ORIGIN LABELLING: latest developments for pasta products

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Article 26 Country of origin or place of provenance*

SCOPE: Origin does not apply to T.S.G., P.G.I. and P.O.D.
1. This Article shall apply without prejudice to labelling requirements provided for in specific Union provisions, in particular Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialties guaranteed (33) and Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (34).

MANDATORY ORIGIN when the information on food might mislead as the true origin
2. Indication of the country of origin or place of provenance shall be mandatory:
   (a) where failure to indicate this might mislead the consumer as to the true country of origin or place of provenance of the food, in particular if the information accompanying the food or the label as a whole would otherwise imply that the food has a different country of origin or place of provenance
   (b) for meat (…).

VOLUNTARY ORIGIN on product triggers mandatory origin on primary ingredient when different
3. Where the country of origin or the place of provenance of a food is given and where it is not the same as that of its primary ingredient:
   (a) the country of origin or place of provenance of the primary ingredient in question shall also be given; or
   (b) the country of origin or place of provenance of the primary ingredient shall be indicated as being different to that of the food.
The application of this paragraph shall be subject to the adoption of the implementing acts referred to in paragraph 8.

DEFINITION OF PRIMARY INGREDIENT
As per art. 2.2, lett. (q) “Primary ingredient” means an ingredient or ingredients of a food that represent more than 50% of that food or which are usually associated with the name of the food by the consumer and for which in most cases a quantitative indication is required

*place of provenance’ means (art. 2.2, lett. g) any place where a food is indicated to come from, and that is not the ‘country of origin’ as determined in accordance with Articles 23 to 26 of Regulation (EEC) No 2913/92; (…).
CURRENT PROVISIONS

CONSUMER INFORMATION EU Reg. n. 1169/2011

Article 26 Country of origin or place of provenance

4. meat (...).


5. By 13 December 2014, the Commission shall submit reports to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for the following foods:
   (a) types of meat other than beef and those referred to in point (b) of paragraph 2;
   (b) milk;
   (c) milk used as an ingredient in dairy products;
   (d) unprocessed foods;
   (e) single ingredient products – i.e.
   (f) ingredients that represent more than 50% of a food.

PROCEDURE for the introduction of mandatory cool on (…) durum wheat semolina pasta, soft wheat flour pasta and ingredients that represent more than 50% in pasta products (i.e. filled pasta)

6. By 13 December 2013, the Commission shall submit a report to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for meat used as an ingredient.

PROCEDURE for the introduction of mandatory cool on (…) tortellini

7. The reports referred to in paragraphs 5 and 6 shall take 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 and an analysis of the costs and benefits of the introduction of such measures, including the legal impact on the internal market and the impact on international trade.

The Commission may accompany those reports with proposals to modify the relevant Union provisions.
CURRENT PROVISIONS

CONSUMER INFORMATION EU Reg. n. 1169/2011

Article 26 Country of origin or place of provenance

PROCEDURE FOR VOLUNTARY COOL AS PER ART. 26.3

8. By 13 December 2013, following impact assessments, the Commission shall adopt implementing acts concerning the application of point (b) of paragraph 2 of this Article and the application of paragraph 3 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 48(2).

Art. 48 (2): Art. 5 of Regulation EU n. 182/2011 shall apply

9. (…) option for the modalities of origin indication on meat products

CUSTOMS CODE Regulation EEC No 2913/92

Art. 24

establishes the criteria in order to define the origin of goods: last substantial processing
‘Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture’.
Study on the application of RULES ON VOLUNTARY ORIGIN LABELLING of foods AND ON THE MANDATORY INDICATION of country of origin or place of provenance of MEAT USED AS AN INGREDIENT

UN.A.F.P.A. ACTIONS

✓ According to art. 26.8 the European Commission appointed a Consultant (Consortium formed by AGRACEAS and ARETE’) to conduct the Study

✓ **November 2012**, Consultant issued a list of questions for stakeholder consultation and data collection to Industry organisations

✓ FoodDrinkEurope prepared a *(cover)* statement in view of the consultation of the Study for Members with the Consultant

✓ In addition FoodDrinkEurope’s provided specific input to the list of questions of the consultation

✓ **End of November** UNAFPA filled in and circulated a first draft of answers to the questionnaire of the Consultant and held a conference call to define the document, highlighting the position of pasta sector as regards voluntary origin labelling of foods (part A of the questionnaire) and on the mandatory indication of country of origin or place of provenance of meat used as an ingredient (part B of the questionnaire)

✓ On 12 February 2012 UNAFPA Secretariat met ARETE’ in Bologna and commented on the various aspects of questionnaire

✓ **End of February** UNAFPA provided additional comments on part B of the questionnaire and sent to Consultant the final document
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UN.A.F.P.A. POSITION ON VOLUNTARY COOL

General approach: pasta products description, supplies features and quality aspects

Pasta products description has been provided in the introduction of the questionnaire.

Specified that answers could be different if labeling concerns raw product (mainly durum and soft wheat) or processed raw product (durum wheat semolina or soft flour) origin.

As regards wheat it is also to be considered that EU shows a relevant deficit in terms of quantity and quality.

Processed raw product is obtained by blending different wheat origins (region or countries), in order to maximise quality, balancing the characteristics of different wheat, and minimizing the cost. The blend change every week depending on the quality of the grains.

By imposing an origin labelling for wheat in pasta, there would be a strong constraint in supply chain flexibility with the following impacts:

- Reduction in quality, because the mill has to stick to a fix mix of origins and cannot optimize the blend.
- Increase in pasta price because of supply chain organization and limited area of origin.
- Lost in competitiveness vs. non-EU pasta producers.
- Fraudulent practices due to lack of analytical control to determine wheat origin in pasta.
Study on the application of RULES ON VOLUNTARY ORIGIN LABELLING of foods AND ON THE MANDATORY INDICATION of country of origin or place of provenance of MEAT USED AS AN INGREDIENT

UN.A.F.P.A. POSITION ON VOLUNTARY COOL (2)

On “primary ingredient”
Regulation (EU) 1169/2011 defines the “primary ingredient” as (Article 2.2 (q): ‘primary ingredient’ means an ingredient or ingredients of a food that represent more than 50 % of that food or which are usually associated with the name of the food by the consumer and for which in most cases a quantitative indication is required”.

This definition is rather complex and it does not provide the necessary clarity.
UNAFPA calls for a flexible and pragmatic interpretation on a sectorial approach.

In addition, there may be more than one primary ingredient
[e.g. in the case of egg stuffed pasta with ricotta, spinach and herbs, primary ingredients would be wheat flour, durum wheat semolina, eggs, spinach, ricotta cheese, herbs].
In such a case, what is the primary ingredient? All?
It would result in too burdensome labelling practices (frequent label adaptations, caused by changes in the sourcing of the primary ingredient due to seasonality, availability, variation, quality, pricing sustainability etc.) and not much added value to consumers as labels would be particularly long and hardly legible.

In the case of processed primary ingredients, origin information

**YES** place where the primary ingredient underwent its last, substantial, economically justified transformation

**NO** place where the raw material for the primary ingredient originates, such as the place of harvest or place of farming.
Study on the application of RULES ON VOLUNTARY ORIGIN LABELLING of foods AND ON THE MANDATORY INDICATION of country of origin or place of provenance of MEAT USED AS AN INGREDIENT

UN.A.F.P.A. POSITION ON VOLUNTARY COOL (3)

Origin indication: PASTA MADE IN PORTUGAL with EU and non EU durum wheat semolina
For the indication of a different origin of the primary ingredient (Art. 26.3b), UN.A.F.P.A. considers that the indication of “EU and/or non-EU” (“made in X with EU/non-EU ingredients”) could be a workable approach to be further explored. The producer may, on a voluntary basis, give more detailed information on the origin/provenance of primary ingredient(s) if this is feasible.
UN.A.F.P.A. calls for general principles rather than a closed list of statements that can be used. Flexibility is needed with regard to the wording to be used for voluntary origin as each sector/food category has its specificities.

Costs
For unprocessed raw materials (i.e. durum and soft wheat) an average additional costs of 20 % has been estimated for adaptation of:
- sourcing practices and possible changes in the mix of suppliers
- production and/or marketing process of the primary ingredient
- production process of the final product
- packaging and labels/labelling process
- marketing practices of the final product
- /implementation of traceability
For durum wheat semolina or soft wheat flour indication, the cost is almost negligible.
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UN.A.F.P.A. POSITION ON MANDATORY COOL ON MEAT USED AS AN INGREDIENT

Burdens for industry
Any additional mandatory origin/provenance labelling beyond the existing legislation, would be impractical, burdensome for operators and not beneficial for consumers (constant adaptation of food labels, impacting consumer prices and packaging waste, remove all flexibility to differentiate sourcing, necessary to ensure constant product quality and availability, not add quality and safety, offer only consumers limited additional informational value).

Consumers’ low willingness to pay
Several studies indicate that whereas consumers are increasingly aware of the origin of food and drink products, it does not necessarily mean that consumers act on it when making purchase decisions. On the contrary, “Europeans consider quality and price as most important levers when purchasing food” where country of origin is ‘nice to know’, but not ‘need to know’.

Origin indication if any: ITALIAN TORTELLINI WITH MEAT FROM EU/NON EU ORIGIN
With reference to filled pasta, should an origin indication be introduced, option “origin labelling based on EU/non EU origin” seems more feasible. The modality could follow the EU Costums Code mainly corresponding to the country where meat used in tortellini underwent its last substantial transformation.
Study on the application of RULES ON VOLUNTARY ORIGIN LABELLING of foods AND ON THE MANDATORY INDICATION of country of origin or place of provenance of MEAT USED AS AN INGREDIENT

STATE OF PLAY OF THE IMPACT ASSESSMENT ON VOLUNTARY ORIGIN

✓ On April 2013: Commission Presentation of the overall conclusions of the Study on the application of rules on Voluntary origin labelling of foods from Agra CEAS Consulting and Areté, which highlighted the need of a sectorial approach. In the light of the diversity of the situation in each sector, and of the variety of potential impacts which could stem from the implementation of each specific option, there appears to be limited room (if any) for a "one option fits all sectors“ solution
✓ On September 2013: the first draft of Regulation proposal was presented. Concerns, doubts and disagreements were raised from the side of Members States and stakeholders. No further step has been undertaken so far.

OPEN ISSUE

Art. 55 fixes the enforcement of the Regulation from 13 December 2014 with the exception of nutritional labelling
Art. 26.3 foresees
Where the country of origin or the place of provenance of a food is given and where it is not the same as that of its primary ingredient:
(a) the country of origin or place of provenance of the primary ingredient in question shall also be given; or
(b) the country of origin or place of provenance of the primary ingredient shall be indicated as being different to that of the food.

The application of this paragraph shall be subject to the adoption of the implementing acts referred to in paragraph 8.

EU rules on voluntary origin labelling are not likely to be adopted before 13 December 2014.
What will happen after 13 December 2014 regarding the enforcement of Article 26(3)?
At first sight, the legal text of Article 26(3) seems clear: the application of ‘voluntary origin labelling’ shall be subject to the adoption of an Implementing Regulation. As long as no European (implementing) rules have been established, Article 26(3) should not apply.
Study on the application of RULES ON VOLUNTARY ORIGIN LABELLING of foods AND ON THE MANDATORY INDICATION of country of origin or place of provenance of MEAT USED AS AN INGREDIENT

STATE OF PLAY OF THE STUDY ON COOL OF MEAT AS AN INGREDIENT

Based on the results of the external study commissioned by DG SANCO by the Food Chain Evaluation Consortium (FCEC) on 17 December 2013, EC published Report on the mandatory origin labelling of meat used as an ingredient.

The report recognises that imposing mandatory origin labelling would:

- bring many operational challenges for industry;
- require radical adaptations in the food chain;
- result in considerable additional costs for companies and public authorities, negatively impacting on competitiveness and trade;
- ultimately result in higher food prices for the consumer. In this regard, the report highlights that: “The overall strong consumer interest in origin labelling, (a) ranks behind price and quality/sensory aspects in terms of the most important factors affecting consumer choice and (b) it is not reflected in the relevant consumer "willingness to pay"; at price increases of less than 10%, the "willingness to pay" falls by 60-80%.”

The Commission is of the view that all possible scenarios present advantages/disadvantages that need to be widely discussed with the Council and the European Parliament. On the basis of these discussions, the Commission will consider what, if any, appropriate next steps should be taken (including a legislative proposal).
**Study on the MANDATORY INDICATION OF THE COUNTRY OF ORIGIN OR PLACE OF PROVENANCE OF OTHER FOODS (unprocessed, single ingredients and ingredients representing more than 50% of a food)**

**UN.A.F.P.A. ACTIONS**

- Food Chain Evaluation Consortium (FCEC) leaded by AGRACEAS launched a consultation with interested stakeholders in a workshop, participated by the UNAFPA, held on 10 February 2014 at the DG SANCO
- The study is conducted on selected “case studies” of products associated to each of the three categories of products covered. Consideration has been given to mainstream products (i.e. no ‘niche’ products) and products typical for the categories concerned

<table>
<thead>
<tr>
<th>Unprocessed foods</th>
<th>Single ingredient products</th>
<th>Ingredients representing more than 50% of a food</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flour: wheat flour (DE, PL (CZ))</strong></td>
<td><strong>Sugar (FR, DE)</strong></td>
<td><strong>Processed fruit and vegetables: orange juice (ES, DE (EE))</strong></td>
</tr>
<tr>
<td><strong>Rice: standard long grain (ES, IT)</strong></td>
<td><strong>Vegetable oils: sunflower oil (FR, PL (EE))</strong></td>
<td><strong>Processed fruit and vegetables: tomato puree (passata) (ES, IT (EL))</strong></td>
</tr>
<tr>
<td><strong>Fresh cut fruits &amp; vegetables: prepacked cut green salad (UK, IT)</strong></td>
<td><strong>Frozen vegetables: potato fries (UK, DE (BE))</strong></td>
<td><strong>Flour in bread: wheat flour in bread (DE, PL (CZ))</strong></td>
</tr>
</tbody>
</table>

- Pasta has not been taken as a case study product but the UNAFPA decided to participate to the online survey in order to clearly represent the EU pasta producers position in the field of European origin
- After having agreed the answers of the questionnaire we met, on 28 March, the direct representative of FCEC in Brussels in order to browse the questions of the questionnaire and to explain the content of the draft responses
- At the beginning of April we sent the final text of the questionnaire to the Consultant
Study on the MANDATORY INDICATION OF THE COUNTRY OF ORIGIN OR PLACE OF PROVENANCE OF OTHER FOODS (unprocessed, single ingredients and ingredients representing more than 50% of a food)

UN.A.F.P.A. POSITION

Pasta description. Pasta sector falls under “single ingredient” and “ingredients that represent more than 50% of a food” studies
Pasta products encompass dry and fresh pasta, pasta with ingredients in its dough and filled pasta. Pasta can either fall under the category of "single ingredient product", where the single ingredient is durum wheat semolina or soft wheat flour depending on the kind of pasta or under "ingredients that represent more than 50% of a food" in case of pasta with ingredients in its dough or in filled pasta

Raw materials supplies for pasta products according to quality and not to origin
Pasta manufacturers of EU source their raw materials (when they mill durum or soft wheat with their own mills) all over the world according to its quality specifications and not to its origin. On quality specifications and not on origin reasons is also based the choice of the supplies of primary ingredients (durum wheat semolina and soft wheat flour).
Only negligible and niche pasta productions are intentionally made with raw materials (durum wheat or soft wheat) and primary ingredients (durum wheat semolina or soft wheat flour) originating from the same country.
Pasta producers manufacture high standardized quality products at competitive prices notwithstanding where raw materials and primary ingredients originate from.

Primary ingredients for pasta products are durum wheat semolina and soft wheat pasta
The “place of last substantial transformation of the products” means, for pasta products, the place where raw material (durum wheat or soft wheat) is transformed into semolina or into flour that, also according to the labelling legislation in force, are the primary ingredients of pasta products.
Study on the MANDATORY INDICATION OF THE COUNTRY OF ORIGIN OR PLACE OF PROVENANCE OF OTHER FOODS (unprocessed, single ingredients and ingredients representing more than 50% of a food)

UN.A.F.P.A. POSITION (2)

Origin indication - Option 1a. BELGIAN PASTA WITH EU/nonEU SOFT WHEAT FLOUR
It has been indicated option 1a as the most technically feasible one.
Option 1a means origin labelling of the place of last substantial transformation of the product (i.e. as determined in accordance with the EU Customs Code) based on a) EU/nonEU origin or b) EU/third country

Origin labelling and traceability differences
Origin labelling and traceability should not be confused as these are 2 different notions serving different purposes.
The scope of and responsibilities for traceability are fully covered by REGULATION (EC) No 178/2002. Should such an event occur, the traceability system will allow competent authorities to trace back the source of the problem, swiftly isolate the affected foodstuffs and undertake the necessary measures (e.g. ad hoc official controls, withdrawal of the targeted foods, etc.) whilst minimizing disruption to trade and obstacles to the smooth functioning of the Internal Market.
Mandatory Origin Labelling will trigger an integral supply chain management system, where the Marketing Food Operator will need to control the whole upstream supply chain to assure COOL compliance. This responsibility would go far beyond the responsibility as laid down in REGULATION (EC) No 178/2002.

Costs increase is not relevant if referred to durum wheat semolina or soft wheat flour
Not relevant cost increase is strictly related to option 1a. Other options, and in particular the ones not referred to the place of last substantial transformation of the product, would imply a strong increase of the overall additional costs (25% approximately without considering the impact of the huge initial investments that the companies would be called to make to implement the whole system)
Study on the MANDATORY INDICATION OF THE COUNTRY OF ORIGIN OR PLACE OF PROVENANCE OF OTHER FOODS (unprocessed, single ingredients and ingredients representing more than 50% of a food)

STATE OF PLAY

- To date, the consultant has received more than 330 responses from food business operators through the online survey and another 300 responses through the Small Medium Enterprises (SME) panel;
- The consultant has agreed to hold 10 additional interviews (beyond the case studies that have been selected);
- To date, 2/3rd of the 28 EU Member States have responded to the survey for competent authorities; input from some major countries was still missing; input has also been asked by several major third countries in terms of trade impact (e.g. US);
- A consumer survey is being conducted covering 15 EU Member States and looking in-depth at issues such as willingness-to-pay.

TIMELINE

- June: first draft (to be presented to the European Commission)
- July: final draft
- Summer 2014: Commission (in theory) can start drafting the Report
- September: final Study ready
- December 2014: deadline for Commission to submit Report to Council and European Parliament
THANK YOU