their willingness to pay 1-2% more to have origin information for the products under the remit of this report.

5. POSSIBLE SCENARIOS AND MODALITIES OF ORIGIN LABELLING

For milk and milk used as an ingredient

The following scenarios are examined:

– Scenario 1 – Status quo (voluntary origin labelling);

– Scenario 2 – Mandatory origin labelling as "EU/non EU" (or "EU/third country");

– Scenario 3 – Mandatory origin labelling indicating the Member States or third country where the milk (a) was milked or (b) was processed.

For the types of meat

The following scenarios are examined:

– Scenario 4 – Status quo (voluntary origin labelling);

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19 Commission Implementing Regulation (EU) No 2015/262 of 17 February 2015 laying down rules pursuant to Council Directives 90/427/EEC and 2009/156/EC as regards the methods for the identification of equidae (Equine Passport Regulation (OJ L 59, 03.3.2015, p. 1).

20 http://ec.europa.eu/public_opinion/archives/eb_special_419_400_fr.htm

– Scenario 5 – Mandatory origin labelling indicating the Member States or third country where the animal has spent a substantial period of rearing prior to slaughter as well as the place of slaughter;

– Scenario 6 – Mandatory origin labelling indicating the Member States or third country where the animal was born, reared and slaughtered.

For wild game meat, the only scenario examined is the indication of the place of hunting.

Furthermore, the scenario "EU/non EU" (or "EU/third country") was discarded for the meats under the remit of this report due to the limited consumer interest in such a wide geographical framework confirmed during the study and on the impact study on mandatory origin labelling for pigmeat, poultry, sheep and goat meats[21].

Additionally, the option of mandatory labelling at regional level within the EU was disregarded due to its very high implementation costs (requiring the establishment of more detailed traceability systems and involving a greater segmentation of the supply chain) together with the absence of an harmonised legal definition of this geographical level across the Union.

6. ANALYSIS OF IMPACTS AND COSTS AND BENEFITS OF THE DIFFERENT SCENARIOS

6.1. Impact on consumer behaviour

It is difficult to estimate the impact of origin labelling on consumers in terms of a cost-benefit analysis. Origin labelling provides consumers with additional information to make informed choices on the food they purchase and consume. Overall, origin labelling tends to be perceived by the consumers with a range of positive attributes, including quality.

In the status quo scenarios with voluntary origin labelling, the extent of information on the provenance of the product would be provided depending on the demand from consumers. As such this would not fully meet consumer demands for systematic origin information but it would be more in line with the limited consumer willingness to pay for compulsory origin information.

When operators voluntarily decide to label origin information, this is presented as adding value to the product and influencing the purchasing decisions of those consumers for whom this information is relevant.

For milk and milk used as an ingredient

Scenarios with mandatory origin labelling either at "EU/non-EU" or "Member State" would systematically provide consumers with origin information.

The option "EU/non-EU" would simply differentiate EU production from that of third countries. Considered as too generic, it does not appear worth any price increase from the consumer point of view. On the contrary, the scenario "Member State" seems more meaningful for consumers, especially when origin labelling is given with regard to the place of milking. Conversely, the preference of dairies is to indicate the place of processing, which is much simpler to implement.

For the types of meats

[21] http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2013/ia_meat_origin_labelling.pdf

Surveys show that consumers are mainly interested in the place where the animal was raised and slaughtered (or hunted).

The case of horse meat sector, with recent scandals and consequent negative public perception, has triggered requests from different organisations and institutions for more extensive information.

6.2. Economic impacts

6.2.1. Operating costs of food business operators (FBOs)

The study found that, except in the case of voluntary labelling where operating costs would remain unchanged, new mandatory labelling obligations would entail additional costs for FBOs.

For milk and milk used as an ingredient

Scenarios"EU/non EU" and "Member State" would pose operational challenges and require profound adaptations especially with respect to milk ingredients of mixed origins.

The cost for labelling the origin of drinking milk would depend on the rules defined and the characteristics of every plant. While labelling the place of processing would be much simpler, indicating the place of milking would be challenging for processors sourcing milk from several origins and its implementation would result in additional operating costs. With mixes of origin in a given product costs can differ when labelling several Member States/third countries. If eventually retained, further technical work would be needed to determine tolerances and lower limits above which the Member State of origin would have to be indicated (milk being a liquid product, it blends naturally when put together).

In contrast to milk for direct consumption, providing origin labelling for milk used as an ingredient in dairy products appears much more difficult in practice, and hence expensive, in particular for highly processed dairy products with multiple manufacturing stages and where milk ingredients tend to travel long distances. FBOs using milk ingredients from several origins would be adversely affected along the following lines:

– The most relevant cost items depicted in the study refer to the adaptation of sourcing practices, possible changes in the mix of suppliers, switching to smaller production batches, adaptation of production processes to achieve segregation by origin, adaptation of packaging/labelling and implementation/adaptation of traceability systems.

– Costs can differ depending on the specific operational situation of the FBOs concerned, the dairy product and milk ingredient in question and the traceability systems in place.

The analysis indicated that the additional costs are likely to range from negligible up to 8% of the cost of production at processor level but certain companies claim they may reach up to 45% in particularly disadvantageous circumstances.

For the types of meat

– Costs would be relatively minor (less than 3%) as compared to the wholesale price and vary depending on the size and location of the company. Bigger companies sourcing domestically or from one third country would be able to

absorb costs more smoothly. These costs would include the need to reinforce the traceability downstream through the processing and supply chain.

– The more complex the labelling rules, the more costly the adaptation of the identification systems for live animals would be.

– Operators working with meats from several provenances would readapt supplies towards a rather homogeneous origin with the view to reduce operational costs.

6.2.2. Competitiveness, trade and investment flows

The consultants in charge of the study estimate that mandatory origin labelling would possibly push consumers towards domestically produced goods. As a result, there will be a certain renationalisation of the single market.

For milk and milk used as an ingredient

– Under the scenario "EU/non-EU", the internal market is expected not to be greatly affected. A shift among processors towards fewer suppliers of milk ingredients is likely to occur so as to avoid the complexities deriving from multiple EU and third country origins, with possible impact on international trade.

– The outlets for milk and milk ingredients of mixed origin would become more limited in case the indication of the Member States becomes compulsory. FBOs would likely see the price of their raw materials increase as their overall supply base would become more restricted.

For the types of meat

– The scale of the impact of the different scenarios would be modest for most of the meats under the remit of this report. On the contrary, changes in the supply chain of horses can result in a segmentation of intra-EU trade and a decrease in the number of intermediaries. Furthermore, FBOs may consider more cost efficient to adapt their supply structure (sourcing, batch sizes, reducing intermediaries) rather than upgrading the internal traceability system in order to be able to work simultaneously with several origin sources.

– Impacts of an origin labelling obligation would concern especially those third countries that currently export some quantities of unprocessed meat to the Union. External trade of small game and wild bird meats is virtually non-existent and intracommunity trade is very limited.

6.2.3. Regulatory burden on businesses

For FBOs, additional administrative costs would be due to the need to record the origin of supplies and adapt their traceability system.

In general, smaller dairies dependant on local supplies would be less affected than collector centres of large companies. Also, smaller slaughterhouses and cutting plants that source generally animals locally would be not obliged to adjust considerably their sourcing practices and this would not entail high additional costs. Therefore, the bulk of the burden would concern dairies/abattoirs operating in border regions and those located in areas non self-sufficient on raw milk/meat.

The study estimated that the burden would not change from the present situation with origin labelling remaining voluntary, and it is expected to increase only modestly should the indication of the Member State become compulsory for drinking milk.

In contrast, the additional burden may be significant if the Member State of origin has to be labelled for highly processed and composite products such as yoghourts and milk based desserts. A heavy control burden on food manufacturers would push them to source their milk from fewer countries, to the detriment of the single market.

For the meats under the remit of this report, the consultants in charge of the study are of the view that companies would manage to reduce additional unit costs after the necessary adaptation period, especially as regards administrative costs. The impact would only be noteworthy for horse meat operators with substantial differences between horses reared for meat in specialised farming systems (of limited relevance in quantitative terms) and the rest.

6.2.4. Burden on public authorities

Although the study does not provide detailed figures it indicates a low increase in control costs in case of a mandatory "EU/non EU" labelling for drinking milk.

In case of the compulsory labelling of the Member State, costs would be higher and depend significantly on the level of detail of the origin information required, i.e. place of farming/milking or processing/slaughtering.

The "born/raised/slaughtered" model would be costly to implement for horse meat. Furthermore, the current traceability and identification system does not always provide the competent authority with a comprehensive information as to where the horse was raised and born.

In general, the burden increase results in more staff needed to perform documentary checks. If the funding allocated to control authorities by the State budgets is not increased, the expected rise in staff time may lead to a reduction in the frequency of controls or a change in priorities, which may also result in an increased risk of fraud. The burden on public authorities could be mitigated in case fees are put in place for the conduct of official controls. Such costs would normally be transferred down the chain by the FBO's through the prices.

6.2.5. Costs for consumers

The status quo is not likely to result in an overall price increase. Where origin is provided, additional costs are generally passed onto consumers with products being sold at a premium price.

The provision of mandatory origin information at Member State level expected to result in increased costs, which are expected to be passed mainly onto consumers but also onto producers. The exact rates vary depending on the sector, the Member State concerned and the degree of vertical integration and market concentration.

6.2.6. Environmental and social impacts

These impacts were not analysed by the study. However, it can be assumed that by providing more detailed information on the origin, consumers would favour "local food" or even actively refuse products from other countries. This may have an impact on the transport of live animals, raw milk, milk ingredients and dairy/meat products. Whether this would turn out to be positive for the environment (e.g. in terms of a reduction of greenhouse gas emissions), is impossible to assert as most intra-EU

trade occurs between neighbouring countries where distances may actually be shorter than within certain Member States. Scenarios other than voluntary labelling can result in a slight increase in product waste.

Any option making the indication of the Member State in the label compulsory might also foster a purchasing behaviour increasingly oriented towards local produce and possible shifts in consumption, the elimination of intermediaries, sourcing and processing. This may even include knock-on effects on employment if price increases result in a certain contraction of consumption.

6.3. Advantages and disadvantages of mandatory origin labelling modalities for milk, milk used as an ingredient in dairy products and other types of meat

The following tables provide a summary of the advantages and disadvantages of possible mandatory origin labelling modalities:

– for milk and milk used as an ingredient:

Mandatory Origin modality		Advantages	Disadvantages
Milk	Place of first processing	– Low costs (< 1%).	– No information on the origin of raw milk.
	Place of milking	– Low costs (<1%); – Meaningful information to consumer at Member State/country level.	– Additional traceability systems required from factories sourcing milk from several origins; – Technically challenging if multiple origins involved; – Cross border trade impacted; – Need to establish a minimum tolerance for multiple sourcing.
Milk used as an ingredient in dairy products	Place of the first processing of the raw milk	– Low costs (<1%) if EU/non-EU chosen, except for highly processed products.	– No information on the origin of milk; – Additional traceability systems required from factories sourcing milk from several origins; – Technically challenging where multiple origins are involved; – Trade flows impacted; – Need to establish a minimum tolerance for multiple sourcing; – High costs if multicountry origin chosen (up to 8% at MS' level and up to

			45% at individual factory level).
	Place of milking	Meaningful information to consumer at Member State/country level.	– Additional traceability systems required from factories sourcing milk from several origins; – Particularly challenging where multiple origins involved; – Trade flows impacted; – Need to establish a minimum tolerance for multiple sourcing; – High costs if multicountry origin chosen (up to 8% at MS' level and up to 45% at individual factory level).

– for the types of meats under the remit of the study:

Mandatory Origin Modality		Advantages	Disadvantages
Horse meat	Place of birth + place of rearing + place of slaughtering	– Provides meaningful information to the consumer at MS/country level; – Reassure consumer confidence.	– Additional traceability systems; – Challenging with birth information if the rules on the identification are not correctly monitored; – Challenging when several rearing places are involved; – Limited application due to low rate of pre-packed horse meat.
	Place of minimum rearing prior to slaughter + place of slaughtering	– Put more emphasis on the last stages of the life of the animal.	– Additional traceability systems; – Need to establish a minimum rearing period during the lifetime of the animal; – Limited application due to low existence of prepacked meat.
Rabbit meat +	Place of birth + place of rearing + place of	– Provides meaningful information to the	– Birth place: Not important for short

Farmed game and birds meats	slaughtering	consumer at Member State/country level.	production cycles; – It would require additional identification system; – Additional traceability systems; – Trade flows can be affected.
	Place of minimum rearing prior to slaughter + place of slaughtering	– Put more emphasis on the growing and final killing places of the animal; – Provides meaningful information to the consumer at Member State/country level.	– Additional traceability systems; – Need to establish a minimum rearing period during short cycle life; – Trade flows can be affected.
Wild game and bird meats	Place of hunting	– Provides meaningful information to the consumer at Member State/country level.	– Additional traceability systems; – Trade flows can be affected; – Limited application due to low existence of prepacked meats.

7. CONCLUSIONS

Currently for the foods under the remit of this report 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 assessed in the report 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.

Additional findings that emerge from this report are that:

– In spite of a consumers' interest for the origin of milk, milk used as an ingredient in dairy products and for meats under the remit of this report, consumers' overall willingness to pay for this information appears to be modest.

– When mandatory origin labelling scenarios are considered, consumers seem to express preference for this indication to be made at Member State's level.

– Although the cost of labelling the origin of milk could be generally modest, its impact among operators will be uneven with some of them having to introduce additional traceability systems with substantial increases of costs, particularly those located in border regions or in areas non-self-sufficient in milk.

– The study shows that the mandatory origin labelling of milk used as an ingredient in dairy products can result in adverse economic impacts, further

traceability requirements and would be burdensome for highly processed products.

– There will be additional operational costs to impose mandatory origin labelling for the meats under the remit of this report.