

Food information to consumers

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In accordance with the requirements of Regulation (EU) No 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers ('the FIC Regulation'), the Commission presents a report regarding the mandatory indication of the country of origin or place of provenance for meat used as an ingredient.

It is recalled that 88% of the EU-27 consumers buy pre-packed meat. The majority of meat is pig (49%), poultry (29%) and beef (19%). Generally, 30-50% of the total slaughtered meat volume is processed into meat ingredients for foodstuffs (mostly into minced meat/meat preparations/meat products). The EU meat processing industry represents more than 13,000 companies. It employs about 350,000 people and represents a turnover of EUR 85 billion.

The report covers meat of all species (e.g. beef, pigmeat, poultry, sheep and goat meat, game, rabbit meat, horse meat) used as an ingredient in pre-packed foods. Its main goals are as follows:

- to assess consumers' attitude towards mandatory origin labelling for meat used as an ingredient;
- to examine the feasibility of such labelling; and,
- to analyse the costs and benefits of the introduction of such measures, including the legal impact on the internal market and the impact on international trade.

Consumer attitudes: according to a study by the Food Chain Evaluation Consortium, the origin of food products in general is the fifth most important aspect influencing consumers' purchase decisions out of 11 aspects considered (47.4%), following taste (82%), 'best before'/use by' dates (62%), appearance (61.3%) and price (48.3%).

The country of origin is the fourth key information aspect (out of 15) looked for by the consumers when they buy meat-related products, i.e. 48% of EU consumers, without much difference between EU15 and EU12.

The FCEC consumer survey results indicate that more than 90% of consumer respondents find it important that origin is labelled. There are significant differences between Member States regarding consumer preferences and their understanding of information on origin and the level of detail regarding this information.

However, there exists a discrepancy between consumers' interest in origin labelling and willingness to pay for that information. At the first price increase over and above the base price (+5-9% depending on the level of information required), the consumers willingness to pay falls significantly, i.e. by 60-80%, and continues falling with every further price increase.

Therefore, if mandatory origin labelling results in a price increase for consumers, the consumption of foods with meat used as an ingredient could decrease.

Feasibility of origin labelling: the feasibility and the impact of origin labelling depend largely on the nature of applicable modalities as well as on the nature of the products concerned. For the purpose of the report, three scenarios have been examined:

- Scenario 1- maintain origin labelling on voluntary basis;
- Scenario 2- introduce mandatory origin labelling based on (a) EU/non EU or (b) EU/third country;
- Scenario 3- introduce mandatory origin labelling indicating the Member State or third country.

Scenario 1 would not raise any additional operational challenges for FBOs, as operating costs, impact on EU and international trade, administrative burden, burden on public authorities, additional costs passed onto to the consumer would be kept to the minimum. However, it would not provide a fully satisfactory solution to consumer demand for origin information.

Both Scenarios 2 (to a lesser extent) and 3 would address consumer need for origin information but pose operational challenges and require radical adaptations in the food chain. Scenario 2 is considered more feasible than scenario 3. In particular:

- Scenario 2 would respond to consumer demand for origin information but may be considered as too generic and not worthy of any price increase resulting from additional operating costs for food business operators (ranging from negligible up to 25%);
- regarding competitiveness and trade, changes in the supply chain may result in market segmentation and in a decrease in the number of intermediaries and the number of meat ingredients;
- as regards international trade, this scenario is likely to change trade flows with a risk for a shift of EU food business operators towards EU suppliers and to create additional costs for third country operators;
- whilst the administrative burden for food business operators is estimated as negligible, the burden on public authorities is expected to increase by 10-30%.

Scenario 3 would:

- provide meaningful information to consumers, considering they are, by large, interested in knowing more about the origin of meat for all three meat-based product groups and at the same time
- be likely to bring extra costs for food business operators, resulting in price increases depending on the nature of the meat ingredient concerned and the final product that could affect consumption.

Under this Scenario, additional operating costs for operators are likely to range from +15 or 20% up to 50%. Additional administrative burden

may result in an increase of 8 to 12% of the total production costs whilst burden on public authorities is likely to be higher than the one under scenario 2.

The Commission is of the view that all possible scenarios present advantages and disadvantages that need to be widely discussed with the Council and the European Parliament. On the basis of these discussions, the Commission will consider the next steps, which may include a legislative proposal to regulate the labelling of origin of meat used as an ingredient in foods.