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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

evaluating the mandatory indication of the country of origin or place of provenance for meat of swine, poultry, sheep and goat

1. INTRODUCTION

Commission Implementing Regulation (EU) 1337/2013[1] (hereinafter referred to as the Regulation), following Article 26(2)(b) of Regulation (EU) No 1169/2011[2], introduced the compulsory indication of the country of origin or place of provenance for swine, poultry, sheep and goat meat from 1 April 2015.

Pursuant to Article 26(4) of Regulation (EU) No 1169/2011, within 5 years from the date of application of the new rules, the Commission shall submit to the European Parliament and the Council a report evaluating the mandatory indication of the country of origin or place of provenance for those meat products.

The present report focuses on the implementation and impact of the Regulation in relation to its effectiveness, efficiency, coherence, relevance and EU added value.

Other considerations on the general issue of origin labelling and the possible extension to other product categories (not-prepacked meat or meat used as an ingredient in preparations and processed products) are not addressed, since they will be the objective of specific impact assessments the Commission will carry out in the framework of the Farm to Fork Strategy[3].

2. BACKGROUND AND LEGAL FRAMEWORK

Regulation (EU) No 1169/2011 provides the basis for the assurance of a high level of consumer protection in relation to food information, taking into account the differences in the perception of consumers and their information needs whilst ensuring the smooth functioning of the internal market. In case of fresh, chilled and frozen meat of swine, sheep, goats and poultry, it provides that the indication of the country of origin or place of provenance shall be mandatory and empowers the Commission to adopt an implementing act to lay down specific rules.

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[1] 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).

[2] Regulation (EU) No 1169/2011 of the European Parliament and 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).

[3] Farm to Fork Strategy – for a fair, healthy and environmentally friendly food system. COM(2020) 381 final. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0381

The obligation concerns unprocessed pre-packed fresh, chilled and frozen meat in any form of cut and includes minced meat.

In the impact assessment carried out in preparation of the legislation[4], the Commission considered three policy options: the simple model, with EU/non EU indication, the intermediate model, with mandatory labelling of country of rearing and of slaughter and the beef model, that includes also the mandatory indication of the country of birth. Starting from a situation where no information on origin or place of provenance was provided to consumers, the intermediate model was chosen, since it was considered as optimal in providing accurate, clear and useful information on the origin of meat to consumers, while avoiding excessive administrative burden to operators and competent authorities.

The main blocks of the regulatory framework as designed by the Regulation are:

1) the traceability system (article 3), to ensure that reliable information is transmitted alongside the chain until the final consumers;
2) the rules for batches formation (article 4), since they can impact heavily on the normal workflow and on the sourcing practices;
3) the criteria to link the production phases with the information on labels (article 5), since animals are often reared in more than one country;
4) the need to provide flexibility in case of minced meat or trimmings (article 7): specific simplified rules apply for those categories of products, since the production volumes and the processing chain make it difficult to easily ensure physical separation of the different batches.

The Regulation was directly applicable in all Member States since 1 April 2015.

3. EVALUATION

The present report is largely based on the Commission Staff Working Document "Evaluation of the mandatory indication of the country of origin or place of provenance

[4] Impact assessment: "Mandatory Origin Indication for Unprocessed Pig, Poultry, Sheep and Goat Meat": ; External study: "Study on mandatory origin labelling for pig, poultry and sheep and goat meat": https://ec.europa.eu/agriculture/external-studies/origin-labelling-2013_en

for fresh, chilled and frozen meat of swine, sheep, goats and poultry"[5] in which all the details on the methodology used to gather evidences as well as the details of the evaluation exercise can be found.
Furthermore, an external study commissioned by DG AGRI to support the internal evaluation was carried out by an external contractor[6] and a public consultation was held from 9 December 2019 to 2 March 2020[7].

The evidence gathered was used to evaluate the Regulation in relation to its effectiveness, efficiency, coherence, relevance and EU added value.

3.1 Effectiveness and efficiency of the Regulation

The following aspects were considered:

1. the extent to which the operators had to change the existing traceability system and sourcing strategies, the effects of batch requirements and whether those three aspects had an impact on costs;
2. the impact of the Regulation on the different actors of the food chain, on the administrative burden and extra-cost incurred and if costs were transferred to the final consumers;
3. the extent to which the information is verifiable by competent authorities;
4. the extent to which consumers were provided with clear and accurate information;
5. the positive/negative effects on the EU single market and on possible renationalisation of the meat market;
6. identification of tangible and intangible benefits.

1. Changes needed to existing systems and strategies and impact on operators

The existing traceability systems set up in compliance with Regulation (EU) 178/2002[8]

[5] SWD(2021)218 – Staff Working Document: Evaluation of mandatory indication of country of origin labelling for certain meats.
[6] (Agra Ceas Consulting SA/ IHS Market and Areté Srl: "Evaluation study of mandatory country of origin labelling for certain meats", https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cmef/products-and-markets/mandatory-indication-country-origin-labelling-certain-meats_en
[7] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1892-Evaluation-of-mandatory-country-of-origin-labelling-for-certain-meats/public-consultation
[8] Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying

and in conjunction with legislation on identification and registration of livestock[9], are generally able to provide all the information needed to operators to correctly label the meat for the country of origin or place of provenance. The information provided is considered reliable by both the competent authorities and the supply chain operators.

The main difference between traceability and origin labelling information requirements concerns the accessibility of the information: traceability information is not usually required instantly and therefore more sophisticated information systems may be required to access origin information for labelling purposes. No evidence emerged from the evaluation that the information provided by the traceability rules was insufficient to comply with the labelling requirements of the Regulation. There is high expressed confidence in the effectiveness of the traceability system.

Operators needed only minimal changes to traceability systems already in use to comply with the new rules. The changes mainly aimed at ensuring the proper transmission of the information that is collected along the food chain and to adapt the internal system in order to ensure proper segregation of live animals and meat products. Those changes were mainly required by operators dealing with both domestic and imported animals and/or meat.

Among operators sourcing from multiple countries, the majority did not change their sourcing practices, but rather they improved the segregation system of live animals and meat to ensure proper labelling. Similarly, the batch requirements[10] did not result in changes to sourcing practices since the standard procedures applied in most of the cases already included clear rules for batch formation for traceability purposes.

Some negative effects (perceived by operators) were reported in a sporadic way in the different surveys:

- the Regulation could favour consumers' perception that imported products are of lower

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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 031 1.2.2002, p. 1).

[9] - Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97 (OJ L 204, 11.8.2000, p.1).

- Council Directive 2008/71/EC of 15 July 2008 on the identification and registration of pigs (OJ L 213, 8.8.2008, p.31).

- Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 005, 9.1.2004, p.8).

[10] 'Batch', as defined in Article 2(2)(b) of Implementing Regulation (EU) No 1337/2013, means meat obtained from a single species (swine, sheep, goat or poultry) with or without bone, whether or not cut or minced, that has been cut, minced or packed under practically identical conditions.

quality and therefore is increasingly used by operators in the meat processing industry rather than for fresh consumption;
- a possible loss of flexibility in supply since it is not possible to easily switch to suppliers from other Member States in times of shortage.
However, no evidence of those negative effects reported by few operators in the supply chain survey was found in a systematic and quantifiable way in the evaluation exercise.

2. Impact on costs and new administrative burden

The supply chain survey and the case studies showed that the changes made had only a small cost implication since the costs already supported for general traceability rules absorbed the costs arising from the implementation of new rules. The estimates provided indicate that the cost increase varied from negligible values up to a maximum of 2% in the pig meat and poultry supply chain while no estimates could be provided in the sheep/goat meat sector.
Those minimal cost increases were not transmitted along the chain, and no evidence that consumer prices changed as a result of the implementation of the Regulation were found by the study.

The new administrative burden raised by the Regulation was considered very low: traceability systems were already in place before the entry into force of the Regulation and operators with complex sourcing strategies could opt for using simplified labelling indications that allowed minimising the changes needed to be compliant. The derogations provided for minced meat and trimmings allowed operators with complex sourcing to opt for simplified labelling strategies.

3. Extent to which the information is verifiable by competent authorities

The competent authorities and operators reported no systematic difficulties or problems in implementing the Regulation. Furthermore, the competent authorities did not encounter any specific problems in verifying the requirements of the Regulation, in particular with respect to the requirement on the rearing period.

4. Quality of information provided to consumers

The consumer survey showed that the country of origin is an important consideration when purchasing swine, poultry or sheep and goat meat. Most consumers tend to prefer meat of national origin, considering the meat produced in their own country being safer or of better quality and the level of satisfaction with the information found on the label was generally high.

However, a low understanding of the terms "*reared in*" and "*origin*" was reported by the survey. Majority of consumers tend to interpret the terms "*reared in*" as the country were the animal spent its whole life or as the country of birth of the animal. Some consumers are therefore likely to consider themselves (inadvertently) misled by the labelling with respect to rearing period. That can be mainly attributed to a lack of clear communication and specific knowledge rather than to the Regulation itself.

5. Effects on internal trade

To investigate potential effects on the intra-EU trade and possible market renationalisation, trade flows before and after the entry into force of the Regulation were analysed. Existing Intra-EU trade flows of live animals or meat did not significantly changed after the entry into force of the Regulation and that could be due to two main reasons:

- in the sectors involved, live animals are imported at an age that do not affect the final indication on the labelling concerning the place of rearing;
- the market share of national meat sold at retail stage was already high before the entry into force of the Regulation.

6. Tangible and intangible benefits

In relation to benefits originating from the entry into force of the Regulation, more than half of the consulted operators did not report any specific tangible benefits from the implementation of the Regulation; a slight increase in domestic market access was reported by some operators in the pig meat sector only in a few Member States (IE, EL, DE, DK) but this did not lead to achievement of higher producer prices. Operators from other Member States did not report any change in domestic market dynamics. Among intangible benefits, the increase in transparency and consequently in consumers' confidence and trust was the most reported.

3.2 Coherence of the Regulation with other rules and regulations

The key objective of the Regulation is that consumers are provided with clear, accurate and meaningful information on the origin of fresh, chilled and frozen meat of swine, sheep, goats and poultry and is related to the objectives pursued by Regulation (EU) No 1169/2011 on the provision of food information to consumers.

The same objective is pursued by Regulation (EC) No 1760/2000 of the European Parliament and of the Council establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products; in that respect, the two Regulations are fully coherent despite Regulation (EC) 1760/2000 having a wider scope, as explained below.

The majority of respondents to the supply chain survey did not identify any inconsistencies or conflicts between the objectives of Regulation (EU) No 1337/2013 and the objectives of any other EU legislation.

A minority of respondents reported potential inconsistencies or conflicts between the mandatory country of origin labelling and the objective of ensuring the smooth functioning of the Single Market, since origin labelling could lead to markets renationalisation. However, no tangible change in the EU market dynamics was detected and the analysis showed that there was no evidence that the Regulation had stimulated or hindered the smooth functioning of the Single Market.

Rules on origin labelling for beef are different and stricter than for other types of meat and this has been reported as a possible inconsistency by some operators. In fact, labelling for beef always includes the indication of the country of birth, which is missing from the Regulation except where the "*Origin"* designation is used and therefore information on the country of birth is provided.

However, it should be considered that rules on beef origin labelling laid down in Regulation (EU) No 1760/2000 were adopted in the immediate aftermath of the Bovine Spongiform Encephalopathy crisis for public health and food safety reasons and to restore consumers' confidence after the severe market disruption. Therefore, their objectives were wider than those of the Regulation and required a stricter approach[11].

[11] For a detailed analysis see the Report "Evaluation of EU beef labelling rules. https://op.europa.eu/en/publication-detail/-/publication/bda60704-8451-11e5-b8b7-01aa75ed71a1

Similarly, no inconsistencies in the definitions, traceability and labelling requirements were identified in relation to other EU legislation during the evaluation study.

Concerning the derogations allowed for imported meat and minced meat and trimmings, the derogations provided by Regulation (EU) 1760/2000 in case of beef are different to those provided under Regulation (EU) No 1337/2013 and are not based on systematic use of the "EU/non-EU" simplified origin indication.
However, those differences were not considered significant by surveys and the high prevalence of positive views among both supply chain stakeholders and Competent Authorities allows the conclusion that the derogations provided by the Regulation are more fitted to the real production situation of minced meat for those types of meat.

In fact, the supply chain survey did not identify any inconsistency in comparison to the derogations on labelling provided in other relevant EU legislation.
In particular, the use of the "EU/non-EU" simplified origin indication allowed for minced meat and trimmings in the Regulation is similarly allowed for specific product typologies (honey, fresh fruit and vegetables, olive oils)[12] that often derive from more or less complex combinations of primary ingredients from multiple EU and non-EU origins, which may also change rather frequently, making thus burdensome or meaningless the segregation of the products for different origins.
Finally, the "EU/non-EU" simplified origin indication is also one of the options for indicating the country of origin or place of provenance of the primary ingredient of a food pursuant to Article 2 of Regulation (EU) 2018/775[13] when the origin of the primary ingredient is not the same as origin of the final product. Since minced meat and trimming are used as primary ingredients in many preparations, the requirements of Regulation (EU) 1337/2013 and of Regulation (EU) 2018/775 appear to be fully coherent.

[12] Directive 2001/110/EC for honey (OJ L 147, 31.5.2001, p. 41), Regulation (EU) No 543/2011 for fresh fruit and vegetables (OJ L 157, 15.6.2011, p. 1) and Regulation (EU) No 29/2012 for olive oil (OJ L 12, 14.1.2012, p. 14).

[13] Commission Implementing Regulation (EU) 2018/775 laying down rules for the application of Article 26(3) of Regulation (EU) No 1169/2011 concerning the provision of information on the country of origin or place of provenance of the primary ingredient of a food where different to that given for the food (OJ L 131, 29.5.2018, p.8).

3.3 Relevance of the Regulation

Supply chain and consumers' surveys clearly showed that providing clear, accurate and meaningful information to consumers remains highly relevant. This is in line with the current political discussion on possible extension of origin-labelling obligations to a wider set of product categories. Similarly, but with less emphasis, the objective to avoid unnecessary burden on operators, trade, administration and the environment is still considered relevant.

Almost three-quarters of respondents to the supply chain survey did not identify any new needs emerged since the drafting of the Regulation. The new needs identified by the minority of respondents can be summarized as:

- extension of mandatory origin labelling to food service and catering sectors, to preparations and to meat used as an ingredient in processed food;
- inclusion of non pre-packed meat in the categories for which origin information should be mandatory;
- inclusion of rabbit meat.

The perceptions on those new needs are not broadly shared and some of them (i.e. inclusion of rabbit meat) are not foreseen under the current legal basis (Regulation (EU) No 1169/2011).

The analysis of the context evolution showed the increasing use of the internet for food shopping (on-line buying). Consequently, the need for reliable information to be available online is also perceived as an important factor to be addressed in the coming years.

To conclude, the majority of respondents to the supply chain stakeholder survey and the survey of national Competent Authorities felt that the Regulation remain either "fully" relevant or relevant to a "great extent".

3.4 EU added value of the Regulation

To assess the added value of having an EU Regulation on the mandatory indication of origin or place of provenance for the types of meat concerned, the following aspects were investigated:

- whether Member States would act to introduce similar rules in absence of the

Regulation and the potential impacts of having a non-harmonised system;
- the benefits on the internal market of having harmonised rules provided in the Regulation;
- an evaluation of the existing national rules issued by Member States in addition to those provided in the Food Information to Consumers Regulation (EU) No 1169/2011 and in the Regulation, and the reasons behind such rules.

Competent authorities' opinions were balanced between those who would probably introduce national rules and those who would not in absence of the Regulation.
Among the Member States who would have introduced rules, the main reason to do so would have been the consumers' demand for such information. However, only one third of the respondents believed it would be "quite feasible" to introduce national rules and none considered it "entirely feasible". In that sense, the Regulation facilitated the introduction of such rules in Member States more inclined to regulate origin labelling.

A large majority of Competent Authorities, EU level organisations and national industry organisations considered that national rules would not fulfil completely the EU objectives pursued by the Regulation. Only one fifth of the competent authorities considered that national rules would have met the same objectives of the Regulation. The majority considered that national rules would have led to a lack of harmonisation with possible consequences on trade within the single market or to possibly misleading consumers, since national rules only apply to domestic products. Stakeholder positions diverged in function of the degree to which the domestic supply chain depends on intra-EU trade. Where that dependency is higher (in example, pig and poultry in Germany; poultry in Netherlands and pig in Spain) the opinion was that national rules would not fulfil the EU objectives or would do it only on a limited extent, in the absence of the Regulation.

While, as seen before, the entry into force of the Regulation did not hamper the evolution of intra-EU trade in live animals or fresh meat and did not disrupt the operation of the EU Single Market, the main risks identified in having a non-harmonised system were:
- the different degrees of information provided to consumers.
- the potential issue of barriers to trade within the Single Market;
- the different level playing field for operators.

All those potential negative effects were effectively prevented by the entry into force of the Regulation. EU consumers are now provided with the same information as regards the

products within the scope of the Regulation and all the EU operators have to comply with the same rules without differences among Member States.

Some Member States enacted national laws establishing a control regime (DK, IE, IT) and others amended existing national laws to ensure compliance with the Regulation (EL, PL, RO).
In two Member States (EL, PL), national legislation also specifies the additional requirement to provide country of origin information for fresh, chilled and frozen meat of pigs, sheep, goats and poultry sold loose (i.e. not pre-packed).
Two Member States (FI and FR) have issued additional national rules to extend the scope of the Regulation to meat used as ingredient or meat sold in restaurant and catering.

The study showed that those national rules had no direct effects on the implementation of the Regulation.

4. CONCLUSIONS

The traceability systems developed under the General Food Law framework showed their effectiveness in ensuring compliance with the Regulation and only minimal changes (mainly at processing stage) were required to ensure the proper transmission of the information. There was no evidence that specific information for a proper origin labelling is systematically insufficient.
The sectors could therefore cope with the requirements without excessive administrative burden and costs, thanks in particular to derogations for minced meat and trimmings.
The minimal costs borne by operators were not transferred along the chain and had no impact on final consumer prices.
The Regulation had minimal impact on trade within the EU's Single Market; by setting harmonised rules the Regulation helped the functioning of the Single market by providing a common playing-field for EU operators.
In that sense, and considering that the objectives of the Regulation are still considered relevant, the EU added value was to provide EU consumers with the same level of information, without jeopardising the EU single market and intra-EU trade.

The information provided proved to be reliable and in line with the labelling definitions and fully verifiable by Competent Authorities without much effort or burden.

However, consumer understanding of those definitions is low. In particular, there is low consumer understanding of the term "*Reared in"* as defined under Article 5 of the Regulation, that is often understood as the place where the animal was born and spent its entire life. As a result, it cannot be concluded that the information is fully clear and useful to consumers. That issue is however not related to the Regulation's implementation, but it could be addressed through better communication, in particular at retail level.
The analysis showed that the Regulation is coherent with other EU legislation on origin indication, despite differences with beef labelling legislation which are justified by the different contexts and periods in which the two pieces of legislation were designed.

To conclude, the Regulation was designed to have a minimal impact on the sector while also providing consumers with appropriate information for their purchasing decision. The evidence suggest that those objectives have been met. There is therefore no need to review current provisions at this stage. This conclusion is without prejudice to the general review of consumer information referred to under the Farm to Fork Strategy.