



# **Evaluation support study on mandatory indication of country of origin labelling for certain meats**

Final Report



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# **Evaluation study on mandatory indication of country of origin labelling for certain meats**

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## Table of Contents

<b>LIST OF TABLES.....</b>	<b>VI</b>
<b>LIST OF FIGURES.....</b>	<b>VII</b>
<b>ABSTRACT.....</b>	<b>VIII</b>
<b>RÉSUMÉ .....</b>	<b>VIII</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>IX</b>
<b>INTRODUCTION AND METHODOLOGY .....</b>	<b>IX</b>
<b>CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>X</b>
<b>RÉSUMÉ EXÉCUTIF.....</b>	<b>XV</b>
<b>INTRODUCTION ET MÉTHODOLOGIE .....</b>	<b>XV</b>
<b>CONCLUSIONS ET RECOMMANDATIONS.....</b>	<b>XVI</b>
<b>1. INTRODUCTION .....</b>	<b>1</b>
<b>1.1 OBJECTIVES OF THE EVALUATION STUDY .....</b>	<b>1</b>
<b>2. METHODOLOGY .....</b>	<b>3</b>
<b>2.1 DESK RESEARCH .....</b>	<b>3</b>
<b>2.2 CONSUMER SURVEY .....</b>	<b>3</b>
<b>2.3 SUPPLY CHAIN STAKEHOLDER SURVEY.....</b>	<b>4</b>
<b>2.4 NATIONAL COMPETENT AUTHORITY SURVEY .....</b>	<b>5</b>
<b>2.5 CASE STUDIES .....</b>	<b>5</b>
2.5.1 Case study typology .....	6
2.5.2 Case study selection .....	8
2.5.3 Case study conduct .....	8
<b>2.6 INTERVIEWS WITH EU LEVEL ORGANISATIONS.....</b>	<b>9</b>
<b>3. DESCRIPTIVE CHAPTER .....</b>	<b>10</b>
<b>3.1 GENERAL DESCRIPTION OF THE LEGAL FRAMEWORK .....</b>	<b>10</b>
<b>3.2 DESCRIPTION OF MEASURES .....</b>	<b>12</b>
3.2.1 Article 3: Traceability.....	12
3.2.2 Article 4: Group of animals.....	13
3.2.3 Article 5: Labelling of meat.....	14
3.2.4 Article 6: Derogation for meat from third countries.....	15
3.2.5 Article 7: Derogation for minced meat and trimmings .....	15
3.2.6 Article 8: Additional voluntary information on label .....	15
<b>3.3 INTERVENTION LOGIC.....</b>	<b>16</b>
<b>3.4 IMPLEMENTATION IN SELECTED MEMBER STATES .....</b>	<b>17</b>
3.4.1 Legal references.....	17
3.4.2 National specificities .....	18
3.4.3 Challenges/problems in implementation .....	22
<b>3.5 POTENTIAL IMPACT ON INTRA-EU TRADE .....</b>	<b>25</b>
<b>4. EFFECTIVENESS OF THE REGULATION .....</b>	<b>27</b>
<b>4.1 ESQ 1: TO WHAT EXTENT HAVE THE RULES AND CONDITIONS OF THE MANDATORY ORIGIN LABELLING ACHIEVED THE INITIAL OBJECTIVES FOR THE CONCERNED MARKETS? .....</b>	<b>28</b>
4.1.1 Extent to which consumers are provided with clear, accurate and meaningful information on meat origin.....	28
4.1.2 Reliability of information provided and feasibility for Competent Authorities to check it.....	34
4.1.3 Avoidance of unnecessary burdens on operators, trade, administration and environment.....	38
4.1.4 ESQ 1 conclusions .....	43
<b>4.2 ESQ 2: TO WHAT EXTENT HAS MANDATORY ORIGIN LABELLING STIMULATED THE EU COMMON MARKET? OR IN CONTRARY, HAVE THERE BEEN ANY TENDENCY/EVIDENCE</b>	

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<b>OBSERVED OF RE-NATIONALISATION OF THE INTERNAL MARKET? TO WHAT EXTENT CONSUMERS PERCEIVE ORIGIN LABELLING AS LABELLING OF THE "QUALITY" OF THE PRODUCT? .....</b>	<b>47</b>
4.2.1 <i>Changes in the movement of animals and fresh meat between Member States, due to the mandatory origin rules .....</i>	<i>47</i>
4.2.2 <i>Changes in consumer preferences for meat from their own country, after implementation of the rules.....</i>	<i>50</i>
4.2.3 <i>Consumer perception of origin labelling in relation to "quality".....</i>	<i>51</i>
4.2.4 <i>Extent to which: Member States have introduced additional rules; operators have made use of Article 8; and, reasons for this.....</i>	<i>52</i>
4.2.5 <i>ESQ 2 Conclusions.....</i>	<i>52</i>
<b>4.3 ESQ 3: TO WHAT EXTENT HAVE THE RULES OF THE MANDATORY ORIGIN LABELLING FOR CERTAIN MEATS INFLUENCED THE DIFFERENT ACTORS IN THE FOOD CHAIN (FROM PRODUCERS TO CONSUMERS)? .....</b>	<b>54</b>
4.3.1 <i>Impact of rules on the supply chain .....</i>	<i>54</i>
4.3.2 <i>Impact of rules on consumers .....</i>	<i>59</i>
4.3.3 <i>ESQ 3 Conclusions.....</i>	<i>60</i>
<b>4.4 ESQ 4: AS REGARDS THE TRACEABILITY SYSTEMS (I.E.: IDENTIFICATION AND REGISTRATION SYSTEMS THAT ARE SET UP BY FOOD BUSINESS OPERATORS FOR EACH STAGE OF PRODUCTION AND DISTRIBUTION OF THE MEAT DEFINED): A) ARE THE TRACEABILITY SYSTEMS EFFECTIVE TO ENSURE COMPLIANCE AT PRESENT? DO THEY ENSURE THE LINK BETWEEN THE MEAT AND THE ANIMAL/GROUP OF ANIMALS FROM WHICH IT HAS BEEN OBTAINED? B) HOW AND TO WHAT EXTENT ARE THE RELEVANT SECTORS COPING WITH THE TRACEABILITY SYSTEMS? .....</b>	<b>61</b>
4.4.1 <i>Extent to which traceability systems of Food Business Operators (FBOs), at each stage of the chain, have changed .....</i>	<i>61</i>
4.4.2 <i>Extent to which these modified traceability systems ensure transmission of information along the chain; that the link is made between the meat and the animals .....</i>	<i>66</i>
4.4.3 <i>Extent to which these modified traceability systems facilitate compliance .....</i>	<i>69</i>
4.4.4 <i>Difficulties resulting from traceability systems, for the different sectors.....</i>	<i>73</i>
4.4.5 <i>ESQ 4 Conclusions.....</i>	<i>73</i>
<b>4.5 ESQ 5: TO WHAT EXTENT HAVE THE SPECIFICATIONS (AS DEFINED IN ARTICLE 5 1(A) OF REGULATION 1337/2013) REGARDING DIFFERENT REARING PERIODS FOR THE DIFFERENT SPECIES AND AGE/WEIGHT FOR DIFFERENT MEATS BEEN EFFECTIVE? WHAT IS THE IMPACT/EFFECT ON PRICES, CONSUMER INFORMATION AND ADMINISTRATIVE BURDEN? A) IS THE CONSUMER AWARE OF THE DIFFERENCES? DOES THE CONSUMER NEED/UNDERSTAND THE DIFFERENTIATIONS? TO WHICH EXTENT ARE THESE DIFFERENCES CLEAR TO CONSUMERS OR COULD POTENTIALLY MISLEAD CONSUMERS? B) IS IT CONTROLLABLE?.....</b>	<b>76</b>
4.5.1 <i>Consumer awareness of rearing periods .....</i>	<i>76</i>
4.5.2 <i>Consumer view as to whether the information provided on rearing periods could be misleading.....</i>	<i>76</i>
4.5.3 <i>Extent to which the information provided on rearing periods poses challenges to operators and the specific costs/burden stemming from this .....</i>	<i>77</i>
4.5.4 <i>Extent to which any additional costs for the supply chain identified above are transferred to consumers.....</i>	<i>81</i>
4.5.5 <i>Extent to which rearing periods pose challenges for competent authority controls .....</i>	<i>82</i>
4.5.6 <i>ESQ 5 Conclusions.....</i>	<i>83</i>
<b>4.6 ESQ 6: TO WHAT EXTENT HAS THE OBLIGATION OF HAVING A SINGLE ORIGIN BATCH THROUGHOUT THE WHOLE PROCESSING CHAIN (AS SPECIFIED IN ARTICLE 3 OF REGULATION 1337/2013) AN EFFECT ON THE MARKET/SECTOR? .....</b>	<b>85</b>
4.6.1 <i>JC6.1 Extent to which the batch requirement is relevant for all meat supply chains in view of subsequent changes in the legislative situation and the market situation .....</i>	<i>85</i>
4.6.2 <i>Extent to which the batch requirement required changes in traceability systems.....</i>	<i>87</i>
4.6.3 <i>Extent to which the batch requirement changed operator practices, including processing operations and sourcing.....</i>	<i>90</i>
4.6.4 <i>Impact (if any) of the batch requirement on prices .....</i>	<i>92</i>
4.6.5 <i>ESQ 6 conclusions .....</i>	<i>94</i>

<b>5.</b>	<b>EFFICIENCY OF THE REGULATION.....</b>	<b>96</b>
<b>5.1</b>	<b>ESQ 7: TO WHAT EXTENT HAVE THE RULES AND CONDITIONS OF THE MANDATORY ORIGIN LABELLING BEEN EFFICIENT AND CONTRIBUTED TO INCREASE (OR DECREASE) IN ALL ACTUAL COSTS AND ADMINISTRATIVE BURDEN FOR DIFFERENT ACTORS IN THE FOOD CHAIN (FROM PRODUCERS TO CONSUMERS)? .....</b>	<b>97</b>
5.1.1	Extent to which operators changed internal practices and the impact on costs .....	97
5.1.2	Extent to which operators changed sourcing practices and the impact on costs .....	99
5.1.3	Extent to which the cost changes of the adaptations identified above affected different operators at different stages of the chain .....	101
5.1.4	Identification of any tangible benefits from mandatory COuntry of origin labelling .....	101
5.1.5	Identification of any intangible benefits from mandatory COuntry of origin labelling .....	103
5.1.6	ESQ 7 conclusions .....	105
<b>5.2</b>	<b>ESQ 8: TO WHAT EXTENT IS THE TRACEABILITY SYSTEM EFFICIENT? A) HAVE THE COSTS STEMMING FROM THE SET-UP OF THOSE SYSTEMS BEEN REASONABLE AND AFFORDABLE? B) WHAT ARE THE COSTS/ADMINISTRATIVE BURDEN BOTH FOR OPERATORS AND ADMINISTRATION? C) ARE THE COSTS TRANSMITTED THROUGHOUT THE VALUE CHAIN (FOR E.G. TO THE RETAILERS) AND HOW? .....</b>	<b>107</b>
5.2.1	Extent to which operators at each stage of the chain changed traceability systems .....	107
5.2.2	Costs of changes to traceability systems identified above; contextualisation of these costs .....	107
5.2.3	Extent to which these costs are absorbed by the stage of the chain where they occur / transferred down the chain .....	108
5.2.4	Changes to control practices/processes performed by competent authorities; costs of these .....	108
5.2.5	ESQ 8 Conclusions .....	109
<b>5.3</b>	<b>ESQ 9: TO WHAT EXTENT HAS THE OBLIGATION OF HAVING A SINGLE ORIGIN BATCH THROUGHOUT THE WHOLE PROCESSING CHAIN (AS SPECIFIED IN ARTICLE 3 OF REGULATION 1337/2013) BEEN EFFICIENT AND CONTRIBUTED (OR NOT) TO AN INCREASE IN ALL ACTUAL COSTS AND ADMINISTRATIVE BURDEN? .....</b>	<b>110</b>
5.3.1	Extent to which operators at each stage of the chain changed internal systems to implement the single origin batch requirement, and the impact on costs .....	110
5.3.2	Extent to which operators at each stage of the chain changed sourcing practices to implement the single origin batch requirement, and the impact on costs .....	112
5.3.3	ESQ 9 Conclusions .....	113
<b>6.</b>	<b>COHERENCE OF THE REGULATION WITH OTHER RULES AND REGULATIONS .....</b>	<b>114</b>
<b>6.1</b>	<b>ESQ 10: TO WHAT EXTENT HAVE THE RULES AND CONDITIONS OF THE MANDATORY ORIGIN LABELLING BEEN COHERENT WITH OTHER RULES AND REGULATIONS BOTH AT THE EU AS WELL AS AT THE MEMBER STATE LEVELS? .....</b>	<b>115</b>
6.1.1	Coherence of the objectives of the Regulation with those of other EU legislation .....	115
6.1.2	Coherence of definitions/specifications in the Regulation with those in other relevant EU legislation .....	116
6.1.3	Coherence of traceability requirements set out by the Regulation with those in other relevant EU legislation .....	119
6.1.4	Coherence of labelling requirements set out by the Regulation with those in other relevant EU legislation (to be identified) .....	120
6.1.5	Coherence of derogations provided in the Regulation with those in other relevant EU legislation .....	122
6.1.6	Extent to which relevant legislation exists at EU Member State level and the coherence of this legislation with the Regulation .....	126
6.1.7	Unintended side effects of the Regulation .....	128
6.1.8	"Deadweight" which can be related to the Regulation .....	128



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6.1.9	ESQ 10 Conclusions .....	129
<b>6.2</b>	<b>ESQ 11: TO WHAT EXTENT IS IT COHERENT THAT THE DEROGATION INTRODUCED BY ARTICLE 7 OF REGULATION 1337/2013 TO LABEL MEATS AS "EU/NON-EU" ONLY APPLIES TO MINCED MEAT AND TRIMMINGS AND NOT TO THE MEATS COVERED BY THE REGULATION IN GENERAL? .....</b>	<b>132</b>
6.2.1	Coherence of the Article 7 derogation with similar articles in other EU legislation (Regulation (EC) No 1760/2000 on the labelling of beef and beef products; other legislation to be identified) .....	132
6.2.2	Coherence of Article 7 derogation with other requirements of Regulation (EU) No 1337/2013 .....	134
6.2.3	ESQ 11 Conclusions .....	135
<b>7.</b>	<b>RELEVANCE OF THE REGULATION .....</b>	<b>137</b>
<b>7.1</b>	<b>ESQ 12: TO WHAT EXTENT DO THE OBJECTIVES AND SCOPE OF THE RULES AND CONDITION OF THE MANDATORY ORIGIN LABELLING AS STATED IN THE REGULATION CORRESPOND TO THE CURRENT NEEDS AND THE CURRENT CONTEXT? TO WHAT EXTENT ARE THEY RELEVANT AND FIT FOR PURPOSE? .....</b>	<b>137</b>
7.1.1	Extent to which the original objectives of the regulation are relevant .....	137
7.1.2	Emergence of new needs for the regulation (JC12.2) .....	139
7.1.3	Extent to which rules themselves are still relevant for the current context / the current context has evolved .....	142
7.1.4	ESQ 12 Conclusions .....	144
<b>7.2</b>	<b>ESQ 13: TO WHAT EXTENT ARE THE TRACEABILITY SYSTEMS IN ALL CIRCUMSTANCES RELEVANT FOR ALL MEAT PRODUCTS? FOR EXAMPLE, IS IT RELEVANT TO IDENTIFY AND TRACE MEATS FOR WHICH ORIGIN LABELLING IS NOT COMPULSORY (NOT SOLD AS FRESH OR FROZEN) AS BEING FURTHER PROCESSED AND/OR EXPORTED? .....</b>	<b>146</b>
7.2.1	Extent to which the supply chains, for meat which must bear origin labelling for the end consumer under the Regulation and those which must not, are fully segregated .....	146
7.2.2	Benefits, if any, of traceability requirements set out in the Regulation for meats that do not require origin labelling .....	150
7.2.3	ESQ 13 Conclusions .....	152
<b>8.</b>	<b>EU ADDED VALUE OF THE REGULATION .....</b>	<b>154</b>
<b>8.1</b>	<b>ESQ 14: WHAT IS THE EU ADDED VALUE OF THE RULES AND CONDITIONS OF THE ORIGIN LABELLING OF CERTAIN MEATS? .....</b>	<b>154</b>
8.1.1	Extent to which Member State would have acted to introduce rules if Regulation (EU) No 1337/2013 did not exist .....	154
8.1.2	Potential impact of the non-harmonised system resulting from the above .....	156
8.1.3	Internal market benefits resulting from Regulation (EU) No 1337/2013 .....	158
8.1.4	ESQ 14 Conclusions .....	159
<b>8.2</b>	<b>ESQ 15: TO WHAT EXTENT HAVE MEMBER STATES ISSUED NATIONAL RULES ON ORIGIN LABELLING THAT GO BEYOND THE EU RULES AND CONDITIONS? .....</b>	<b>161</b>
8.2.1	Inventory of existing national rules issued by Member States beyond those of EU rules (Article 39 and 45 of the FIC Regulation (EU) No 1169/2011; Article 8 of Regulation 1337/2013) .....	161
8.2.2	Reasons for the issuance of such rules .....	167
8.2.3	ESQ 15 Conclusions .....	168
<b>9.</b>	<b>CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>169</b>
<b>9.1</b>	<b>EFFECTIVENESS IN RELATION TO THE OBJECTIVES OF THE REGULATION (ESQ 1) .....</b>	<b>169</b>
<b>9.2</b>	<b>THE EXTENT TO WHICH MANDATORY ORIGIN LABELLING HAS STIMULATED THE EU COMMON MARKET AND THE EXTENT TO WHICH CONSUMERS PERCEIVE ORIGIN LABELLING AS LABELLING OF THE "QUALITY" OF THE PRODUCT (ESQ 2) .....</b>	<b>170</b>
<b>9.3</b>	<b>THE EXTENT TO WHICH THE RULES OF THE MANDATORY ORIGIN LABELLING FOR CERTAIN MEATS INFLUENCED THE DIFFERENT ACTORS IN THE FOOD CHAIN (ESQ 3) .....</b>	<b>172</b>
<b>9.4</b>	<b>THE EXTENT TO WHICH TRACEABILITY SYSTEMS ARE EFFECTIVE TO ENSURE COMPLIANCE AND HOW AND TO WHAT EXTENT THE RELEVANT SECTORS COPE WITH THE TRACEABILITY SYSTEMS (ESQ 4) .....</b>	<b>173</b>
<b>9.5</b>	<b>THE EXTENT TO WHICH THE SPECIFICATIONS REGARDING DIFFERENT REARING PERIODS BEEN EFFECTIVE; THE IMPACT/EFFECT ON PRICES, CONSUMER INFORMATION</b>	

	AND ADMINISTRATIVE BURDEN; CONSUMER AWARENESS AND UNDERSTANDING OF THE DIFFERENCES; POTENTIAL FOR CONSUMERS TO BE MISLED (ESQ 5) .....	174
9.6	THE EXTENT TO WHICH THE OBLIGATION OF HAVING A SINGLE ORIGIN BATCH THROUGHOUT THE WHOLE PROCESSING CHAIN HAS HAD AN EFFECT ON THE MARKET/SECTOR (ESQ 6) .....	175
9.7	THE EXTENT TO WHICH THE RULES AND CONDITIONS OF THE MANDATORY ORIGIN LABELLING HAVE BEEN EFFICIENT AND CONTRIBUTED TO AN INCREASE (OR DECREASE) IN ALL ACTUAL COSTS AND ADMINISTRATIVE BURDEN FOR DIFFERENT ACTORS IN THE FOOD CHAIN (ESQ 7) .....	177
9.8	THE EXTENT TO WHICH (A) TRACEABILITY SYSTEMS ARE EFFICIENT AND HAVE IMPOSED REASONABLE AND AFFORDABLE SET-UP COSTS; (B) WHAT ARE THE COSTS/ADMINISTRATIVE BURDEN BOTH FOR OPERATORS AND ADMINISTRATION; (C) COST TRANSMISSION THROUGH THE VALUE CHAIN AND HOW THESE ARE TRANSMITTED (ESQ 8) .....	178
9.9	THE EXTENT TO WHICH THE OBLIGATION OF HAVING A SINGLE ORIGIN BATCH THROUGHOUT THE WHOLE PROCESSING CHAIN HAS BEEN EFFICIENT AND CONTRIBUTED (OR NOT) TO AN INCREASE IN ALL ACTUAL COSTS AND ADMINISTRATIVE BURDEN (ESQ 9) .....	179
9.10	THE EXTENT TO WHICH THE RULES AND CONDITIONS OF THE MANDATORY ORIGIN LABELLING HAVE BEEN COHERENT WITH OTHER RULES AND REGULATIONS BOTH AT THE EU AS WELL AS AT THE MEMBER STATE LEVELS (ESQ 10).....	180
9.11	COHERENCE BETWEEN THE DEROGATION INTRODUCED BY ARTICLE 7 OF REGULATION 1337/2013 TO LABEL MEATS AS "EU/NON-EU" ONLY APPLYING TO MINCED MEAT AND TRIMMINGS AND NOT TO THE MEATS COVERED BY THE REGULATION IN GENERAL? (ESQ 11) .....	184
9.12	THE EXTENT TO WHICH THE OBJECTIVES AND SCOPE OF THE RULES AND CONDITION OF THE MANDATORY ORIGIN LABELLING AS STATED IN THE REGULATION CORRESPOND TO THE CURRENT NEEDS AND THE CURRENT CONTEXT AND ARE RELEVANT AND FIT FOR PURPOSE (ESQ 12) .....	185
9.13	THE EXTENT TO WHICH TRACEABILITY SYSTEMS ARE RELEVANT IN ALL CIRCUMSTANCES FOR ALL MEAT PRODUCTS (ESQ 13) .....	186
9.14	EU ADDED VALUE OF THE RULES AND CONDITIONS OF THE ORIGIN LABELLING OF CERTAIN MEATS (ESQ 14).....	187
9.15	THE EXTENT TO WHICH MEMBER STATES HAVE ISSUED NATIONAL RULES ON ORIGIN LABELLING THAT GO BEYOND THE EU RULES AND CONDITIONS (ESQ 15).....	190
10.	REFERENCES.....	191
11.	ANNEX: ASSESSMENT OF THE POTENTIAL IMPACT OF MANDATORY COUNTRY OF ORIGIN LABELLING FOR CERTAIN MEATS ON INTRA-EU TRADE.....	195
11.1	CONSUMER PREFERENCE .....	195
11.2	EVIDENCE FROM COUNTRY OF ORIGIN LABELLING IN THE BEEF SECTOR .....	197
11.3	COMMISSION IMPACT ASSESSMENT .....	198
11.4	ASSESSMENT OF TRADE DATA.....	201
11.4.1	Trade in live animals .....	201
11.4.2	Trade in meat .....	208

## List of Tables

TABLE 2.1 – PIG MEAT SECTOR TYPOLOGY AND LIST OF MEMBER STATES BY CATEGORY .....	6
TABLE 2.2 – POULTRY MEAT SECTOR TYPOLOGY AND LIST OF MEMBER STATES BY CATEGORY .....	7
TABLE 2.3 – SELECTION OF CASE STUDIES BY TYPOLOGY (PIG MEAT/POULTRY)/WITH EXPLANATIONS (SHEEP AND GOAT MEAT) .....	8
TABLE 3.1 – SUMMARY OF COMPARISONS OF POLICY OPTIONS FOR THE IMPLEMENTATION OF A REGULATION FOR MANDATORY COUNTRY OF ORIGIN LABELLING FOR FRESH AND FROZEN MEAT.....	11
TABLE 3.2 – NATIONAL REGULATIONS 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 .....	17
TABLE 3.3 – NATIONAL SCHEMES AND SPECIFICITIES COVERING COUNTRY OF ORIGIN.....	19
TABLE 3.4 – NATIONAL CHALLENGES/PROBLEMS IN IMPLEMENTATION .....	23
TABLE 4.1 – NATURE OF INFORMATION PROVIDED AT EACH STAGE OF THE MEAT CHAIN (PIG MEAT; SHEEP/GOAT MEAT) .....	67
TABLE 4.2 – NATURE OF INFORMATION PROVIDED AT EACH STAGE OF THE POULTRY MEAT CHAIN .....	68
TABLE 8.1 – INVENTORY OF EXISTING NATIONAL RULES CONCERNING COUNTRY OF ORIGIN.....	165
TABLE 11.1 – ESTIMATED IMPACT OF THE INTRODUCTION OF COUNTRY OF ORIGIN LABELLING (PLACE OF REARING AND PLACE OF SLAUGHTER) ON TRADE IN PIG MEAT .....	199
TABLE 11.2 – ESTIMATED IMPACT OF THE INTRODUCTION OF COUNTRY OF ORIGIN LABELLING (PLACE OF REARING AND PLACE OF SLAUGHTER) ON TRADE IN POULTRY MEAT .....	199
TABLE 11.3 – ESTIMATED IMPACT OF THE INTRODUCTION OF COUNTRY OF ORIGIN LABELLING (PLACE OF REARING AND PLACE OF SLAUGHTER) ON TRADE IN SHEEP AND GOAT MEAT .....	200

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## List of Figures

FIGURE 1.1 –	STAGE OF THE CHAIN WHERE DIFFICULTIES IN VERIFYING INFORMATION PROVIDED BY OPERATORS ON REARING PERIODS ARE APPARENT .....	83
FIGURE 11.1 –	CONSUMER PREFERENCE FOR MEAT FROM THEIR OWN COUNTRY.....	196
FIGURE 11.2 –	INTRA-EU TRADE OF LIVE PIGS FOR REARING AND SLAUGHTER 2008-2018 ('000 TONNES).....	202
FIGURE 11.3 –	AVERAGE INTRA-EU IMPORTS OF LIVE PIGS FOR REARING 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES).....	203
FIGURE 11.4 –	AVERAGE INTRA-EU IMPORTS OF LIVE PIGS FOR SLAUGHTER 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES) .....	204
FIGURE 11.5 –	INTRA-EU TRADE OF LIVE POULTRY (CHICKENS) 2011-2018 ('000 TONNES).....	205
FIGURE 11.6 –	AVERAGE INTRA-EU IMPORTS OF LIVE POULTRY (CHICKENS) 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES) .....	206
FIGURE 11.7 –	INTRA-EU TRADE OF LIVE SHEEP 2011-2018 ('000 TONNES).....	207
FIGURE 11.8 –	AVERAGE INTRA-EU IMPORTS OF LIVE SHEEP 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES) .....	208
FIGURE 11.9 –	INTRA-EU TRADE OF PIG MEAT 2011-2018 (MILLION TONNES) .....	209
FIGURE 11.10 –	AVERAGE INTRA-EU IMPORTS OF PIG MEAT 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES) .....	210
FIGURE 11.11 –	AVERAGE INTRA-EU IMPORTS OF PIG MEAT AS SHARE OF TOTAL CONSUMPTION 2011-2014 AND 2015-2018 BY MEMBER STATE.....	211
FIGURE 11.12 –	AVERAGE UNIT VALUE OF INTRA-EU IMPORTS OF PIG MEAT 2011-2014 AND 2015-2018 BY MEMBER STATE (€/TONNE) .....	212
FIGURE 11.13 –	INTRA-EU TRADE OF POULTRY MEAT 2011-2018 (MILLION TONNES) .....	213
FIGURE 11.14 –	AVERAGE INTRA-EU IMPORTS OF POULTRY MEAT 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES) .....	214
FIGURE 11.15 –	AVERAGE INTRA-EU IMPORTS OF POULTRY MEAT AS SHARE OF TOTAL CONSUMPTION 2011-2014 AND 2015-2018 BY MEMBER STATE .....	215
FIGURE 11.16 –	AVERAGE UNIT VALUE OF INTRA-EU IMPORTS OF POULTRY MEAT 2011-2014 AND 2015-2018 BY MEMBER STATE (€/TONNE) .....	216
FIGURE 11.17 –	INTRA-EU TRADE OF SHEEP AND GOAT MEAT 2011-2018 ('000 TONNES) .....	217
FIGURE 11.18 –	AVERAGE INTRA-EU IMPORTS OF SHEEP AND GOAT MEAT 2011-14 AND 2015-2018 BY MEMBER STATE ('000 TONNES).....	218
FIGURE 11.19 –	AVERAGE INTRA-EU IMPORTS OF SHEEP AND GOAT MEAT AS SHARE OF TOTAL CONSUMPTION 2011-2014 AND 2015-2018 BY MEMBER STATE .....	219
FIGURE 11.20 –	AVERAGE UNIT VALUE OF INTRA-EU IMPORTS OF SHEEP AND GOAT MEAT 2011-2014 AND 2015-2018 BY MEMBER STATE (€/TONNE) .....	220

## **ABSTRACT**

Regulation (EU) No 1337/2013 lays 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, frozen meat of swine, sheep, goats and poultry. Generally, the Regulation was assessed to be effective, efficient, relevant, coherent and to offer EU added value. Recommendations to emerge from the evaluation focus on: (i) the need to improve and harmonise consumer understanding of origin labelling across the EU, including understanding that production practices and quality have the same legal base; (ii) the need to maintain the derogations which reduce the costs and burden on operators; (iii) use the experience of implementation of Regulation (EU) 2018/775 to assess whether this addresses the perceived gap in information provision with respect to lightly processed meat; (iv) monitor meat markets to ensure that the Regulation and/or national legislation and voluntary schemes do not impact on the smooth functioning of the Single Market; (v) consider exchanges of good practice on verifying information on rearing periods; (vi) monitor the need for mandatory country of birth indication.

## **RÉSUMÉ**

Le règlement (UE) no 1337/2013 porte les modalités d'application du règlement (UE) no 1169/2011 du Parlement européen et du Conseil en ce qui concerne l'indication du pays d'origine ou du lieu de provenance des viandes fraîches, réfrigérées et congelées des animaux des espèces porcine, ovine, caprine et des volailles. D'une manière générale, le règlement a été jugé efficace, efficient, pertinent, cohérent et offre une valeur ajoutée européenne. Les recommandations qui se dégagent de l'évaluation se concentrent sur: (i) la nécessité d'améliorer et d'harmoniser la compréhension par les consommateurs de l'étiquetage d'origine à travers l'UE, y compris la compréhension que les pratiques de production et la qualité ont la même base juridique; (ii) la nécessité de maintenir les dérogations qui réduisent les coûts et charges pesant sur les opérateurs; (iii) utiliser l'expérience de la mise en œuvre du règlement (UE) 2018/775 pour évaluer si cela comble le manque perçu d'informations en ce qui concerne la viande légèrement transformée; (iv) surveiller les marchés de la viande pour s'assurer que le règlement et / ou la législation nationale et les régimes volontaires n'ont pas d'impact sur le bon fonctionnement du marché unique; (v) envisager des échanges de bonnes pratiques pour la vérification des informations sur les périodes d'élevage; (vi) surveiller la nécessité d'une indication obligatoire du pays de naissance.

## EXECUTIVE SUMMARY

### Introduction and methodology

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Commission Implementing Regulation (EU) No 1337/2013 lays down rules for the application of Regulation (EU) No 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers, as regards the indication of the country of origin or place of provenance on the label of fresh, chilled and frozen meat of swine, sheep, goats and poultry (henceforth referred to as Regulation (EU) No 1337/2013 or the Regulation).

General rules on food information to consumers<sup>1</sup> laid down in Regulation (EU) No 1169/2011 aim at helping consumers to make informed decisions. For this reason, the rules stipulate that certain information must appear on a food label on a mandatory basis, for example: the name of the food, the list of ingredients, the net quantity, the date of minimum durability or the "use by" date. For specific food products, the country of origin or place of provenance must also be indicated including for fresh, chilled and frozen meat of swine, sheep, goats and poultry. Regulation (EU) No 1337/2013 establishes rules on the indication of the country of origin or place of provenance on the label for these meats.<sup>2</sup>

The basic obligations of the Regulation include:

- to indicate on the label of fresh and frozen meat of certain species the country of origin or place of provenance;
- to have in place at each stage of production and distribution of these meats an identification and registration system, which ensures:
  - the link between the meat and the animal from which it is obtained;
  - the transmission of the information related to the country of origin indications together with the meat.

The evaluation study will support the Commission's internal evaluation of mandatory origin labelling for certain meats which will culminate in a legally required report to the European Parliament and the Council.<sup>3</sup> The objective of this evaluation study is to assess whether the rules on food information to consumers as regards the mandatory origin labelling for the meats covered by the Regulation as applied in Member States are: effective, efficient, coherent, relevant and bring EU added value in view of its objectives, current needs in the sector and any new problems which have emerged since implementation.

The evaluation collects and analyses the views of the main stakeholders and includes an overview of the implementation and application of the Regulation across the EU. It also examines the administrative burden, existing problems and difficulties and the continuing relevance of the Regulation. The analysis leads to evidence-based findings and conclusions on the implementation of the Regulation and recommendations on the possible need for future adjustments.

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<sup>1</sup> Established in Regulation (EU) No 1169/2011 (Food Information for Consumers).

<sup>2</sup> According to Regulation (EU) No 1337/2013, the term 'origin' with regard to the meats covered by this legislation is reserved for meat obtained from animals born, reared and slaughtered in one single Member State or third country.

<sup>3</sup> Required under Article 26(4) of Regulation (EU) 1169/2011.

The temporal scope of the evaluation is the period from the entry into force of the Regulation on 1 April 2015, although a longer time period is used where necessary for comparative purposes.

The evaluation study analyses the impact that the Regulation has had on the various stakeholders on the market: producers, processors, traders, retailers, consumers and administrations. In addition to the impact on stakeholders in the supply chain, the study provides an analysis of the impact on trade flows between EU Member States.

Several interlocking methodologies were used to develop an evidence base from which the Evaluation Study Questions (ESQs) can be answered. The methodologies used were:

- Desk research.
- Survey of 6 250 consumers across the EU with a sample error of  $\pm 1.72\%$  at the 95% level of confidence.
- Survey of supply chain stakeholders covering the EU-28, with responses from 31 organisations representing part of the supply chain for the target meats; 42 supply chain operators (20 SMEs and 22 large companies); 11 organisations representing consumers.
- Survey of national Competent Authorities (17 complete responses).
- Case studies of 21 meat supply chains across ten Member States representative of the diversity of species, production patterns, consumption, trade volume, geographical location and supply and demand specificities.
- Interviews with EU-level stakeholders across the meat sectors and along the supply chain.

## Conclusions and recommendations

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### **Effectiveness of the Regulation**

Consumers consider country of origin labelling to be important information at the point of purchase. There is no doubt in terms of accuracy of the information in line with the labelling definitions, but consumer understanding of these definitions is low and there are therefore doubts over consumer interpretation. In particular there is low consumer understanding of the term "*Reared in...*" as defined under Article 5, despite broad acceptance of the definition itself by consumers. As a result of the sometimes low understanding by consumers, it cannot be concluded that the information can be considered to be fully accurate, clear and useful as understood in practice by consumers and it is possible that some consumers are (inadvertently) misled. Consumers perceive origin labelling to communicate credence attributes such as safety and quality for which it is seen as a poor proxy within the EU's Single Market.

It is ***recommended that consideration be given to either running or supporting information campaigns to improve consumer understanding of origin labelling.*** Such a campaign may need to be focused on specific Member States and/or types of consumer to maximise its impact. Any campaign should make clear the EU level playing field in terms of food safety and quality.

The information provided to consumers is considered to be reliable (although the interpretation of this by consumers is key) and no systemic issues have been reported in terms of the ability of Competent Authorities to check this. Stakeholders (whether the industry, competent authorities, or consumer organisations) in some Member States have noted that the omission of loose (non-pre-packed) meat and lightly processed meat from the scope of the Regulation may cause some consumers to be misled, given also that

origin labelling is compulsory for beef sold loose under Regulation (EC) No 1760/2000. In some Member States, initiatives have been taken to address perceived 'gaps'. Although voluntary schemes which communicate origin are widespread and are widely used to meet consumer demand for information and extract a competitive advantage, the use of additional mandatory national rules is not widespread. This suggests that suitable mechanisms exist at the Member State level to address perceived 'gaps' and that these are taken up where considered appropriate.

In the case of processed meat, from 1 April 2020, the provenance is labelled under Commission Implementing Regulation (EU) 2018/775 where meat is the primary ingredient and where its provenance differs from the advertised provenance of the product<sup>4</sup>. It is therefore **recommended that experience gained from the implementation of Regulation (EU) 2018/775** be used to assess the extent to which this addresses the perceived 'gap' in origin labelling provision for lightly processed meat.

The Regulation was implemented without unnecessary burdens (see *efficiency*) on the meat supply chain, facilitated by the derogations; as well as on trade, administration, and the environment. It is therefore **recommended that the derogations be retained**.

There is no clear evidence that the Regulation has had an impact on trade within the EU's Single Market, although some changes to trade flows appear to have occurred in specific cases. Therefore, it is not clear whether the Regulation has either stimulated or hindered the smooth functioning of the Single Market. However, it is relatively soon after implementation and it is **recommended that the situation should continue to be monitored**.

The traceability system required under the Regulation builds on that required and already operating under the General Food Law (Regulation (EC) No 178/2002). Information is increasingly transmitted automatically, often using blockchain technology, and is available on request where this is not the case. There is no evidence that specific information is systematically insufficient or missing. There is high expressed confidence in the effectiveness of the traceability system and few reported difficulties. On this basis, it is concluded that the traceability systems are generally effective to ensure compliance with Regulation (EU) No 1337/2013 and that the sectors can cope with the requirements.

The batch requirements did not generally result in changes to sourcing, traceability or operational practices. There is some evidence to suggest that, as expected, changes, and associated costs, were more likely to be incurred in slaughterhouses and cutting plants sourcing from multiple Member States.

The information passed on concerning rearing periods is sufficient to ensure correct labelling and can be generally verified by Competent Authorities. It is **recommended that exchanges of good practice in the verification of information on rearing periods be considered between Member States**.

The processing stage of the supply chain was the most affected by the implementation of the Regulation, even though the impact was fairly minimal. There has been little impact on other stages of the supply chain and costs have not been passed on to consumers.

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<sup>4</sup> See also: Commission Notice on the application of the provisions of Article 26(3) of Regulation (EU) No 1169/2011 (Official Journal of the European Union, 2020/C 32/01, 31.1.2020).



### **Efficiency of the Regulation**

The evidence suggests the Regulation has had a minimal impact on the sector while also providing consumers with appropriate information to better inform their purchase decision. Cost increases and administrative burdens on operators have been successfully minimised, so in this sense, the Regulation is considered to be efficient. Traceability systems are considered to be efficient, based as they are on the availability of information under the General Food Law (Regulation (EC) No 178/2002).

The costs imposed on most operators are small, and those imposed on operators dealing with imported and domestic animals have been affordable. The pig meat sector is more likely to have experienced costs than the poultry meat and sheep/goat meat sectors.

Control costs for Competent Authorities are small within the context of official controls under Regulation (EU) 2017/625.

The batch requirements, which identify the meat as it moves through the supply chain to the consumer or mass caterer, have been efficient, given the need to provide consumers with meaningful information on provenance.

However, the (minimal) cost increases do fall mainly on the meat processing sector, and specifically on a minority of operators dealing with animals from multiple Member States, which is unable to pass them along the supply chain.

### **Coherence of the Regulation with other rules and regulations**

The objectives of the Regulation are fully consistent with the objectives of other EU legislation, with particular respect to Regulation (EC) No 1760/2000 (mandatory country of origin labelling for beef) and Regulation (EU) No 1169/2011 (food information to consumers). Both the definitions/specifications in the Regulation, and traceability requirements, are generally non-conflicting with those in other relevant EU legislation.

The labelling requirements set out by the Regulation are consistent with those in other relevant EU legislation, with the partial exception of the lack of mandatory explicit indication of the country of birth for labelling purposes, and the exclusion of loose retail sales in bulk (non-pre-packed meat) from the scope of the Regulation. Both these aspects are covered by mandatory rules in the beef sector.

The derogations provided by the Regulation are generally consistent with those in other relevant EU legislation, with the exception of a potential inconsistency vis-à-vis the derogations for beef (minced meat and imports from third countries), which are not based on systematic use of the “EU/non-EU” simplified origin indication.

Even with the above exceptions, it can nevertheless be concluded that the rules and conditions of mandatory origin labelling laid out by the Regulation have generally been coherent with other legislation at both the EU and Member State level.

The relevant national legislation identified at Member State level is consistent with the Regulation and there is no clear evidence that the Regulation has had significant unintended side effects; no significant “deadweight” has been identified.

Although there is an inconsistency between Regulation (EU) No 1337/2013 and Regulation (EC) No 1760/2000 with respect to country of birth, it is not recommended that country of birth be brought into Regulation (EU) No 1337/2013 at this stage; it is however, ***recommended that the need for the country of birth indication is monitored.*** Neither is it recommended that the derogation on minced meat and trimmings under Article 7 be removed at this stage due to the operational complexity that it would entail for the processing sector.

Considering that no harmonised EU legislation on mandatory country of origin labelling for processed food products has been introduced to date,<sup>5</sup> it can be concluded that it is coherent that the derogation under Article 7 of Regulation (EU) No 1337/2013 only applies to minced meat and trimmings, and not to the meats covered by the Regulation in general. It can also be concluded that the Article 7 derogation is fully consistent with similar derogations for blends of honeys and olive oils, and for mixes of fresh fruit and vegetables.

Although a partial inconsistency with the derogation for minced beef was identified (detailed list of relevant Member States or third countries vs. simplified “EU/non-EU” origin indication), the derogation was provided for reasons of practicality and feasibility.

The Article 7 derogation is consistent with the “EU/non-EU” designation under Commission Implementing Regulation (EU) No 2018/775. Nonetheless, it is noted that it may preclude operators from using anything other than the “EU/non-EU” designation on products containing meat where these are produced from trimmings and minced meat labelled in this manner.

### **Relevance of the Regulation**

The objectives of the Regulation remain relevant. There is a perceived increase in consumer interest in country of origin information across all meat products and market segments. This includes increased interest in origin labelling for meat sold loose and meat sold through the food service/catering sector, i.e. beyond the current scope of the Regulation, with additional legislation and/or voluntary initiatives in this area taken in some Member States (see *effectiveness*). ***It is recommended that the situation is monitored.***

Traceability systems which allow provenance to be communicated have relevance beyond the scope of Regulation (EU) No 1337/2013 due to the inter-connectedness of supply chains which are outside scope with those within scope. There is additional relevance where information on provenance is used under voluntary schemes for products outside the scope of the Regulation. However, this relevance depends on the market, which in turn depends on consumer demand for such information. It is noted that while Commission Implementing Regulation (EU) 2018/775 extends origin labelling to products in which meat is the primary ingredient from 1 April 2020, this only applies to the extent that provenance of the product itself is provided and operators can choose, among other options, to use an “EU/non-EU” designation. Should this designation be widely used, information at the Member State level will not be relevant in this market channel.

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<sup>5</sup> With the exception of the rules laid down under Commission Implementing Regulation (EU) 2018/775, which require the provenance of the primary ingredient to be indicated where this differs from the advertised provenance of the final product.

### **EU added value of the Regulation**

The EU added value of Regulation (EU) No 1337/2013 is considered to be good. In the absence of an EU Regulation regarding country of origin labelling, it is likely that a significant number of Member States would have pursued the introduction of national rules. These rules would not have had the same scope as Regulation (EU) No 1337/2013. Almost all national Competent Authorities, national professional organisations and consumer organisations felt that the absence of EU legislation concerning country of origin labelling would lead to potentially significant negative impacts. The presence of different national rules would hamper the smooth operation of the EU Single Market, increase difficulties for companies to navigate rules and would decrease consumer information.

In terms of market benefits, the entry into force of Regulation (EU) No 1337/2013 did not hamper the evolution of intra-EU trade in live animals or fresh meat, neither did it disrupt the operation of the EU Single Market. The consultation with supply chain stakeholders corroborated the finding of little impact on EU meat supply chains. Among the operators that did change their sourcing practices, the Regulation has induced operators to consolidate their sourcing flows. The Regulation addresses consumer demand for information on country of origin at a negligible cost and without causing any substantial changes to EU meat supply chains. However, the fact that consumers assign credence attributes to country of origin which are not accurate could, in theory, present a barrier to the smooth operation of the EU Single Market. The ***recommendation above on an information campaign would improve and harmonise EU consumer understanding of the origin labelling rules.***

National rules imposed on a compulsory basis on country of origin, which go beyond the scope of Regulation (EU) No 1337/2013, to date are rare and form time-limited pilot projects. In two cases national legislation extends the scope of Regulation (EU) No 1337/2013 to include meat sold loose to avoid consumers being potentially misled where this is an important market segment. Voluntary schemes concerned with country of origin are widespread and build on the Regulation to provide further information for consumers; some private quality schemes implicitly signal country of origin, even if this is not the main focus of these schemes.

## RÉSUMÉ EXÉCUTIF

### Introduction et méthodologie

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Le règlement d'exécution (UE) n° 1337/2013 [ci-après dénommé règlement (UE) n° 1337/2013 ou règlement] porte les « *modalités d'application du règlement (UE) n° 1169/2011 du Parlement européen et du Conseil en ce qui concerne l'indication du pays d'origine ou du lieu de provenance des viandes fraîches, réfrigérées et congelées des animaux des espèces porcine, ovine, caprine et des volailles* ». Les règles générales du règlement (UE) n° 1169/2011 sur l'information des consommateurs en matière d'alimentation visent à aider les consommateurs à prendre des décisions éclairées. Pour cette raison, les règles stipulent que certaines informations doivent figurer sur une étiquette alimentaire sur une base obligatoire, par exemple la dénomination de la denrée alimentaire, la liste des ingrédients, la quantité nette, la date de durabilité minimale ou la date limite de consommation. Pour certains produits alimentaires, le pays d'origine ou le lieu de provenance doivent également être indiqués, y compris pour les viandes de porc, de mouton, de chèvre et de volaille fraîches, réfrigérées et congelées. Le règlement (UE) n° 1337/2013 établit des règles concernant l'indication du pays d'origine ou du lieu de provenance sur l'étiquette de ces viandes.<sup>6</sup>

Les obligations fondamentales du règlement comprennent:

- d'indiquer sur l'étiquette des viandes fraîches et congelées de certaines espèces le pays d'origine ou le lieu de provenance;
- d'avoir en place à chaque étape de production et de distribution de ces viandes un système d'identification et d'enregistrement qui assure:
  - le lien entre la viande et l'animal dont elle est issue;
  - la transmission avec la viande des informations relatives à l'indication du pays d'origine.

L'étude d'évaluation contribuera à l'évaluation interne faite par la Commission à propos de l'étiquetage d'origine obligatoire pour certaines viandes, qui débouchera sur un rapport légalement dû au Parlement européen et au Conseil.<sup>7</sup> L'objectif de cette étude est d'évaluer si les règles relatives à l'information des consommateurs en ce qui concerne l'étiquetage d'origine obligatoire des viandes couvertes par le règlement tel qu'appliqué dans les États membres sont: efficaces, efficientes, cohérentes, pertinentes et apportent une valeur ajoutée européenne compte tenu de ses objectifs, des besoins actuels du secteur et de tout nouveau problème survenu depuis sa mise en œuvre.

L'évaluation recueille et analyse les points de vue des principales parties prenantes et intègre un aperçu de la mise en œuvre et de l'application du règlement à travers l'UE. Il examine également les coûts d'administration, les problèmes et difficultés existants et la pertinence actuelle du règlement. L'analyse conduit à des constatations et des conclusions fondées sur des éléments factuels en ce qui concerne la mise en œuvre du règlement et à des recommandations sur l'éventuelle nécessité de futurs ajustements.

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<sup>6</sup> Conformément au règlement (UE) n° 1337/2013, le terme «origine» en ce qui concerne les viandes couvertes par cette législation est réservé aux viandes issues d'animaux nés, élevés et abattus dans un seul État membre ou pays tiers.

<sup>7</sup> Obligatoire en vertu de l'article 26, paragraphe 4, du règlement (UE) 1169/2011.

La période d'étude commence à compter de l'entrée en vigueur du règlement, soit le 1<sup>er</sup> avril 2015. Une période d'analyse plus longue est utilisée si nécessaire, notamment à des fins de comparaison.

L'étude d'évaluation analyse l'impact que le règlement a eu sur les différents acteurs du marché : producteurs, transformateurs, négociants, détaillants, consommateurs et administrations. Outre l'impact sur les parties prenantes de la chaîne d'approvisionnement, l'étude fournit une analyse de l'impact sur les flux commerciaux entre les États membres de l'UE.

Plusieurs méthodes ont été combinées pour établir une base de connaissances factuelles à partir de laquelle il a été possible de répondre aux questions évaluatives.

- Recherche documentaire.
- Enquête auprès de 6 250 consommateurs à travers l'UE avec un biais d'échantillonnage de  $\pm 1,72\%$  pour un niveau de confiance de 95%.
- Enquête auprès des acteurs de la chaîne d'approvisionnement couvrant l'UE-28, avec les réponses de 31 organisations représentant une partie de la chaîne d'approvisionnement des viandes concernées; 42 opérateurs de la chaîne d'approvisionnement (20 PME et 22 grandes entreprises); 11 organisations représentant les consommateurs.
- Enquête auprès des autorités nationales compétentes (17 réponses complètes).
- Études de cas de 21 chaînes d'approvisionnement en viande dans dix États membres représentatives de la diversité des espèces, des modes de production, de la consommation, du volume des échanges, de la situation géographique et des spécificités de l'offre et de la demande.
- Entretiens avec des parties prenantes au niveau de l'UE dans les secteurs de la viande et le long de la chaîne d'approvisionnement.

## Conclusions et Recommandations

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### **Efficacité du règlement**

Les consommateurs considèrent l'étiquetage du pays d'origine comme une information importante sur les points de vente. L'exactitude des informations et leur conformité aux règles d'étiquetage ne posent pas question mais le niveau de compréhension par les consommateurs est faible et donc il y a des doutes sur l'interprétation qu'ils peuvent faire. En particulier, les consommateurs comprennent mal le terme « *Pays d'élevage...* » tel que défini à l'Article 5, bien que la définition ne soit pas remise en cause par les consommateurs. En conséquence de la compréhension parfois limitée des consommateurs, il ne peut être conclu que les informations peuvent être considérées comme entièrement exactes, claires et utiles telles que comprises dans la pratique par les consommateurs et il est possible que certains consommateurs soient (par inadvertance) induits en erreur. Les consommateurs perçoivent l'étiquetage d'origine comme faisant foi de façon faible pour des critères comme la sécurité ou la qualité au sein du marché unique de l'UE..

Il est **recommandé d'envisager de lancer ou de soutenir des campagnes d'information pour améliorer la compréhension des consommateurs sur l'étiquetage d'origine**. Une telle campagne devra peut-être se concentrer sur des États membres et / ou des types de consommateurs spécifiques pour maximiser son impact. Toute campagne devrait rappeler que les règles de l'UE garantissent la sécurité et la qualité des aliments.

Les informations fournies aux consommateurs sont considérées comme fiables (bien que leur interprétation par les consommateurs soit essentielle) et aucun problème systémique n'a été signalé en termes de capacité des autorités compétentes à le vérifier. Les parties prenantes (qu'il s'agisse de l'industrie, des autorités compétentes ou des organisations de consommateurs) dans certains États membres ont noté que l'omission des viandes en vrac (non préemballée) et de viandes légèrement transformées du champ d'application du règlement peut induire certains consommateurs en erreur, alors que l'étiquetage d'origine est également obligatoire pour la viande bovine vendue en vrac conformément au règlement (CE) n° 1760/2000. Dans certains États membres, des initiatives ont été prises pour combler les « lacunes » ainsi identifiées. Bien que les régimes volontaires portant sur l'origine soient répandus et largement utilisés afin de répondre à la demande des consommateurs en matière d'information et en tirer un avantage concurrentiel, l'utilisation de règles nationales obligatoires supplémentaires n'est pas fréquente. Cela suggère qu'il existe des mécanismes appropriés au niveau des États membres pour combler les « lacunes » et que ceux-ci sont mises en œuvre lorsque cela est jugé approprié.

Dans le cas des viandes transformées, à partir du 1er avril 2020, le pays d'origine ou le lieu de provenance est étiqueté conformément au règlement d'exécution (UE) 2018/775 de la Commission où la viande est l'ingrédient principal et où l'origine/provenance diffère de l'origine/provenance annoncée du produit<sup>8</sup>. Il est donc **recommandé d'utiliser l'expérience acquise lors de la mise en œuvre du règlement (UE) 2018/775** pour évaluer dans quelle mesure cela comble la « lacune » perçue dans la disposition relative à l'étiquetage de l'origine des viandes légèrement transformées.

Le règlement a été mis en œuvre sans coûts inutiles (voir *efficience*) tout au long des filières viande, ce qui est facilité par les dérogations, tout comme dans le commerce, l'administration et l'environnement. Il est donc **recommandé de maintenir les dérogations**.

Il n'y a aucune preuve claire que le règlement a eu un impact sur les échanges au sein du marché unique de l'UE, bien que certaines modifications des flux commerciaux semblent s'être produites dans des cas spécifiques. Par conséquent, il ne peut être établi que le règlement a stimulé ou entravé le bon fonctionnement du marché unique. Cependant, la mise en œuvre est relativement récente c'est pourquoi il est **recommandé que la situation continue d'être surveillée**.

Le système de traçabilité requis par le règlement s'appuie sur celui qui fonctionne déjà en vertu de la législation alimentaire générale (règlement (CE) n° 178/2002). Les informations sont de plus en plus transmises automatiquement, souvent à l'aide de la technologie blockchain, et sont disponibles sur demande lorsque ce n'est pas le cas. Rien n'indique que des informations spécifiques soient systématiquement insuffisantes ou manquantes. Il y a une grande confiance exprimée dans l'efficacité du système de traçabilité et peu de difficultés signalées. Sur cette base, il peut être conclu que les systèmes de traçabilité sont généralement efficaces pour garantir le respect du règlement (UE) n° 1337/2013 et que les secteurs peuvent faire face aux exigences.

Les exigences relatives aux lots n'ont généralement pas entraîné de modifications de l'approvisionnement, de la traçabilité ou des pratiques opérationnelles. Certains éléments donnent à penser que, sans surprise, les modifications et les coûts associés étaient plus susceptibles de se produire dans les abattoirs et les ateliers de découpe s'approvisionnant

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<sup>8</sup> Voir également: communication de la Commission sur l'application des dispositions de l'article 26, paragraphe 3, du règlement (UE) n° 1169/2011 (Journal officiel de l'Union européenne, 2020 / C 32/01, 31.1.2020).

auprès de plusieurs États membres.

Les informations transmises concernant les périodes d'élevage sont suffisantes pour garantir un étiquetage correct et peuvent être généralement vérifiées par les autorités compétentes. Il est ***recommandé que des échanges de bonnes pratiques en matière de vérification des informations sur les périodes d'élevage soient envisagés entre les États membres.***

Au sein des filières, c'est le stade de la transformation qui a été le plus affecté par la mise en œuvre du règlement, même si cet impact était assez minime. Il y a eu peu d'impact sur les autres maillons de la filière et les coûts n'ont pas été répercutés sur les consommateurs.

### **Efficiencia du règlement**

Les données disponibles suggèrent que le règlement a eu un impact minimal sur le secteur tout en fournissant aux consommateurs les informations appropriées pour mieux éclairer leur décision d'achat. Les augmentations de coûts et les charges administratives pesant sur les opérateurs ont pu être minimisées, c'est pourquoi le règlement peut être considéré comme efficace. Les systèmes de traçabilité sont également efficaces, car ils reposent sur la disponibilité des informations prévus par la législation alimentaire générale (règlement (CE) n° 178/2002).

Les coûts induits à la plupart des opérateurs sont faibles et ceux qui se sont imposés aux opérateurs traitant à la fois des animaux domestiques et importés, sont abordables. Le secteur de la viande de porc est plus sensible aux surcoûts que ceux de la volaille et de la viande ovine et caprine.

Les coûts de contrôle pour les autorités compétentes sont faibles dans le contexte des contrôles officiels au titre du règlement (UE) 2017/625.

Les exigences relatives aux lots, qui identifient la viande au fur et à mesure de sa marche au long de la filière jusqu'au consommateur ou aux collectivités, ont été efficaces, en raison de la nécessité de fournir aux consommateurs des informations authentiques sur la provenance.

Quoiqu'il en soit, les augmentations (limitées) de coûts ont essentiellement concernés le secteur de la transformation de la viande, et en particulier une minorité d'opérateurs travaillant des animaux provenant de plusieurs États membre, qui n'ont pas été en mesure de répercuter ces hausses sur l'aval de la filière.

### **Cohérence du règlement avec les autres règles et réglementations**

Les objectifs du règlement sont cohérents avec les objectifs d'autres règles de l'UE, en particulier en ce qui concerne le règlement (CE) n° 1760/2000 (étiquetage obligatoire du pays d'origine pour la viande bovine) et le règlement (UE) n° 1169/2011 (information des consommateurs sur les denrées alimentaires). Les définitions / spécifications du règlement et les exigences de traçabilité ne sont généralement pas en conflit avec celles des autres législations européennes pertinentes.

Les exigences en matière d'étiquetage énoncées par le règlement sont cohérentes avec celles des autres législations pertinentes de l'UE, à l'exception partielle de l'absence d'indication explicite obligatoire du pays de naissance et de l'exclusion des ventes au détail

à la coupe (non préemballées) du champ d'application du règlement. Ces deux aspects sont couverts par des règles obligatoires dans le secteur de la viande bovine.

Les dérogations prévues par le règlement sont généralement cohérentes avec celles d'autres législations européennes pertinentes, à l'exception d'une éventuelle incohérence vis-à-vis des dérogations pour la viande bovine (viande hachée et importations en provenance de pays tiers), qui ne sont pas basées sur une utilisation systématique de l'indication d'origine simplifiée « UE /non-UE ».

Même en tenant compte de ces dernières exceptions, on peut conclure que les règles et conditions d'étiquetage d'origine obligatoire établies par le règlement sont généralement cohérentes avec les autres législations tant au niveau de l'UE que des États membres.

La législation nationale pertinente identifiée au niveau des États membres est compatible avec le règlement et il n'y a aucune preuve claire que le règlement a eu des effets secondaires involontaires importants ; aucun effet d'aubaine n'a été identifié.

Bien qu'il existe une incohérence entre le règlement (UE) n° 1337/2013 et le règlement (CE) n° 1760/2000 en ce qui concerne le pays de naissance, il n'est pas recommandé, pour l'instant, d'inclure le pays de naissance dans le règlement (UE) n° 1337/2013; il est toutefois **recommandé de surveiller si le besoin d'indiquer le pays de naissance se renforce**. Il n'est pas recommandé non plus que la dérogation relative à la viande hachée et aux chutes de parage (en vertu de l'Article 7 du règlement (UE) n° 1337/2013) soit supprimée en raison de la complexité opérationnelle qu'elle entraînerait pour le secteur de la transformation.

Étant donné qu'aucune législation européenne harmonisée sur l'étiquetage obligatoire du pays d'origine pour les produits alimentaires transformés n'a été introduite à ce jour,<sup>9</sup> on peut conclure qu'il est cohérent que la dérogation prévue à l'Article 7 du règlement (UE) n° 1337/2013 ne s'applique qu'aux viandes hachées et aux chutes de parage, et non aux viandes couvertes par le règlement en général. On peut également conclure que la dérogation à l'Article 7 est pleinement compatible avec des dérogations similaires pour les mélanges de miels et d'huiles d'olive, et pour les mélanges de fruits et légumes frais.

Bien qu'une incohérence partielle avec la dérogation pour la viande bovine hachée ait été identifiée (liste détaillée des États membres concernés ou des pays tiers par rapport à l'indication d'origine «UE / non UE» simplifiée), la dérogation a été accordée pour des raisons pratiques et de faisabilité.

La dérogation à l'Article 7 est conforme à la désignation «UE / non-UE» en vertu du règlement d'exécution (UE) n° 2018/775 de la Commission. Néanmoins, il est noté que cela peut empêcher les opérateurs d'utiliser autre chose que la désignation «UE / non-UE» sur les produits contenant de la viande lorsque ceux-ci sont produits à partir de chutes de parage et de viande hachée étiquetée de cette manière.

### **Pertinence du règlement**

Les objectifs du règlement restent pertinents. Le renforcement de l'intérêt des consommateurs pour les informations sur le pays d'origine a été constaté pour tous les produits carnés et segments de marché. Cela comprend un intérêt accru pour l'étiquetage

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<sup>9</sup> À l'exception des règles établies par le règlement d'exécution (UE) 2018/775 de la Commission, qui exigent que la provenance de l'ingrédient primaire soit indiquée lorsque celle-ci diffère de la provenance annoncée du produit final.



d'origine de la viande vendue en vrac et de la viande vendue par le secteur de la restauration tant commerciale que collective, c'est-à-dire au-delà du champ d'application actuel du règlement, avec une législation supplémentaire et / ou des initiatives volontaires dans ce domaine prises dans certains États membres (voir *efficacité*). **Il est recommandé de faire surveiller la situation.**

Les systèmes de traçabilité qui permettent de communiquer la provenance ont une pertinence au-delà du champ d'application du règlement (UE) n° 1337/2013, en raison de l'interconnexion des filières qui ne sont pas dans le champ d'application et de celles qui le sont. Il y a une pertinence supplémentaire lorsque des informations sur la provenance sont utilisées dans le cadre de régimes volontaires pour des produits ne relevant pas du champ d'application du règlement. Cependant, cette pertinence dépend du marché, qui à son tour dépend de la demande des consommateurs pour ces informations. Il convient de noter que si le règlement d'exécution (UE) 2018/775 de la Commission étend l'étiquetage d'origine aux produits dont la viande est l'ingrédient principal à partir du 1<sup>er</sup> avril 2020, cela ne s'applique que dans la mesure où la provenance du produit lui-même est fournie et que les opérateurs peuvent choisir, entre autres options, d'utiliser une désignation «UE/non-UE». Si cette dénomination était largement utilisée, les informations au niveau des États membres ne seraient pas pertinentes pour ce segment de marché.

### **Valeur ajoutée européenne du règlement**

La valeur ajoutée européenne du règlement (UE) n° 1337/2013 est considérée comme bonne. En l'absence d'un règlement de l'UE concernant l'étiquetage du pays d'origine, il est probable qu'un nombre important d'États membres auraient introduit de règles nationales. Ces règles n'auraient pas eu le même champ d'application que le règlement (UE) n° 1337/2013. Presque toutes les autorités nationales compétentes, les organisations professionnelles nationales et les organisations de consommateurs estiment que l'absence de législation de l'UE concernant l'étiquetage du pays d'origine entraînerait des impacts négatifs potentiellement importants. La présence de règles nationales différentes entraverait le bon fonctionnement du marché unique de l'UE, augmenterait les difficultés des entreprises à gérer des règles différentes et diminuerait l'information des consommateurs.

En termes d'avantages commerciaux, l'entrée en vigueur du règlement (UE) n° 1337/2013 n'a pas entravé l'évolution des échanges intra-UE d'animaux vivants ou de viandes fraîches, ni perturbé le fonctionnement du marché unique de l'UE. La consultation des parties prenantes a corroboré le constat d'un faible impact sur les filières viande de l'UE ; notamment, le règlement a incité quelques opérateurs à consolider leurs flux d'approvisionnement. Le règlement permet de répondre à la demande des consommateurs d'informations sur le pays d'origine pour un coût négligeable et sans entraîner de changements substantiels dans l'organisation des filières viande au sein de l'UE. Cependant, le fait que les consommateurs attribuent au pays d'origine des attributs de crédibilité qui ne sont pas précis pourrait, en théorie, constituer un obstacle au bon fonctionnement du marché unique de l'UE. **La recommandation ci-dessus concernant une campagne d'information améliorerait et harmoniserait la compréhension par les consommateurs de l'UE des règles d'étiquetage d'origine.**

Les règles nationales imposées à titre obligatoire au pays d'origine, qui dépassent le champ d'application du règlement (UE) n° 1337/2013, sont à ce jour rares et constituent des projets pilotes à durée limitée. Dans deux cas, la législation nationale étend le champ d'application du règlement (UE) n° 1337/2013 pour inclure la viande vendue en vrac afin d'éviter que les consommateurs ne soient induits en erreur lorsqu'il s'agit d'un segment de marché important. Les régimes volontaires concernant le pays d'origine sont répandus

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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et s'appuient sur le règlement pour fournir des informations supplémentaires aux consommateurs; certains systèmes de qualité privés signalent implicitement le pays d'origine, même si ce n'est pas l'objectif principal de ces systèmes.

## **LIST OF ABBREVIATIONS**

BSE	Bovine Spongiform Encephalopathy
ESQ	Evaluation Study Question
FBO	Food Business Operator
FIC	Food Information for Consumers
FTE	Full Time Equivalent
GHG	Greenhouse Gas
N/A	Not Available
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
SCFCAH	EC Standing Committee on the Food Chain and Animal Health
SOP	Standard Operating Procedure
SME	Small and Medium-sized Enterprise
TRACES	TRAdE Control and Expert System
TSG	Traditional Specialty Guaranteed

## 1. INTRODUCTION

Regulation (EU) No 1337/2013 lays 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, frozen meat of swine, sheep, goats and poultry (henceforth referred to as Regulation (EU) No 1337/2013 or the Regulation).

General rules on food information to consumers<sup>10</sup> aim at helping consumers to make informed decisions. For this reason, the rules stipulate that certain information must appear on a food label on a mandatory basis, for example: the name of the food, the list of ingredients, the net quantity, the date of minimum durability or "use by" date.

For specific food products, the country of origin or place of provenance<sup>11</sup> must also be indicated on the label. Regulation (EU) No 1337/2013 establishes such rules for fresh, chilled and frozen meat of swine, sheep, goats and poultry.

The Commission considered several options in terms of how to implement the mandatory origin labelling for these meats in 2013.<sup>12</sup> Based on this work, Regulation (EU) No 1337/2013 was designed to strike a balance between consumer needs to be well informed and additional costs for operators and national authorities. The Regulation was adopted on 13 December 2013 and entered into force on 1 April 2015.

The basic obligations of the Regulation include:

- to indicate on the label of fresh and frozen meat of certain species the country of origin or place of provenance;
- to have in place at each stage of production and distribution of these meats an identification and registration system, which ensures:
  - the link between the meat and the animal from which it is obtained;
  - the transmission of the information related to the country of origin indications together with the meat.

### 1.1 Objectives of the evaluation study

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The evaluation study will support the Commission's internal evaluation of mandatory origin labelling for certain meats which will culminate in a legally required report to the European Parliament and the Council.<sup>13</sup> The objective of this evaluation study is to assess whether the rules on food information to consumers as regards the mandatory origin labelling for the meats covered by the Regulation as applied in Member States are: effective, efficient, coherent, relevant and bring EU added value in view of its objectives, current needs in the sector and any new problems which have emerged since implementation.

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<sup>10</sup> Established in Regulation (EU) No 1169/2011.

<sup>11</sup> The term 'origin' is reserved for meat obtained from animals born, reared and slaughtered in one single Member State or third country.

<sup>12</sup> Impact assessment: "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](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2013/ia_meat_origin_labelling.pdf)  
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](https://ec.europa.eu/agriculture/external-studies/origin-labelling-2013_en)

<sup>13</sup> Required under Article 26(4) of Regulation (EU) 1169/2011.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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The evaluation collects and analyses the views of the main stakeholders and includes an overview of the implementation and application of the Regulation across the EU. It also examines the administrative burden, existing problems and difficulties and the continuing relevance of the Regulation. The analysis leads to evidence-based findings and conclusions on the implementation of the Regulation and recommendations on the possible need for future adjustments.

The temporal scope of the evaluation is the period from the entry into force of the Regulation on 1 April 2015, although a longer time period is used where necessary for comparative purposes.

The evaluation study analyses the impact that the Regulation has had on the various stakeholders on the market: producers; processors; traders; retailers; consumers; and, administrations. In addition to the impact on stakeholders in the supply chain, the study provides an analysis of the impact on trade flows between EU Member States.

## 2. METHODOLOGY

Several interlocking methodologies were used to develop an evidence base from which the Evaluation Study Questions (ESQs) can be answered. These were brought together in an evaluation matrix which developed judgement criteria and indicators for a series of sub-questions under each ESQ. Each of the methodologies used is set out in the sub-sections below.

### 2.1 Desk research

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Desk research was used as the basis for the descriptive chapter (Chapter 3 of this report). This included a comprehensive literature review which covered:

- the relevant legislation which establishes the legal framework;
- legal references to implementing legislation in the Member States selected as case studies;
- national level schemes with relevance to Regulation (EU) No 1337/2013;
- specific issues relating to the Regulation in the Member States selected as case studies;
- consumer preferences relating to the origin of meat;
- consumer understanding of country of origin labelling and willingness to pay;
- the impact of country of origin labelling in the beef sector;
- the *a priori* expectations for the impact of Regulation (EU) No 1337/2013; and,
- trade statistics databases covering intra-EU trade in live animals and intra-EU trade in meat.

Desk research was also an important component of the case studies (see section 2.5) and contributed to the evidence base for answering the ESQs.

### 2.2 Consumer survey

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The consumer survey was launched on 29 November 2019 and data collection finished on 8 December. As anticipated, 250 completed responses were collected in each targeted Member State making a total of 6 250 responses.<sup>14</sup>

The sample was selected using a set of screening questions (i.e. those who purchase at least some pre-packed pig, poultry or sheep/goat meat). The redemption rate at the EU level was 57.6% meaning that 10 850 respondents were approached to provide the 6 250 screened sample.

The survey was based on the population aged over 18 which purchase pig, poultry or sheep/goat meat. The results are therefore representative of this group, but not the EU population overall. Within this frame the sample was random.

Based on the number of completed responses, the sampling error at a 95% level of confidence in each Member State is  $\pm 6.2\%$ . For the sample as a whole, i.e. at the EU level, the larger number of responses means that the sample error is  $\pm 1.72\%$ .

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<sup>14</sup> The survey was not administered in Cyprus, Malta or Luxembourg.

The interviewing process was smooth, and no problems occurred. Respondents found the questionnaire clear, with no need for further explanations and the topic interesting.

Each Member State database was checked to verify the absence of duplicated records, the matching between the number of records and the number of completed interviews, the absence of missing fields and the correct use of codes. Data consistency was also checked through cross-variable analysis.

Data were then weighted to reflect the EU meat purchasing population over 18 as a whole.<sup>15</sup> This means that results from larger Member States were lifted to give them their appropriate weight at the EU level and those from smaller Member States were reduced for the same reason. This is important given the dominance in population terms of a few of the larger Member States. Germany, France, Italy and the UK account for 54% of the EU-25 over 18 population, while Spain and Poland contribute a further 17%.

Results of the consumer survey are used to answer the ESQs.

## 2.3 Supply chain stakeholder survey

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The supply chain stakeholder survey was launched on 4 November 2019. The survey link and a PDF version of the survey (to inform respondents about the content in advance to facilitate preparation) were disseminated with the assistance of the following EU-level sector organisations/associations who agreed to pass information about the survey to their national members who in turn were asked to pass it on to their operator members, notably, the EU associations in charge of: poultry processors and poultry trade, international butchers' confederation, meat processing industry, European farmers and European agri-cooperatives, food and drink manufacturing sector association and the European livestock and meat trade union.

The initial deadline for completion was 1 December 2019. However, in order to increase the response rate, the deadline was extended to 10 December 2019. This extension was communicated to the EU associations which had disseminated the survey so they could inform their national members and their operator members. The survey was left online and available until 6 January 2020 in case any additional replies were submitted.

A total of 84 complete responses were received. These broke down into:

- 31 organisations representing part of the supply chain for target meats.
- 42 operators (20 SMEs (mainly medium-sized enterprises) and 22 large companies).
- 11 organisations representing consumers.

As two-thirds (66%) of the respondents are active in multiple countries, it is difficult to break down the geographical spread. However, 11 different countries were identified by supply chain operators as being their main country of operation (AT, BE, DE, DK, EL, FR, IE, LU, PL, RO and UK). Including organisations representing consumers and supply chain operators increases the coverage to all EU-28 Member States.

All parts of the chain and all species are covered to some extent by replies from both organisations representing parts of the supply chain and operators.

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<sup>15</sup> That is the EU-28 minus Cyprus, Malta and Luxembourg.

The considerable overlap between species processed posed some difficulties in providing analysis by species, although it was possible to identify a large enough group of respondents processing (i) only pigs; and (ii) a group processing only poultry to allow meaningful analysis. Similar difficulties were encountered in providing analysis by stage of the supply chain given the high degree of integration along the chain. In this case it was possible to separate respondents into large enough groups to provide analysis of groups covering (i) production and processing activities; (ii) processing activities only; and, (iii) processing and retail activities. Processing was defined as encompassing slaughter, cutting, packing and trading/distribution activities. Analysis by these groups is provided where it is meaningful, i.e. where this analysis is not provided, no meaningful differences in responses were identified.

Results of the supply chain stakeholder survey are used to answer the ESQs.

## 2.4 National Competent Authority survey

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The national Competent Authority survey was launched on 11 November 2019. The survey was kindly disseminated via email to the correct national Competent Authority contacts by the European Commission (Directorate General for Health and Food Safety). A PDF version was provided to inform respondents about the survey content.

The deadline for completion of the supply chain survey was 8 December 2019. On the request of some Competent Authorities, and to increase the response rate, the decision was taken to extend the deadline for this survey to 16 December 2019. The survey was left online after this date to accommodate Competent Authorities which had indicated that they were struggling to meet the timetable. During the interview programme in the case study Member States, it became clear that completing the survey often required input from different departments within Competent Authorities, which contributed to the slow rate of response.

By the time the survey was closed for analysis on 7 January 2020, a total of 17 complete responses had been received, a considerable improvement on the eight that had been received by the end of the extended deadline. Responses were received from the following Member States: AT, BG, CZ, DE, DK, EE, EL, ES, FI, FR, IT, LT, LV, NL, PL, PT and SI.

Results of the national Competent Authority survey are used to answer the ESQs.

## 2.5 Case studies

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In depth analysis of the issues addressed by the evaluation was carried out through 21 sector cases studies across ten Member States. The selection of sectors/Member States was designed to ensure **representativeness in terms of production, consumption, trade volume, geographical coverage** as well as **supply and demand considerations** in each sector. Taken together, the case studies can be considered representative of all EU-28 Member States. To ensure this, we developed a typology of Member States for each type of meat covered by the Regulation.



### 2.5.1 CASE STUDY TYPOLOGY

The typology behind the selection of case studies was based on a qualitative assessment of relevant quantitative data<sup>16</sup> for five key criteria as follows:

- a) **Popularity of the meat** - level of *per capita* consumption.
- b) **Self-sufficiency** – extent to which domestic production fulfils consumption.
- c) **Production level and export** – a combination of the absolute production level, and whether a country is a net exporter or not.
- d) **Balance of trade of live animals** – i.e. whether live animals have to be imported to fulfil domestic slaughter demand, if they are self-sufficient, or if there is an exportable surplus.
- e) **Nature of farm structure** – whether farms are specialised or not, and the holding size of those farms which are specialised.

The result of this exercise is summarised in Table 2.1 for pig meat and Table 2.2 for poultry meat. A more detailed description is provided in each case below the Tables.

*Table 2.1 – Pig meat sector typology and list of Member States by category*

Cat	Key features	Member States
1	Notable consumers Net exporters Industrial farms Generally exporting live animals	3 ES, NL, DK
2	Generally large consumers Net exporters More mixed farms Generally importing live animals	4 DE, BE, <b>IE, AT</b>
3	Moderate consumers Broadly self-sufficient / in equilibrium Farming systems differ	4 PL, FR, HU, FI
4	Notable or moderate consumers In deficit Smaller producers tend to export live animals Farming systems differ; often large specialist	12 CY, LT, IT, SE, PT, CZ, HR, EE, LV, LU, MT, SK
5	Low consumption Moderate to small producers in deficit Live animal trade varies Generally smaller or mixed farms	5 BG, EL, RO, SI, <b>UK</b>

Note: Member States in **bold italic** possess certain small anomalies compared to the typology as a whole.<sup>17</sup>

The categories for pig meat are defined as follows:

- **Category 1:** Notable consumption and net exporters with industrial farms; generally exporting live animals
- **Category 2:** Large consumption and net exporters with more mixed farms; generally importing live animals

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<sup>16</sup> The data used is from the last year for which data for all elements is available (2013). More recent data (Eurostat, 2018) for the selected Member States are provided in section 2.3.1 of the Report.

<sup>17</sup> The main reasons why these Member States possess certain anomalies compared to the typology are the following: Ireland and Austria, no import of live pigs; UK, mainly large and specialist farms.

- **Category 3:** Moderate consumption and broadly self-sufficient (farming systems differ)
- **Category 4:** Notable or moderate consumption and in deficit (farming systems differ)
- **Category 5:** Moderate to small producers in deficit with low consumption levels; generally with smaller, mixed farms.

Table 2.2 – Poultry meat sector typology and list of Member States by category

Cat	Key features	Member States
1	Moderate to high consumers Broadly self-sufficient / in equilibrium Live animal flows vary Large industrial farms	5 ES, <b>UK</b> , IE, <b>PT</b> , <b>SI</b>
2	Moderate to low consumers Notable producers and generally large net exporters Generally reliant on live animal imports Large farms	5 NL, BE, IT, <b>HR</b> , <b>DE</b>
3	Notable producers and/or exporters Moderate to small farm size	5 PL, FR, LT, RO, HU
4	Moderate to high consumers Low production and in deficit Generally small farm size	7 CY, DK, MT, BG, EE, LV, LU
5	Low consumers Low producers in broad equilibrium	6 SE, SK, EL, FI, CZ, AT

Note: Member States in **bold italic** possess certain small anomalies compared to the typology as a whole.<sup>18</sup>

The categories for poultry meat are defined as follows:

- **Category 1:** Moderate to high consumption; broad equilibrium; large industrial farms (live animal flows vary)
- **Category 2:** Notable producers and (generally) net exporters generally reliant on live animal imports; large farms; moderate - low consumption
- **Category 3:** Notable exporters and/or producers with moderate to small farm size
- **Category 4:** Moderate to High consumption with low production in deficit; generally small farm size
- **Category 5:** Low consumption and producers in broad equilibrium

It was not possible to create a similar typology in the **sheep and goat meat sector** due to the following factors:

- **incomplete or inaccurate data** on production, slaughter and herd size (furthermore, large parts of the herd may be used for milk production);
- **very low levels of consumption** in most Member States (roughly half of the EU-28 Member States have a per capita consumption of under 1kg per person); and,
- **concentration of production** in a handful of Member States (only three Member States – Ireland, Spain and the UK – are self-sufficient in sheep and goat meat; all other Member States run deficits to differing extents).

<sup>18</sup> The reasons why these Member States possess certain anomalies compared to the typology are the following: Category 1: UK, low self-sufficiency; PT and SI, smaller farms. Category 2: HR, net importer of live animals; DE, net importer of live animals and smaller and less specialised farms.

The last two factors in particular rendered the typology redundant, as almost all Member States would fall into the category of “low consumption, low self-sufficiency”.

### 2.5.2 CASE STUDY SELECTION

Based on the typology and considerations set out above, ten Member States were selected for case studies. These Member States, along with the typology categories they represent (pork / poultry) or reasons for their selection (sheep and goat) are presented in Table 2.3 below. As typologies 1-3 are the most important for the poultry and pork sectors (due to high levels of production and/or consumption), two Member States were selected to represent each of these categories and one Member State to represent categories 4 and 5. In the case of sheep/goat meat, the focus was on Member States with high levels of production and/or consumption as little additional insight would have been obtained from Member States which do not fulfil at least one of these criteria.

*Table 2.3 – Selection of case studies by typology (pig meat/poultry)/with explanations (sheep and goat meat)*

MS	Pigmeat	Poultry	Sheep/goat
Denmark	1	4	
France	3	3	Fairly high consumption in strong deficit
Germany	2	2	
Greece		5	Very high consumption with deficit
Ireland	2	1	High consumption with strong surplus
Italy	4		
Netherlands		2	
Poland	3	3	
Romania	5		Fairly high consumption in very strong deficit
Spain	1	1	Fairly high consumption in surplus

### 2.5.3 CASE STUDY CONDUCT

The case studies were carried out in November and December 2019 using:

- **advanced desk research** in the local language, and also in English where this was felt likely to uncover additional material;
- **semi-structured in-depth interviews** in the local language.

Interviews were sought, and with few exceptions obtained, with the following categories of organisations:

- the national Competent Authority (sometimes this required more than one interview);
- representatives of all parts of the supply chain from farmers to retailers;
- relevant experts and NGOs.

All interviewees were provided with notes to validate to ensure that information gathered was accurate.

The case study findings are used to answer the Evaluation Study Questions (ESQs) and a summary of the main findings is presented below.

## 2.6 Interviews with EU level organisations

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Interviews were carried out with the following key EU level stakeholders in December 2019, notably, the EU associations in charge of: poultry processors and poultry trade, consumer organisations, meat processing industry, European farmers and European agri-cooperatives, commerce federation (retail and wholesale) and the European livestock and meat trades union.

An interview took place with Commission Services in January 2020.

It did not prove possible to arrange interviews with several other stakeholders, despite considerable efforts. One explained that they do not follow this topic closely enough to comment. Another said that they could not add to their publicly available position papers, although would make themselves available at any point if any issues arose which they could provide clarification on.

Interview monographs were produced and returned to interviewees for validation; without exception these were returned to the evaluator with any necessary amendments and in some cases useful additions and supporting documents. The results of the EU interviews were used to answer the Evaluation Study Questions (ESQs).

### 3. DESCRIPTIVE CHAPTER

#### 3.1 General description of the legal framework

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Origin labelling of food has a long history in the EU. Carreño, *et al.* (2017) note that several food products are subject to mandatory Country of Origin Labelling (COOL), including fresh fruit and vegetables, fishery products, honey, olive oil and eggs.<sup>19</sup> An indication of origin (place of birth, rearing and slaughter) was made mandatory for unprocessed fresh beef and beef products as a consequence of the bovine spongiform encephalopathy (BSE) epidemic from 1 January 2002 (European Parliament, 2018).<sup>20</sup> Such a measure was therefore adopted at EU level for public health and food safety reasons: these concerns appear to be lacking in relation to the extension of mandatory origin labelling to other types of meat.

Regulation (EU) No 1169/2011 on the provision of food information to consumers (the so-called FIC<sup>21</sup> Regulation) sets out general rules on the provision of food information to consumers with the intention of facilitating informed purchase decisions. For example, the Regulation stipulates that certain information must appear on a food label on a mandatory basis, including: the name of the food; the list of ingredients; the net quantity; and, the date of minimum durability or “use by” date.

For specific food products, the country of origin or place of provenance<sup>22</sup> must also be indicated. This is the case for fresh, chilled and frozen meat of swine, sheep, goats and poultry where the FIC Regulation stipulated that an implementing act should be in place by 13 December 2013. Three policy options on how to implement the mandatory origin labelling for certain meats were considered by the Commission in the design of this legislation:<sup>23</sup>

- Mandatory labelling of EU or third country as country of origin (the simple model)
- Mandatory labelling of country of rearing and of slaughter (the intermediate model)
- Mandatory labelling of country of birth, rearing and slaughter (the beef model)

The conclusions of the Impact Assessment (Table 3.1) can be summarised as follows:

- **Option 1** would have had a marginal impact on the cost-efficiency of the various actors, but it would not have met the expectations of the consumers in terms of providing meaningful information.

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<sup>19</sup> For fruit and vegetables, this requirement is set in Regulation (EU) No 1308/2013 on a common organisation of the markets in agricultural products (Article 76); for fishery products in Regulation (EU) No 1379/2013; for honey in Directive 2014/63/EU; for olive oil in Regulation No 29/2012/EU, and for eggs in Commission Regulation (EC) No 589/2008 and in Commission Directive 2002/4/EC.

<sup>20</sup> Regulation (EC) No 1760/2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products.

<sup>21</sup> FIC stands for Food Information for Consumers.

<sup>22</sup> The term ‘origin’ is reserved for meat obtained from animals born, reared and slaughtered in one single Member State or third country.

<sup>23</sup> Impact assessment: “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](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2013/ia_meat_origin_labelling.pdf); 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](https://ec.europa.eu/agriculture/external-studies/origin-labelling-2013_en)

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

- **Option 3** was found to have a very positive impact in terms of information to consumers, but it would have resulted in the highest costs for all actors, including consumers.
- **Option 2** appeared to be the most optimal of the three options, providing consumers with meaningful information while at the same time not creating excessive burdens for the actors involved.

*Table 3.1 – Summary of comparisons of policy options for the implementation of a Regulation for mandatory country of origin labelling for fresh and frozen meat*

Country of origin labelling objectives		Policy option 1	Policy option 2	Policy option 3
<b>Meaningfulness:</b> consumers are provided with accurate, clear and useful information on the origin of the meats		-	++	+++
<b>Cost-efficiency</b>	<i>Cost for supply chain/ price Increase</i>	0	-	--
	<i>Trade distortion</i>	0	-	--
	<i>Extra burden for administration</i>	-	--	---
<b>Reliability:</b> information provided to consumers is reliable and can be duly checked by competent authorities		+++	++	+

Legend:

- + limited positive impact; ++ average positive impact; +++ significant positive impact
- 0 no impact
- - limited negative impact; -- average negative impact; --- significant negative impact

Source: European Commission (2013a).

Based on the Impact Assessment results, Commission Regulation (EU) No 1337/2013, implementing Regulation (EU) No 1169/2011, established that the label of meat intended for supply to the final consumer or to mass caterers must contain the following indications:

- Reared In: Member state/third country.
- Slaughtered In: Member state or third country.
- The batch code identifying the meat supplied to the consumer or mass caterer.

There are, however, derogations from these rules for some categories, most notably:

- Minced meat, which may simply be labelled as "EU", "non-EU" or "reared and slaughtered in EU and non-EU" countries.
- Meat covered by the quality schemes "Protected Designation of Origin" (PDO), "Protected Geographical Indication" (PGI) and "Traditional Specialty Guaranteed" (TSG), for which *ad hoc* labelling requirements are in force.

In order to facilitate this, provisions for additional traceability were also provided in the Regulation which entered into force on 1 April 2015.

## 3.2 Description of measures

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Regulation (EU) No 1337/2013 contains the measures set out in the following sub-sections. In summary, the basic obligations of the Regulation include:

- to indicate on the label of fresh and frozen meat of swine, sheep and goat and poultry the country of origin or place of provenance; and,
- to have in place at each stage of production and distribution of these meats an identification and registration system, which ensures:
  - the link between the meat and the animal or the group of animals from which it is obtained; and,
  - the transmission of the information related to the country of origin indications together with the meat.

### 3.2.1 ARTICLE 3: TRACEABILITY

Food Business Operators (FBOs) along the supply chain need to have in place and use an identification and registration system which is capable of:

- linking meat to the animal or group of animals (see Article 4) from which it was obtained;
- transmitting information relating to Articles 5, 6 or 7 with meat to the operators at the subsequent stage of the supply chain.

Responsibility for the application of the identification and registration system lies with the relevant FBO at each stage of the supply chain. The FBO which packs or labels the meat in accordance with Articles 5, 6 or 7 has responsibility for ensuring the correlation between the batch code identifying the meat supplied to the consumer or mass caterer and the relevant batch or batches of meat from which the pack or labelled batch is constituted. It follows that all packs with the same batch code will correspond to the same indications in accordance with Articles 5, 6 or 7.

The traceability system also requires that the arrival and departure of animals, carcasses or cuts at Food Business Operators (FBOs) should be recorded in order to ensure a correlation.

It is important to note that traceability systems were already in existence prior to the implementation of Regulation (EU) No 1337/2013 (see Box 3.1). The additional obligation imposed by the Regulation is only to make country of origin information derived from this available such that labelling can be applied to final products.

#### *Box 3.1: EU legislation setting out rules on traceability*

General traceability requirements for food (and feed) are set out in **Article 18 of the General Food Law (Regulation (EC) No 178/2002)** and allow for traceability “one step back” – “one step forward” through the supply chain. This traceability applies to food business operators at all stages of the feed/food chain (including brokers who may not take physical possession of the product in question). A key requirement is that Food Business Operators (FBOs) must be able to make information available to the Competent Authorities on demand; this implies that suitable records are kept.

A guidance document was provided by the EC Standing Committee on the Food Chain and Animal Health (SCFCAH, 2010) which explains that FBOs need to:

- have in place a system enabling them to identify the immediate supplier(s) and immediate customer(s) of their product;
- establish a "supplier-product" link (which products supplied from which suppliers);
- establish a "customer-product" link (which products supplied to which customers).<sup>24</sup>

Commission Implementing Regulation (EU) No 931/2011 lays down certain rules for the specific sector of food of animal origin to ensure the correct application of the requirements set out in Article 18 of Regulation (EC) No 178/2002.

SCFCAH (2010) notes that Article 18 of the General Food Law does not itself expressly compel operators to establish a link between incoming and outgoing products (so-called internal traceability). Nor is there any requirement for records to be kept identifying how batches are split and combined within a business to create particular products or new batches. However, internal traceability is required under Regulation (EU) No 1337/2013 as noted above.

The traceability of some species of live animals is established under separate pieces of legislation. The identification and registration of live pigs is set out in Council Directive 2008/71/EC. Under this legislation pigs must be identified and registered such that movements of animals and the farm of origin can be traced rapidly and accurately. The system is based on batch rather than individual identification. The pig identification and recording system enables identification of the holding and country of birth and the identification of the last holding from which the animal has come. Intermediate holdings can be identified through movement records. The slaughterhouse provides the link between the live animal and the meat product.

There is no specific legislation covering the traceability of poultry; this is dealt with under the general provisions of Regulation (EC) No 178/2002. Under this Regulation, information on the production holding must be known to the slaughterhouse.

The identification and registration of live sheep and goats is set out in Council Regulation (EC) No 21/2004. Under this legislation sheep and goats are individually tracked via electronic identification. Member States may opt to use batch identification for animals intended to be slaughtered before 12 months and within the country of their birth. Member States with fewer than 600,000 sheep and goats, and where no intra-EU trade takes place, may opt out of electronic identification, but must still use conventional ear tags to ensure traceability. The slaughterhouse provides the link between the live animal and the meat product.

### **3.2.2 ARTICLE 4: GROUP OF ANIMALS**

This article defines the size of the "group of animals". This is:

- The number of carcasses cut together and constituting one batch for the cutting plant concerned in case of cutting of carcasses;
- The number of carcasses the meat of which constitutes one batch for the cutting or mincing plant concerned in case of further cutting or mincing.

Article 4 also stipulates that the size of a batch shall not exceed the production of one day in a single establishment. It is further stipulated that, except where the derogation under

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<sup>24</sup> Food business operators do not have to identify the immediate customers when they are final consumers.



Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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Article 7 is applied (see section 3.2.5), establishments in which meat is cut or minced shall ensure that all carcasses in a batch correspond to animals to the meat of which identical labelling indications apply in accordance with the provisions of Article 5 (see section 3.2.3).

### 3.2.3 ARTICLE 5: LABELLING OF MEAT

Article 5 is concerned with the type of information that needs to be provided on the label according to the full range of possible circumstances. It states that the label of meat intended for supplying to the final consumer or to mass caterers, must indicate:

- The Member State or third country in which the rearing took place as “**Reared in: (name of the Member State or third country)**”. The requirements differ by species as presented in a simplified summary in the table below.
- The Member State or third country in which the slaughter took place indicated as “**Slaughtered in: (name of the Member State or third country)**”; and,
- The **batch code** identifying the meat supplied to the consumer or mass caterer.

Species	Slaughter age / live weight	Country of origin
Swine	> 6 months	Where the last rearing period of at least 4 months took place
	< 6 months	Where the rearing period after the animal has reached 30 kilograms took place
	> 80kg	
	< 6 months < 80kg	Where the whole rearing period took place
Sheep	> 6 months	Where the last rearing period of at least 6 months took place
	< 6 months	Where the whole rearing period took place
Poultry	> 1 month	Where the last rearing period of at least one month took place
	< 1 month	Where the whole rearing period took place

It is also possible, where this can be proved by the FBO to the satisfaction of the Competent Authority, to provide more detail on a label in the following cases:

- If an animal was reared in more than one Member State or country: “**Reared in: (list of the Member States or third countries where the animal was reared)**”.
- If an animal is born, reared and slaughtered in one Member State or third country only: “**Origin: (name of Member State or third country)**”.

Finally, where several pieces of meat (of the same or of different species) are presented to the consumer or mass caterer in the same pack, the label shall indicate:

- The list of the Member States or third countries for (i) place of rearing; and, (ii) place of slaughter, or – if one country - the Member State or third country of origin; and,
- The batch code identifying the meat supplied to the consumer or mass caterer.

#### 3.2.4 ARTICLE 6: DEROGATION FOR MEAT FROM THIRD COUNTRIES

This article provides for a situation where the third country place of rearing for imported meat is not available. In this case, the label shall contain the indication:

- **"Reared in: non-EU" and "Slaughtered in: (Name of the third country where the animal was slaughtered)".**

#### 3.2.5 ARTICLE 7: DEROGATION FOR MINCED MEAT AND TRIMMINGS

Article 7 provides a derogation from the labelling requirements set out in Articles 5 and 6 for minced meat and trimmings. For these products, the following indications may be applied:

- **"Origin: EU"**, where minced meat or trimmings are produced exclusively from meat obtained from animals born, reared and slaughtered in different Member States;
- **"Reared and slaughtered in: EU"**, where minced meat or trimmings are produced exclusively from meat obtained from animals reared and slaughtered in different Member States;
- **"Reared and slaughtered in: non-EU"**, where minced meat or trimmings are produced exclusively from meat imported into the Union;
- **"Reared in: non-EU" and "Slaughtered in: EU"** where minced meat or trimmings are produced exclusively from meat obtained from animals imported into the Union as animals for slaughter and slaughtered in one or different Member States;
- **"Reared and slaughtered in: EU and non-EU"** where minced meat or trimmings are produced from:
  - meat obtained from animals reared and slaughtered in one or different Member States and from meat imported into the Union; or,
  - meat obtained from animals imported into the Union and slaughtered in one or different Member States.

#### 3.2.6 ARTICLE 8: ADDITIONAL VOLUNTARY INFORMATION ON LABEL

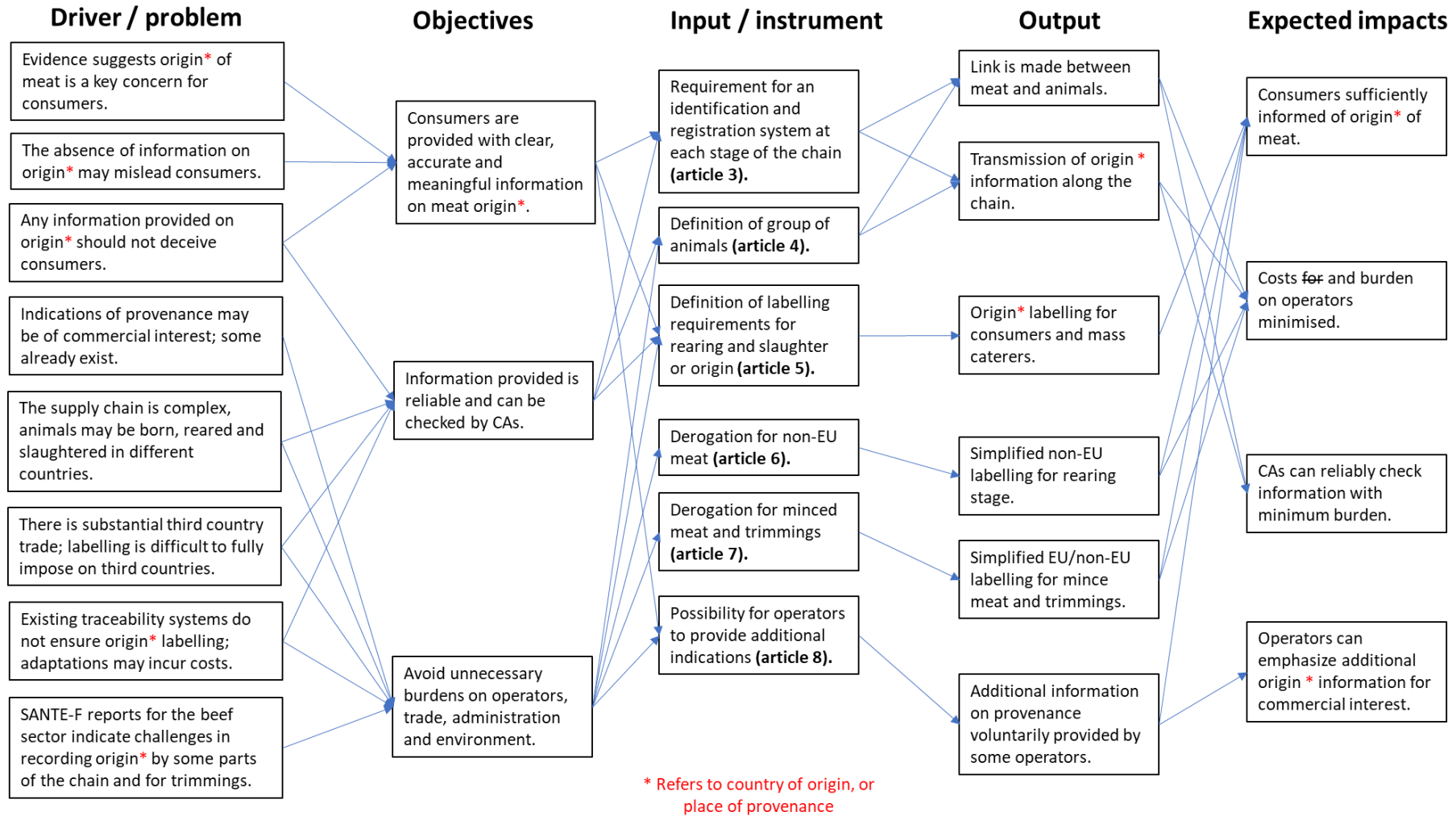
Article 8 permits FBOs to supplement the indications referred to in Articles 5, 6 or 7 with additional information relating to the provenance of the meat as long as this information is not contradictory to the indications referred to in Articles 5, 6 or 7.

Any additional information must comply with the rules of Chapter V of Regulation (EU) No 1169/2011. Essentially this means that voluntary information should conform to requirements concerning *inter alia*:

- the name of the food;
- ingredients;
- the labelling of allergens;
- weights and measures;
- durability dates;
- storage and usage conditions;
- instructions for use; and,
- nutritional declarations.

Voluntary information provided on a voluntary basis must also not mislead the consumer; shall not be ambiguous or confusing for the consumer; and, shall, where appropriate, be based on the relevant scientific data. Finally, voluntary food information shall not be displayed to the detriment of the space available for mandatory food information.

### 3.3 Intervention logic



### 3.4 Implementation in selected Member States

The summary analysis below is based on information gathered by national experts on the basis of desk research, case study interviews and their own expert knowledge of the situation in the selected Member States. The information has been supplemented where appropriate with inputs from the National Competent Authority survey and the survey of supply chain stakeholders. Details are used where relevant, in answers to the Evaluation Study Questions.

#### 3.4.1 LEGAL REFERENCES

EU Regulations are directly applicable in all Member States. Implementation of Regulation (EU) No 1337/2013 was therefore applied directly in law with no national implementing legislation in some Member States and in others, there was national legislation which merely explained the Regulation). Some Member States enacted national laws establishing a specific control regime and other Member States amended existing national laws to ensure compliance with the Regulation. The approaches taken are summarised in Table 3.2.

*Table 3.2 – National regulations 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*

Member State	National schemes covering country of origin; other specificities
<b>Denmark</b>	Apart from the EU Regulation (EU) No 1169/2011, there is a Danish law by Statutory Order on Food Labelling No 1355 of November 27, 2015 ("Mærkningsbekendtgørelsen"). <sup>25</sup> Besides, there is a Guidance on Food Labelling of June 14, 2014 ("Mærkningsvejledningen") that explains how the authorities must enforce Regulation (EU) No 1337/2013, and what businesses should do to comply. In practice, the Guidance on Food Labelling covers implementation and enforcement. Section 6.3 of the Guidance on Food Labelling specifies additional voluntary rules for labelling meat of Danish origin.
<b>France</b>	Regulation (EU) No 1337/2013 is directly applicable. Control is included in the Multi-annual National Control Plan in accordance with the Official Controls Regulation (EU) 2017/625.
<b>Germany</b>	Regulation (EU) No 1337/2013 is directly applicable. Regulation (EU) No 1169/2011 is supplemented by the National Food Information Implementing Regulation (LMIDV). The LMIDV defines the sanctions-law elements to reinforce violations of the requirements of the LMIV and its implementing Regulation (EU) No 1337/2013 (LMIDV, §5(1)10). <sup>26</sup>
<b>Greece</b>	National provisions on the labelling of country of origin for fresh/chilled/frozen and minced meat have been in place since the 2000s in Greece and were consolidated in Joint Ministerial Decision (JMD) No. 412/8932/2012. <sup>27</sup> In March 2018, this was replaced by Joint Ministerial Decision (JMD) No. 1384/41923/2018, <sup>28</sup> fully and formally aligning national legislation to Regulation (EU) No 1337/2013. The main provisions relevant to Regulation (EU) No 1337/2013 are: Article 3, on traceability

<sup>25</sup> BEK nr 1355 af 27/11/2015 Gældende.

<sup>26</sup> BMEL (2017): Umsetzung in nationales Recht [https://www.bmel.de/DE/Ernaehrung/Kennzeichnung/VerpflichtendeKennzeichnung/Allgemeine\_Kennzeichnungsvorschriften/\_Texte/NationaleVerordnungLMIV.html], Status: 24.02.2020.

<sup>27</sup> Joint Ministerial Decision No. 412/8932/2012 on the control of the Greek meat market in relation to origin labelling and keeping monthly balance sheets of meat (Government Gazette B 149 / 03-02-2012).

<sup>28</sup> Joint Ministerial Decision No. 1384/41923/2018 on the establishment of the necessary additional measures for the implementation of Regulations 178/2002, 882/2004 and 1169/2011 of the European Parliament and of the Council and Commission Implementing Regulations 931/2011 and 1337/2013, concerning traceability and labelling of meat, as well as official controls on the meat market (Government Gazette B 1127/28-3- 2018 and B 4691 / 19-10-2019).

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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Member State	National schemes covering country of origin; other specificities
	to ensure compliance with Article 3 §1 and 2 of the Regulation; Article 4, on labelling of origin according to Articles 5-8 of the Regulation; and Articles 5-9 on provisions for the implementation of controls on meat labelling. There are also specific national rules for the compulsory labelling and traceability of meat sold at butcheries and butchery departments of food retailers (Article 9 of Law 4492/2017). <sup>29</sup>
<b>Ireland</b>	Regulation (EU) No 1337/2013 is directly applicable. In addition to that, there are Statutory Instrument European Union (Origin Labelling of Meat) Regulations 2015 113/2015 (S.I. 113/2015). Specifically, the Statutory Instrument provides for enforcement procedures and penalties relating to the Regulation.
<b>Italy</b>	Regulation (EU) No 1337/2013 is directly applicable. The control system is set out in Legislative Decree No 231 of 15 December 2017, which entered into force on 9 May 2018. Article 13 of this Decree established specific sanctions for non-compliance with the provisions under Article 26 of Regulation (EU) No 1169/2011 and the related implementing acts including Regulation (EU) No 1337/2013.
<b>Netherlands</b>	Regulation (EU) No 1337/2013 is directly applicable.
<b>Poland</b>	Regulation (EU) No 1337/2013 is directly applicable. In addition to that, there is the Law of 7 November 2014 which amended the Law on trade quality of agricultural and food commodities and on food and nutrition safety and the Rule of the Ministry of Agriculture Rural Development of 23 December 2014 on labelling foodstuffs.
<b>Romania</b>	Law 150/2016 on Retail amended the existing legislation to be in line with Regulation (EU) No 1337/2013; Government Decision 106/2002 was amended to include the necessary control framework.
<b>Spain</b>	Regulation (EU) No 1337/2013 was published on 14 December 2013 in the Official Journal of the EU, also available for consultation from the " <i>Boletín Oficial del Estado</i> " (website: <a href="https://boe.es">https://boe.es</a> ). All national legislation in force relating to meat labelling was assessed and amended as necessary to ensure consistency with the Regulation.

### 3.4.2 NATIONAL SPECIFICITIES

There are examples of national origin labelling schemes in the case study Member States which pre-date the implementation of Regulation (EU) No 1337/2013 (for example, France, Greece), and examples of schemes which complement or go beyond the scope of the Regulation on a voluntary basis (Denmark, Poland). There are also examples of more recent initiatives which seek to meet a perceived need to provide origin labelling for products and sectors which are out of scope of the Regulation (France). There are examples of voluntary schemes which provide regional origin information (Germany, Spain), some of which cover products out of scope of the Regulation. In some cases there are private voluntary quality assurance schemes which either focus on origin (Denmark, Ireland), or imply origin, but focus on other quality attributes (Netherlands).

Overall, in some Member States, rules and initiatives going beyond the Regulation have been adopted, or are in the process of being considered, or further needs have been identified, suggesting that the scope of the Regulation is not considered sufficient in the national context. In particular:

- **Country of birth:** the need to indicate the country of birth (beyond the implicit designation "Origin...") is identified in several Member States (DE, DK, EL, ES, PL).

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<sup>29</sup> Law 4492/2017: Distribution and marketing of fresh and perishable agricultural products and other provisions (Government Gazette A' 156/18-10-2017).

- **Meat sold loose (non-prepacked) at retail stage:** the need to label the origin of non-prepacked meat is identified in several Member States (EL, ES, IE, PL). Other Member States have national legislation in place to cover origin labelling of non-prepacked meat (EL, PL). One Member State has held a public consultation on this issue, but has not yet taken further steps (IE).
- **Meat sold at catering stage:** the need to label the origin of meat sold at catering is an important issue in several Member States. One has drafted legislation (FR); another is considering whether national legislation would be appropriate (EL).
- **Meat destined to processing:** the need to label the origin of meat used as an ingredient in processed products is identified in several Member States. Furthermore, the demarcation of what constitutes fresh versus processed meat can be borderline, for example, the addition of salt or spices on fresh meat (requiring origin labelling) renders it a processed product which does not require origin labelling, despite the minimal processing involved (DE, DK, ES). One Member State has introduced, on a pilot basis, national legislation on country of origin labelling for meat used as an ingredient (FR). Operators and/or consumer organisations in several Member States are raising the issue of whether national legislation should be introduced. It is noted that, in certain cases, the origin of meat when this is a primary ingredient is now labelled under new rules introduced from 1 April 2020 under Commission Implementing Regulation (EU) 2018/775 where the provenance of the product differs from the provenance of the main ingredient.<sup>30</sup>

A summary of national specificities is set out in Table 3.3. and an inventory is provided under ESQ 15 (section 8.2.1).

*Table 3.3 – National schemes and specificities covering country of origin*

Member State	National schemes covering country of origin; other specificities
Denmark	<p>National legislation (Statutory Order on Food Labelling No 1355 of November 27, 2015 ("<i>Mærkningsbekendtgørelsen</i>") allows for the voluntary use of the Danish flag to indicate meat reared and slaughtered in Denmark. The Danish flag can also be used where an animal was reared in Denmark and slaughtered elsewhere as long as information about the place of slaughter is provided. It is also possible to use the Danish flag on processed products as long as most ingredients are Danish (e.g. a sausage made with Danish meat). A Danish flag can also be used on processed products with imported ingredients, but manufactured in Denmark as long as the country of origin of the ingredients is specified.</p> <ul style="list-style-type: none"> <li>• <b>Pig meat:</b> One of the main operators uses a label "<i>100% Dansk svinekoed</i>" (100% Danish pork) for cuts destined for the retail market in Denmark.</li> <li>• <b>Poultry meat:</b> Since 2019, five poultry operators voluntarily labelled "<i>Dansk Kylling</i>" (Danish Chicken) for Danish poultry origin, generating a standard to follow it order to keep in the market. According to operators in the meat supply chain, the non-obligation to provide information about country of origin for poultry in the food service market is a problem; it is estimated that 60-80% of poultry meat used in food services and catering is of non-Danish origin.</li> </ul>
France	There are extensive national schemes for origin labelling of fresh meat and a pilot scheme for meat as an ingredient.

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<sup>30</sup> The country of origin or the place of provenance of a primary ingredient shall be given when this is not the same as the given country of origin or the given place of provenance of the food containing the primary ingredient. Commission Implementing Regulation (EU) 2018/775 of 28 May 2018 laying down rules for the application of Article 26(3) of Regulation (EU) No 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers, as regards the rules for indicating the country of origin or place of provenance of the primary ingredient of a food.



Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:

Final Report

Member State	National schemes covering country of origin; other specificities
	<ul style="list-style-type: none"> <li>• <b>Pig meat:</b> "Le Porc Français" (French Pig meat) covers 98% of national pig slaughterings.</li> <li>• <b>Poultry meat:</b> "Volaille française" (French Poultry) is based on an interbranch agreement supported by the Association of French Poultry Producers.</li> <li>• <b>Sheep/goat meat:</b> schemes by type of meat are developed by interbranch organizations for sheep meat, lamb, goat meat and kid meat ("Viande ovine française"; "Viande d'agneau française"; "Viande de chèvre française"; and, "Viande de chevreau français").</li> <li>• <b>Processed products:</b> French Decree n° 2016-1137 of 19 August 2016 is a <b>time-limited pilot</b> scheme which makes it mandatory for operators to indicate the origin of the meat (all types) used as an ingredient in a processed pre-packaged product<sup>31</sup> containing more than 8% meat irrespective of whether it is exported to third countries or sold in the French market.</li> <li>• <b>Catering sector:</b> the French government has proposed to indicate the origin of fresh meat for all species in all restaurants; this is an extension to a French Decree that has existed for bovine meat since 2002.<sup>32</sup></li> </ul> <p>Since 2017, all French products containing at least 85% pig meat can indicate the origin, as can fresh pig meat products (including also offal and prepared meats) with at least 94% content.</p>
Germany	<p>There are more than 300 voluntary schemes which have an origin component for <b>pig</b> and <b>poultry</b> meat in Germany.<sup>33</sup> "Regionalfenster" provides information on the region of origin, the proportion of regional product and the place of processing.<sup>34</sup> Individual federal states in Germany also have their own origin labelling schemes. Examples include Bavaria, Schleswig-Holstein and North Rhine-Westphalia.<sup>35</sup></p> <p>Furthermore, according to consumer organisations, the non-obligation to indicate the country of birth for pigs, as well as the country of origin at catering level and for meat as an ingredient, poses problems for consumer understanding; e.g. the light processing of meat is indicated to be a common practice by operators to circumvent the application of the Regulation.</p>
Greece	<p>National provisions on the labelling of the country of origin for fresh/chilled/frozen meat of the species covered by Regulation (EU) No 1337/2013 (also including minced meat) have existed in Greek legislation since the 2000s. There are some additional country of origin labelling rules for meat sold at retail at the national level; there are no concerted industry schemes or quality labels pertaining to country of origin (except for private labels by the larger operators in the poultry sector – see below).</p> <ul style="list-style-type: none"> <li>• <b>Retail sales:</b> Article 9 of national Law 4492/2017, which was introduced to reinforce controls at retail point, provides specific rules for the compulsory</li> </ul>

<sup>31</sup> Operators should mention for each category of meat the country of birth of animals, the country of rearing, the country of slaughter of animals. "Origin: (name of country)" for animals born, bred and slaughtered in the same country; "Origin: EU" in case of being born, raised and slaughtered in one or more Member States countries of the EU; and "Origin: non-EU" in case of being born, raised and slaughtered in one or more non-EU Member State country. This scheme was not opposed by the European Commission as it is run on a time-limited pilot basis, extended to end March 2020.

<sup>32</sup> Decree n ° 2002-1465 of 17 December 2002 relating to the labelling of bovine meat in catering establishments.

<sup>33</sup> Bundeszentrum für Ernährung (2019): Schweinefleisch: Kennzeichnung - Herkunfts- und Gütezeichen [https://www.bzfe.de/inhalt/schweinefleisch-kennzeichnung-1002.html], Status: 18.09.2019.

<sup>34</sup> Regional (2019): Fleisch- und Wurstwaren [https://www.regionalfenster.de/das-zeichen/fleisch-und-wurstwaren.html], Status: 18.09.2019.

<sup>35</sup> FIBI (2012): Entwicklung von Kriterien für ein bundesweites Regionalsiegel [https://www.bmel.de/SharedDocs/Downloads/Ernaehrung/Kennzeichnung/Regionalsiegel-Gutachten.pdf?\_\_blob=publicationFile], Status: 18.09.2019.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:

Final Report

Member State	National schemes covering country of origin; other specificities
	<p>labelling and traceability of country-of-origin for meat sold at butcheries and butchery departments of food retailers.</p> <ul style="list-style-type: none"> <li>• <b>Poultry meat:</b> Larger operators use voluntary labelling to guarantee that fresh/chilled/frozen poultry meat comes from a vertically integrated, closed production system and is therefore of Greek origin, or even originates from a specific region in Greece. There are also examples of voluntary origin labelling for poultry meat preparations/processed products, sold direct to final consumers and also destined for the catering sector.</li> </ul> <p>Given strong consumer demand in home-grown and often locally grown meat, there is concern that consumers may be misled as to the origin of meat destined to catering/processing (e.g. meat contained in traditional meat preparations sold in fast food premises), and as to the country of birth (of sheep/goats). These gaps also pose problems for ensuring a level-playing field across operators.</p>
Ireland	<p>The Bord Bia Quality Mark, operated by the Irish Food Board, is a voluntary quality assurance scheme which includes, <i>inter alia</i>, requirements on origin labelling. The scheme is applicable to a range of food sectors including <b>pig</b>, <b>poultry</b> and <b>sheep/goat</b> meat. The scheme also covers the food manufacturing sector where meat content exceeds a threshold.</p> <p>Concerns over misrepresentation of pig meat as Irish, predominantly in the butchery and processed food sectors, led the Irish Farmers' Association to introduce a DNA testing system to verify Irish pig meat. This system has found high levels of compliance on Bord Bia Quality Mark<sup>36</sup> products at retail level, but products from food service have shown high levels of non-compliance (despite voluntary origin claims made by operators). Although this testing refers to origin labelling outside the scope of the Regulation (i.e. non pre-packed meat; catering sector), the potential for consumers to be misled was considered sufficiently serious for the Competent Authority to launch a consultation into extending country of origin labelled to the non-pre-packed meat market segment in 2015; however, to date no further action has been taken.</p>
Italy	<p>There is no additional national legislation specifically concerning origin labelling other than Regulation (EU) No 1337/2013 for fresh, chilled and frozen <b>pig</b> meat in Italy. There have been several attempts to set up voluntary labelling schemes for unprocessed pig meat, but these have not been successful. Ongoing initiatives remain in the developmental stage<sup>37</sup>.</p>
Netherlands	<p>There are no national schemes covering origin for <b>poultry</b> meat other than Regulation (EU) No 1337/2013 in the Netherlands. There are examples of voluntary quality schemes which cover a variety of production concerns (with animal welfare a key component). These do not specifically cover origin, although it is implied in that they are schemes operating in the Netherlands.</p>
Poland	<p>There is a voluntary national labelling scheme, "Polish Product", which can be used in the <b>pig</b> and <b>poultry</b> sectors (Law of 4 December 2016). "Polish Product" can be used for both fresh meat, where it corresponds to the use of "Origin: Poland" under Regulation (EU) No 1337/2013, and meat products which are beyond the scope of the Regulation; meat products must also be processed in Poland to carry the label. Other ingredients used must also be of Polish origin unless any cannot be replaced for technical reasons; in this case, these ingredients must not exceed 25% of the final product by weight.</p>

<sup>37</sup> Temporary measures on a pilot basis have been introduced in Italy for pig meat (i.e. minced meat, mechanically separated meats, meat preparations and meat-based products) when used as an ingredient in prepacked foods.



Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

Member State	National schemes covering country of origin; other specificities
	Non-pre-packed fresh, chilled or frozen meat sold by weight should be origin labelled under national law (Rule of the Ministry of Agriculture and Rural Development of 1st April 2018). The rules are complementary to Regulation (EU) No 1337/2013.
Romania	There are no additional national schemes in place other than Regulation (EU) No 1337/2013 relating to country of origin labelling for <b>pig, poultry</b> or <b>sheep/goat</b> meat.
Spain	<p>"<i>Alimentos de España</i>" (Food from Spain) is a voluntary Spanish origin label for <b>pig, poultry and sheep/goat meat</b>. Under this initiative, ten autonomous communities identify products coming from their own region, using regional labelling.<sup>38</sup> Operators adhere to those voluntary schemes to pursue product differentiation strategies.</p> <p>According to the industry, excluding processed pig meat from the scope of the Regulation poses problems, because a substantial volume of pig meat products marketed in Spain are only minimally processed (usually through addition of salt or spices). The incomplete origin labelling of non-pre-packed meat (sheep/goat meat) at retail level is also a problem, both for consumer understanding and a level-playing field across operators. Finally, some labelling practices are identified whereby consumers are led to believe meat comes from suckling lambs born and reared in Spain, when this is not in fact the case.</p>

### 3.4.3 CHALLENGES/PROBLEMS IN IMPLEMENTATION

Overall, no systematic challenges or problems were identified with the implementation of the current provisions of Regulation (EU) No 1337/2013 regarding labelling, traceability, rearing periods, and the batch requirement. However, certain challenges or problems arise more generally from the implementation of country of origin labelling rules, against the national context. These challenges/problems, as outlined in Table 3.4, are summarised below:

- **Potentially misleading practices:** As noted in section 3.4.2, national specificities are identified in some Member States, which go beyond the current scope of the Regulation (Table 3.3). In some cases, rules and initiatives have been taken to respond to concerns raised by stakeholders on the potential for consumers to be misled over the origin of meat that falls outside the current scope, i.e. meat sold loose (non-prepacked), meat sold through the catering sector and/or meat used as an ingredient, or to consider that the "*Reared in...*" designation also implies the country of birth (which it does not). Although these perceived 'gaps' are not problems of implementation of the Regulation as such, they indicate concerns over the potential for consumers to be misled and also pose challenges for ensuring a level-playing field across operators.
- **Controls of compliance:** Generally, national Competent Authorities noted that they face resource constraints that oblige them to focus controls as a priority on

<sup>38</sup> Regional labels are: "Alimentos de Extremadura"; "Alimentos de Cantabria"; "Alimentos de Aragón", together with the label "C'alia" for Aragón; "Alimentos del Paraíso Natural" for products processed and/produced in Asturias; "M Producto Certificado" quality seal of the "Food from Madrid" scheme; standard EU label for agri-food and fishery products produced and processed in Canary Islands; "Tierra de Sabor", complemented for export purposes with the label "Heart of Spain" for Castilla y León; "Q qualitat alimentària" for Catalonia; "Galicia Calidade" and "Alimentos de la Rioja". "Cordero de la Alcarria" is a collective label that guarantee that the producers or the region of Alcarria (Guadalajara and Cuenca in Castilla la Mancha) follows the traditional production techniques of the area.

food safety rules. In addition, the fragmented structure of the supply chain in many Member States poses challenges to the feasibility and level of controls that can be carried out. Given these constraints, when it comes to controls to verify enforcement of Regulation (EU) No 1337/2013, control efforts tend to target as a priority the slaughtering and meat processing stages of the chain, with food retailers and importers posing more challenges to control. High rates of non-compliance were reported in two Member States due to fragmented structures and difficulties for the national Competent Authority to verify the information.

- **Implementation of the batch requirement:** Problems were only identified in a few Member States. In these cases, the problems are linked to reliance on imports (mainly in the pig meat and poultry meat sectors). The fact that several origins may be involved posed challenges for operators (slaughterhouses and cutting plants) sourcing from multiple origins to implement the batch requirements of the Regulation. The case of the poultry meat sector in one of these Member States is unique amongst the ten Member States covered by the case studies. In this Member State, packs of chicken cuts made up from batches from different Member States are labelled with several indications of provenance. This is done to limit the segregation of product flows from different Member States. This is said to reduce the need for operational changes and the costs that might otherwise have resulted.

*Table 3.4 – National challenges/problems in implementation*

Member State	National challenges/problems in implementation
Denmark	<b>Controls:</b> The national Competent Authority control efforts to ensure compliance with the Regulation target the slaughtering and meat processing stages of the chain, and no problems are identified at this level. However, according to operators, the Competent Authority has limited resources to control labelling of products in food stores, and it is challenging to control compliance for imported products. This poses problems in verifying the declared origin at retail and for imports of pig meat and poultry meat.
France	<i>No problems identified</i>
Germany	<b>Controls:</b> While no difficulties for national Competent Authorities to ensure enforcement of the Regulation were cited, it was noted that the national Competent Authorities are under resourced to carry out all relevant control checks in the food chain; hence, controls of food safety are prioritised over origin checks.
Greece	<b>Controls:</b> The national Competent Authority has not had any difficulties with the enforcement of the Regulation; nonetheless, the main challenge for controlling the information provided by operators is that the relevant authorities involved are under-resourced, particularly in view of the reduction in staff numbers in recent years. The industry and consumer organisations are also concerned that national provisions (reinforced controls at retail) are difficult to enforce/control given the large number of independent butcheries in Greece (10 500) and the growing number of butchery departments of food retailers.
Ireland	<b>Controls:</b> Although no problems were identified by the national Competent Authority or the industry with the enforcement of the Regulation as such, one industry organisation felt that the enforcement system more generally was under-resourced and that this impacts enforcement of the Regulation.
Italy	<i>No problems identified</i>
Netherlands	<b>Implementation:</b> A broader issue of compliance is raised in the poultry meat sector, as the sectoral organisation and the national Competent Authority provided a liberal interpretation of the Regulation's provisions in that they considered that several countries of origin could be indicated on the same batch and label. The operators that followed this interpretation limited segregation by origin and changes on operating procedures and therefore limited costs. <b>Controls:</b> The enforcement of the Regulation has not been controlled by the Competent Authority; there is a lack of clarity concerning the possibility to mix

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:

Final Report

Member State	National challenges/problems in implementation
	batches of meat with different countries of rearing and/or slaughter. The lack of clarity means that Competent Authority inspectors in slaughterhouses, cutting plants and cold stores are currently unable to sufficiently enforce the following practices: (i) mixing meat with different slaughter dates and countries of origin (in this case, batches and label on final package mention the names of the different countries the meat is from); (ii) mentioning insufficient specific information about the origin of meat on labels (in this case, multiple countries of rearing and/or slaughter are combined on the label, even if the final package contains meat from only one country). Traceability is controlled according to the General Food Law (Regulation (EC) 178/2002) requirements: inspectors control the ability of operators to identify any person from whom they have been supplied, and the businesses to whom they supply their products. Traceability of the information on country of rearing and country of slaughter is not specifically controlled.
<b>Poland</b>	<i>No problems identified</i>
<b>Romania</b>	<p><b>Compliance:</b> Some level of non-compliance due to various factors. Difficulties posed by fragmented structures and the extended prevalence of small family farms (despite their diminishing importance in the pigs sector since the African Swine Fever outbreak) cause systematic problems with traceability: where animals are not identified with an ear tag, it is impossible to verify the information (according to the Competent Authority and the industry, meat from family farms is largely destined for own-consumption, i.e. not the commercial supply chain). Further down the chain, although information on rearing periods is provided by farmers, the next stages of the supply chain who receive this information do not always pass it on or communicate it to the final consumer. In the pig sector, the main problems with ensuring correct origin indication are reported to exist in the segment of frozen carcasses, defrosted and cut in Romania, which have a longer shelf life.</p> <p><b>Controls:</b> Although the national Competent Authority did not identify any systemic problems, the industry indicated that there are specific systemic difficulties affecting the Competent Authority's ability to verify compliance with the Regulation, including the fact that the current Competent Authority carrying out controls are under-resourced and lack some specialist training to carry out meat labelling controls.</p>
<b>Spain</b>	<p><b>Controls:</b> Although the national Competent Authority did not identify any difficulties with the enforcement of the Regulation, the industry (farmers) observed that the Competent Authority lacks resources to increase the frequency of controls, which would be desirable. In their view, it would be preferable that such controls are carried out directly by Competent Authority staff rather than outsourced to private certifying companies, to guarantee the highest possible degree of independence. The industry also indicated that, as control activities are performed by Autonomous Communities, sometimes there are differences in the way control activities are performed across Spain.</p> <p><b>Exports:</b> The pig sector reported about problems experienced in exporting pig meat towards certain third countries (e.g. China) that only accept meat obtained from animals born, reared and slaughtered in the same Member State. This hinders the export of meat from pigs born and reared in a Member State and slaughtered in another. This problem would be overcome by a "<i>Born, reared and slaughtered in the EU</i>" indication for exports.</p>

### 3.5 Potential impact on intra-EU trade

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An assessment of:

- the *a priori* expectations in terms of intra-EU trade following the implementation of Regulation (EU) No 1337/2013, based on a review of consumer perceptions in terms of the origin of meat;
- evidence from the introduction of country of origin labelling in the beef sector (both in the EU and the USA);
- a review of the Commission's Impact Assessment and associated work; and,
- intra-EU trade data to examine whether there is evidence to support the hypothesis resulting from the earlier analysis, namely that there may have been a renationalisation of intra-EU trade following the implementation of Regulation (EU) No 1337/2013;

suggests that there are mixed conclusions to be drawn with respect to the impact of the introduction of country of origin labelling in the pig, poultry and sheep/goat meat sectors on intra-EU trade.

For example, average annual intra-EU trade in **live pigs** which would result in the country of origin label indicating "*Reared in X*", "*Slaughtered in Y*" decreased at the EU-28 level as would be expected given consumer ethnocentrism and a retailer desire to reduce risk of mislabelling by simplifying supply chains. In contrast, average annual intra-EU trade in live pigs which would not result in more than one Member State being listed on the country of origin label increased, albeit at a slower rate than previously. In particular, the evidence suggests that trade in live pigs to Germany and Poland, the meat from which can be labelled as "*Reared in X*", "*Slaughtered in X*", increased while the trade in pigs, the meat from which would need to be labelled as "*Reared in X*", "*Slaughtered in Y*", declined. This pattern was not evident in Italy, where imported live pigs are destined for the processing sector and the meat is therefore outside the scope of Regulation (EU) No 1337/2013.

Trade data for **live poultry** are not sufficient to carry out the analysis to the same depth and at the aggregate level, intra-EU trade increased at the EU-level following the implementation of Regulation (EU) No 1337/2013, albeit at a slower rate. While this does not fully support the hypothesis of trade renationalisation, it should be noted that had data in the pig sector also been incapable of suitable disaggregation it would have led to a similar finding. It cannot therefore be discounted from the analysis of data that intra-EU trade in live poultry which would result in more than one Member State appearing on a country of origin label has been affected. In practice though, this trade is very limited due to the rearing period definitions under Article 5, the short lifecycle of broilers and the longer lifecycle of turkeys.

Trade data for **live sheep** showed a reduction in intra-EU imports at the EU-level. As for the pig sector, this finding is consistent with the hypothesis that there would be some renationalisation of trade. However, the background downward trend in the trade in live sheep means that caution should be exercised in linking the trend to the implementation of Regulation (EU) No 1337/2013.

With respect to trade in **fresh meat**, there is no clear evidence that changes to the magnitude of intra-EU trade in any of the meat sectors took place as a direct result of the implementation of Regulation (EU) No 1337/2013. However, there is some evidence that the unit value of trade in **pig meat** reduced, consistent with a rebalancing of trade from the retail to the food service and catering sector.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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The analysis found that there is no evidence that the implementation of Regulation (EU) No 1337/2013 caused a renationalisation in trade at the EU-level with intra-EU imports of **pig, poultry** and **sheep/goat meat** increasing in absolute terms and remaining the same (**pig meat**), or increasing slightly (**poultry** and **sheep/goat meat**) as a proportion of total consumption after the implementation of the Regulation. However, there is a more nuanced picture at the Member State level with intra-EU imports to some Member States decreasing while increases were observed for others. Again, there is no clear evidence that these changes were caused by the implementation of the Regulation, although it is reasonable to assume that the industry will have made any adaptations considered desirable before the entry into force of the Regulation.

The average unit value of intra-EU **pig meat** imports decreased in real terms, consistent with the hypothesis that any renationalisation of trade would be more evident at retail than in the catering and food manufacture sectors, but the unit value increased in the **poultry** and **sheep/goat meat** sectors providing a mixed conclusion overall.

It should be noted that because the trade data for meat does not allow any interferences to be drawn in terms of the impact of origin labelling, it is necessary to be cautious about this conclusion. As the analysis of trade data for live animals demonstrated, the net trade position can mask differences in trade within specific market segments. It cannot therefore be discounted from an analysis of trade data alone that there has been an adjustment in the type of products traded. However, it should be noted that 90% of whole chickens and 84% of pig cutlets were found to carry origin labelling prior to the introduction of Regulation (EU) No 1337/2013 and therefore there is little reason to expect the implementation of the Regulation to have had a substantial impact (European Commission, 2012).

## 4. EFFECTIVENESS OF THE REGULATION

The theme of effectiveness is addressed through six Evaluation Study Questions (ESQs) as set out below.

ESQ	Judgement criteria	Key data sources
ESQ 1: To what extent have the rules and conditions of the mandatory origin labelling achieved the initial objectives for the concerned markets?	JC1.1: Extent to which consumers are provided with clear, accurate and meaningful information on meat origin	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• In-depth interviews</li> </ul>
	JC1.2: Reliability of information provided and feasibility for Competent Authorities to check it	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC1.3: Avoidance of unnecessary burdens on operators, trade, administration and environment	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
ESQ 2: To what extent has mandatory origin labelling stimulated the EU common market? Or on contrary, have there been any tendency/evidence observed of renationalisation of the internal market? To what extent consumers perceive origin labelling as labelling of the 'quality' of the product?	JC2.1: Changes in the movement of animals and fresh meat between Member States, due to the mandatory origin rules.	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Data analysis</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC2.2: Changes in consumer preferences for meat from their own country, after implementation of the rules	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• Supply chain survey</li> <li>• In-depth interviews</li> </ul>
	JC2.3: Consumer perception of origin labelling in relation to 'quality'	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• Supply chain survey</li> <li>• In-depth interviews</li> </ul>
	JC2.4: Extent to which: Member States have introduced additional rules; operators have made use of Article 8; and, reasons for this.	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Member State Competent Authority Survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
ESQ 3: To what extent have the rules of the mandatory origin labelling for certain meats influenced the different actors in the food chain (from producers to consumers)?	JC3.1: Impact of rules on the supply chain (farmers, slaughterhouses and cutting plants, traders, retailers)	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC3.2: Impact of rules on consumers	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• Case studies</li> <li>• In-depth</li> </ul>
ESQ 4: As regards the traceability systems (i.e.: identification and registration systems that are set up by food business operators for each stage of production and distribution of the meat defined): - Are the traceability systems effective to ensure compliance at present? Do they ensure the link between the meat and the animal/group of animals from which it has been obtained?	JC4.1: Extent to which traceability systems of Food Business Operatorss, at each stage of the chain, have changed	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> </ul>
	JC4.2: Extent to which these modified traceability systems ensure transmission of information along the chain; that the link is made between the meat and the animals	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC4.3: Extent to which these modified traceability systems facilitate compliance	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:

Final Report

ESQ	Judgement criteria	Key data sources
- How and to what extent are the relevant sectors coping with the traceability systems?	JC4.4: Any difficulties resulting from traceability systems, for the different sectors	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
ESQ 5: To what extent have the specifications (as defined in Article 5 1(a) of Regulation 1337/2013) regarding different rearing periods for the different species and age/weight for different meats been effective? What is the impact/effect on prices, consumer information and administrative burden? a. Is the consumer aware of the differences? Does the consumer need/understand the differentiations? To which extent are these differences clear to consumers or could potentially mislead consumers? b. Is it controllable?	JC5.1: Consumer awareness of rearing periods	<ul style="list-style-type: none"> <li>• Consumer survey</li> </ul>
	JC5.2: Consumer view as to whether the information provided on rearing periods could be misleading JC5.3: Extent to which the information provided on rearing periods poses challenges to operators and the specific costs/burden stemming from this	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC5.4: Extent to which any additional costs for the supply chain identified above are transferred to consumers	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC5.5: Extent to which rearing periods pose challenges for competent authority controls	<ul style="list-style-type: none"> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> </ul>
ESQ 6: To what extent has the obligation of having a single origin batch throughout the whole processing chain (as specified in Article 3 of Regulation 1337/2013) had an effect on the market/sector?	JC6.1: Extent to which the batch requirement is relevant for all meat supply chains in view of subsequent changes in the legislative situation and the market situation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC6.2: Extent to which the batch requirement required changes in traceability systems	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC6.3: Extent to which the batch requirement changed operator practices, including processing operations and sourcing	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC6.4: Impact (if any) of the batch requirement on prices	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>

#### 4.1 ESQ 1: To what extent have the rules and conditions of the mandatory origin labelling achieved the initial objectives for the concerned markets?

##### 4.1.1 EXTENT TO WHICH CONSUMERS ARE PROVIDED WITH CLEAR, ACCURATE AND MEANINGFUL INFORMATION ON MEAT ORIGIN

##### 4.1.1.1 Consumer understanding of information provided on meat origin and satisfaction with the level of information provided on meat origin

Respondents to the consumer survey were asked to explain their **understanding** of the terms “*Reared in...*”, “*Slaughtered in...*” and “*Origin...*”:

- Half of EU meat purchasers (53%) understand "**Reared in...**" to mean that the animal lived all its life in the country indicated. This is not in fact what the term means in the context of Regulation (EU) No 1337/2013 for any of the three species examined. Just over a quarter (26%) of meat purchasers correctly stated that they understood that the animal lived most of its life in the named country, but may also have lived in other countries. Some 11% of meat purchasers said that they did not know what the term meant.
- Understanding of the term "**Slaughtered in...**" was much higher with 62% stating that they understood this to mean that the animal was only slaughtered in the named country and may have lived in another country. Again, 11% of meat purchasers said that they did not know what the term meant.
- In relation to understanding of the term "**Origin...**", 41% of meat purchasers incorrectly stated that this means the animal was only born in the named country while less than a third (29%) correctly stated that the term means that the animal spent its whole life, from birth, through rearing, to slaughter in the named country. Again, 11% stated that they did not know what the term meant.

Aggregating the responses shows that only 5% of meat purchasers correctly understand all three terms. The most correctly understood term is "*Slaughtered in...*" (62%), followed by "*Origin...*" (29%) and then "*Reared in...*" (26%). Some 29% of meat purchasers correctly understand two of the three terms and 44% correctly understand only one of the terms; more than a fifth (22%) do not correctly understand any of the terms.

In terms of **satisfaction** with the level of information provided, most EU consumers (62%) were either "quite" or "very satisfied". A third (32%) were "neutral", but only 6% were either "quite" or "very unsatisfied".

Meat purchasers who correctly understand all three terms ("*Reared in...*", "*Slaughtered in...*" and "*Origin...*") are more likely to be "quite satisfied" with the information provided and less likely to have a "neutral" opinion.

Respondents who indicated that they were not satisfied with the information provided were asked to explain their answer. The main reason provided was that there was too little information (46%), followed by information either not being clear enough (32%) or confusing (15%).

The EU umbrella organisation representing consumers highlighted research that suggested that consumers have a varying understanding of what "*Origin...*" means, and that this understanding varies across the EU (BEUC, 2013). This research (which covered consumers in Austria, France, Poland and Sweden, but, did not distinguish between types of meat),<sup>39</sup> found that French consumers were more likely to understand that the term "*Origin...*" meant that all three stages of the animal's life took place in the named country (62%), compared with Austrian consumers (32%), Polish consumers (41%) and Swedish consumers (49%). Furthermore, the correct understanding of the terms "*Origin...*" appears to have declined in all these countries between 2012 and 2019 (however, it is noted that the scope of the 2019 consumer survey carried out in the context of the present study is considerably more detailed than the European consumer association survey of 2012).

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<sup>39</sup> This research covered 'fresh meat' amongst other food groups. Crucially, the distinction does not distinguish between types of meat, notably beef which were already covered by mandatory origin labelling and other meats which were not subjected to mandatory rules at the time of the research (2012).



This EU consumer organisation went on to add that the term "*Origin...*" is often accompanied by an image of a flag to stress a particular origin, but it is unclear whether this actually helps consumer understanding.

The EU umbrella organisation representing consumers explained that consumers may be less aware of the meaning of the term "*Reared in...*". This is in line with the consumer survey results presented above. This organisation felt that the definitions of rearing period set out in Article 5 of Regulation (EU) No 1337/2013 were designed to allow the movement of young animals, specifically piglets, without this information being captured by the labelling requirements; consequently, this is considered a major loophole with the potential to mislead the consumer. According to this organisation, there are animal welfare issues involved in live transport and consumers might want to know whether animals have been transported live or not (see also section 4.1.1.3).<sup>40</sup> Furthermore, the EU organisation representing farmers, and one representing retailers, added that the rearing definitions are technical and that consumers cannot easily understand these (see also ESQ 5, section 4.5.1).

Another area of potential misunderstanding raised by the EU umbrella organisation for consumers was that it is not clear whether a label "*Reared in X*" and "*Slaughtered in X*" should be understood to indicate that the animal was **not** born in the same country; EU industry organisations added that it is not clear whether consumers understand the labelling terms used and specifically whether "*Reared in X*" and "*Slaughtered in X*" is different from "*Origin X*".

Finally, it was pointed out that consumers sometimes understand "*Origin...*" as referring to the place of slaughter only, for example this is a more common understanding in Austria in the European consumer association survey. However, this was not corroborated by the survey undertaken for this evaluation where only 2% of EU consumers said that this is what they understood the term "*Origin...*" to mean.

#### **4.1.1.2 Use of origin labelling information by consumers during their purchase decision**

Respondents to the consumer survey were asked to specify the main three indications they look for on labels to inform their purchasing decision (answers were pre-coded, but not prompted). Just under a third (31%) of meat purchasers said that the first indication they look for is price. The second most frequently cited indication was expiry date (29%). Country of origin was the third most cited first choice indication (17%). Country of origin was the second indication looked for by 16% of meat purchasers and the third indication looked for by 20% of meat purchasers.

Considering the top three indications together, expiry date was mentioned as either the first, second or third indication looked for by 73% of meat purchasers, price by 72% and country of origin by 52% of meat purchasers.

The above analysis suggests that country of origin is an important, though second order, consideration for EU consumers when making a purchase decision. However, country of origin is a more important purchase criterion in some Member States and for some socio-demographic groups.

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<sup>40</sup> It should be noted that intra-EU live transport does not necessarily equate to longer journey times.

There appears to be no relationship between the correct understanding of all three terms, or correct understanding of two of the three terms, and the selection of origin as the most important choice criterion, i.e. meat purchasers selecting origin as their first-choice criterion are no more likely to correctly understand the terms used on the label.

To investigate perceptions on country of origin labelling in more detail, meat purchasers were next asked explicitly about their use of origin indication on labelling, i.e. respondents gave a prompted response. Most (83%) reported that they look at origin indication either always (25%), most of the time (25%) or sometimes (23%) to help make a purchase decision. Only 5% of meat purchasers have never looked at origin indications when buying meat and 12% rarely look at origin indications. This confirms the finding above that country of origin is an important purchase criterion for a large proportion of EU consumers.

This analysis broadly confirms the analysis of unprompted responses above.

Respondents who said that they use origin indications to inform their purchasing decisions were asked whether they consciously pay more for meat from their preferred country. More than half (52%, 50% of all respondents) said that they do pay more for meat from their preferred country, but most pay only a little bit more (31%, 29% of all respondents). A quarter (25%, 23% of all respondents) said that they normally use origin indications simply to choose between two products of the same price. Some 23% (22% of all respondents) of meat purchasers either do not know or have not paid enough attention to notice the price differential between meat from different countries (in this context it should be noted that comparator products may not be available in store, see below).

In this context it should be noted that interviews with EU level associations suggested that in most Member States, the retailer offer on fresh meat is largely restricted to domestic sources and, in practice, consumers usually do not have a choice to make. This suggests that this finding should be treated with some caution.

Meat purchasers who state that origin is their most important purchase criterion were more likely than others to say that they pay more for meat from their preferred origin and less likely to say that they only use origin indications to choose between two products of the same price.

There is a weak relationship between correct understanding of all three terms used on labels and willingness to pay more for meat from a preferred country. Those who understand all three terms are more likely to pay a few cents more; there is less difference with respect to being willing to pay moderate and a larger amount for this information.

Respondents to the supply chain survey from organisations representing consumers were asked how often consumers look at country of origin labelling to help inform purchase decisions. The majority (82%, n=11) said that consumers look at this information all the time and 18% said that consumers look at this information some of the time.

Respondents from organisations representing consumers were then asked which indications consumers look for. The majority of organisations (73%, n=11) said that consumers look for their own country; 9% are said to look for any EU Member State and 18% are thought to look for another indication. In one case the respondent stated that the important point is that the specific country should be mentioned. Another two explained that it probably depends on the specific circumstances. The example was provided of a French consumer who might generally want to buy French meat to support French farmers, but who might also choose other countries of origin for quality or taste reasons (Scottish lamb, Irish lamb and British beef were cited). One of these respondents

also made the point that in practice, consumers often do not have a choice in terms of the origin of fresh meat and that availability rather than preference generally drives purchase decisions.

According to consumer organisations responding to the survey, consumers use country of origin labelling to guide their purchase decision for a variety of reasons, most notably because they believe that meat from the country selected (generally their own) is of higher quality (82%, n=11). Consumers are also said to be concerned to support their domestic economy (73%, n=11) and believe that food from their own country is safer (64%, n=11). The use of country of origin labelling for taste reasons, environmental reasons and for reasons related to production methods is less frequent.

Respondents from organisations representing consumers were asked whether consumers are prepared to pay more for meat from their preferred country of origin. Just over a third (36%) of respondents said that they did not know (n=11). Some 27% of respondents said that consumers normally pay a moderate amount (up to 50 cents per kg) for meat from their preferred country and another 27% said that consumers normally pay a large amount (over 50 cents per kg; possibly several euros per kg) for meat from their preferred country. One respondent said that consumers just use country of origin labelling to choose between similarly priced meat from different countries.

One respondent commented that there is no evidence that consumer prices increased following the implementation of Regulation (EU) No 1337/2013 and that therefore there is no evidence that consumers have been willing to pay more for meat from specific origins. Another pointed out the difficulties in establishing revealed willingness to pay given (i) a lack of choice of meats from different origins; and, (ii) the presence of confounding factors where origin is associated with quality schemes which deliver additional credence attributes.

An interviewed EU consumer organisation explained that origin is important to consumers, but a different organisation added that it is not clear why (see also section 4.2.2.1). It was pointed out that the June 2019 Eurobarometer on food safety found that it was the most important purchase criterion, ahead of price (EFSA, 2019). The difference between this finding and those of the survey undertaken for this evaluation results from the Eurobarometer question being prompted, which makes it more likely that consumers will provide a positive answer.

An EU organisation representing retailers pointed out that there is a known difference between stated and revealed preference, i.e. consumers are more likely to state a preference than they are to follow this up with a purchase. It was also noted that retailers tend to supply meat from the country in which they are operating. This is partly related to the perception of freshness and partly because there is an assumption that consumers want product from their own country. As a result, consumers are not usually presented with a choice of origin for fresh meat, so it is not possible to assess whether they actually prefer to buy national product.

One EU consumer organisation explained that specific origin is often linked to other credence attributes within quality schemes such as (Label Rouge); as such it is hard to know exactly which of the bundled credence attributes the consumer values (see also ESQ 2, section 4.2.3.1 which examines the reasons why consumers use origin labelling to inform purchases).

#### **4.1.1.3 Consumer view on whether the information provided on rearing periods could be misleading**

As was explained in section 4.1.1.1 above, a majority of consumers do not correctly understand the meaning of the labels used to indicate provenance. Clearly if consumers do not correctly understand the meaning of labels then they may perceive they have been misled. Misunderstandings aside, most consumers responding to the survey (62%) were either “quite” or “very satisfied” with the information provided on the label or at the point of sale on country of origin (see analysis in section 4.1.1.1).

ESQ 5 specifically examines consumer awareness of rearing periods (section 0). This concludes that the proportion of meat purchasers which indicated that they do not find it acceptable that animals are born or reared in countries which are not identified on the label is sufficient to suggest that at least some consumers are likely to consider themselves misled by the labelling with respect to rearing period.

Respondents to the supply chain survey from organisations representing consumers (n=11) generally said that consumers are “quite unsatisfied” with the information available on country of origin labelling (46%); 9% of respondents said that consumers are “very unsatisfied” with the available information. In contrast, 18% said that consumers are “very satisfied” and another 18% said they are “quite satisfied” (9% had a “neutral” opinion).

The main reason for dissatisfaction of the organisations representing consumers is that the information is confusing (55%), with many also citing too little information (36%). Some 9% stated that there is too much information. This is consistent with the findings of the consumer survey that consumers do not correctly understand the information provided on the label on the origin of meat (see section 4.1.1.1).

In comments provided, four organisations explained that consumers want to know the place of birth and incorrectly assume from the labelling that this is the country of rearing which is not the case (see also below). The definition of “*Reared in...*” was cited as being the main point of confusion with consumers inferring that an animal would have spent all its life in the country identified on the label, or at least the period following weaning. Another organisation added that the labelling system is confusing for consumers because it is different from that employed in the beef sector.

Respondents from consumer organisations (n=11) were asked what they thought consumers understand by the definitions “*Reared in...*”, “*Slaughtered in...*” and “*Origin...*”:

- Only 18% said that consumers understand “*Reared in...*” to mean “the animal lived most of its life in the named country but may have also lived in other countries”; 82% said that they thought consumers incorrectly understand “*Reared in...*” to mean “the animal lived all its life in the named country”.
- A majority (64%) of consumer organisation respondents thought that consumers correctly understand “*Slaughtered in...*” to mean that “the animal was only slaughtered in the country and may have lived in another country”. However, 27% said that consumers understood this term to mean that “the animal lived in the country at some point and was also slaughtered in the country”; 9% said that they did not know what consumers understood this term to mean.
- Finally, all respondents from consumer organisations said that consumers correctly understand the term “*Origin...*” to mean that “the animal spent its whole life, from birth, through rearing, to slaughter, in the named country”. However, in the consumer survey less than a third of consumers correctly understood this term (see section 4.1.1.1).

Consumer organisations (n=11) were then asked to state their level of agreement with a series of statements relating to the definitions used to communicate provenance. These statements included a description of the definitions used and a series of less precise variants.

- With regard to "*Reared in...*", consumer organisations do not generally agree with any of the statements suggesting that they feel the term ought to be used in a "pure" form to mean that animals should have lived all their life in the country indicated on the label.
- In contrast, when a product is marked "*Slaughtered in...*", 73% of consumer organisations "very much agree" that it is acceptable that the animal has been reared in another country and a further 9% think it is "somewhat acceptable" (n=11); 9% "somewhat disagree" and 9% "very much disagree" (9% stated they had a "neutral" opinion on this).
- In terms of the designation "*Origin...*", consumer organisations clearly disagreed with any suggestion that the animal has not spent all its life, including birth, in the named country.

An interviewed EU consumer organisation said that although published research (BEUC, 2013) did not investigate consumer understanding of the rearing stage definitions,<sup>41</sup> the perception is that the definitions were designed, for example, to avoid capturing the live trade in piglets. As a result, this organisation considers the definition to be potentially misleading in that consumers may assume that an animal "*Reared in X*" was not also reared elsewhere; this is in fact the understanding of 53% of EU consumers (see section 4.1.1.1). While this may often be the case, it is not always. This EU organisation stated that consumers attach considerable importance to animal welfare in transport and that the labelling definition of rearing can hide important information. It should though be noted in this context that live transport within countries can of course take place over longer distances than between countries; country of origin labelling is a poor proxy for communicating information on transport distances.

Another EU organisation representing operators felt that the information on rearing periods is beyond most consumers' interest/knowledge and as a result, they cannot be misled.

#### **4.1.2 RELIABILITY OF INFORMATION PROVIDED AND FEASIBILITY FOR COMPETENT AUTHORITIES TO CHECK IT**

##### **4.1.2.1 Extent to which the traceability system facilitates compliance with the Regulation through the transmission of reliable information and any difficulties with the system**

Analysis under ESQ 4 (section 4.4) shows that three-quarters (73%) of respondents to the supply chain stakeholder survey systematically receive information on the group of animals from which the meat they receive comes.

Of those that said they do not systematically receive this information, only two said it was not available on request (an operator and an organisation in the **pig sector**). Analysis in section 4.4.3 reveals that there is no evidence that specific information is systemically missing or unreliable and section 4.4.4 finds that there are no systemic difficulties in compliance resulting from traceability systems.

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<sup>41</sup> As indicated in section 4.1.1.1, this research covered 'fresh meat' without distinguishing between types of meat – i.e. potentially also referring to beef.

Analysis under ESQ 4 (section 4.4.3) reports that almost half (47%) of Competent Authorities (n=17) stated that the traceability systems currently in place for ensuring compliance with the Regulation through the transmission of reliable information are “fully effective” and another 41% indicated that the systems are “moderately effective”.

The case studies found that the traceability systems in operation in the **pig meat sector** provide all the information required for compliance with Regulation (EU) No 1337/2013. The only problems reported were some cases of incorrect labelling in the period immediately after entry into force of the Regulation, and some initial inspection problems where the criteria used in the beef sector were applied erroneously (ES). Other Member States also encountered teething problems (DE). In some Member States national traceability systems preceded Regulation (EU) No 1337/2013 meaning that implementation was relatively smooth (FR, IT). Some case studies found specific problems in non-commercial holdings where traceability is unlikely to be documented properly (IE, IT and RO).

Case studies showed that the traceability systems used in the **poultry meat sector** also facilitate compliance with the Regulation through the transmission of reliable information through the supply chain; no systemic difficulties were identified. Some problems related to the scope of Regulation (EU) No 1337/2013 were mentioned. Concerns were raised about the misleading practice of selling imported loose chicken fillets alongside whole birds, with the later clearly labelled as being of domestic origin in butchers’ shops; consumers assume that the loose fillets are also domestic product (IE). Similar cases of misleading implied origin around sales of loose poultry meat were identified in other Member States (FR, EL). In another Member State an organisation explained that some companies circumvent the requirements of the Regulation by lightly processing imported poultry meat so that it falls out of scope (DE); it is assumed that this is no longer possible under Regulation (EU) 2018/775 where the product is sold with provenance information which differs from that of the main ingredient (see ESQ 13, section 7.2.1). The implementation of Regulation (EU) No 1337/2013 was facilitated in two Member States where national requirements were already in place on imported poultry meat (PL), or on domestic poultry meat (EL).

Some Member States have instigated individual electronic identification under Council Regulation (EC) No 21/2004 which increases the reliability of identification of live animals (FR, IE). The case studies found that the traceability systems in place throughout the **sheep and goat meat** supply chain facilitate compliance with Regulation (EU) No 1337/2013. However, there is concern around misleading information in some Member States that predominantly sell sheep/goat meat loose at retail where the display arrangement implies the meat is domestic, when it is in fact imported (EL). This problem stems from large price differences between domestic and imported meat, coupled with a supply deficit during peak demand periods of the year, for example, Easter, and was sufficient to prompt national rules to ensure clarity. Other examples of the potential misleading of consumers were reported. In Spain, significant imports of lambs come from France, especially around the Christmas peak in demand. While lamb is sold with the correct labelling under the requirements of Regulation (EU) No 1337/2013, this information is much less prominent than other indications which suggest a solely domestic provenance (ES). Finally, in Member States where considerable numbers of sheep/goats are kept in backyard, non-commercial flocks, these are often not identified (RO). However, these sheep are slaughtered for local consumption and do not enter the commercial supply chain.

An EU level organisation representing operators explained that Regulation (EC) No 178/2002 sets out traceability requirements on Food Business Operators (FBOs). Under

the General Food Law, Food Business Operators (FBOs) are responsible for the correct operation of traceability and therefore have to get this right. All EU level organisations agreed that the traceability system facilitates compliance with Regulation (EU) No 1337/2013 through the transmission of reliable information. There are no systemic issues with the reliability of data and no specific difficulties with the system were identified; this was confirmed by an organisation representing farmers.

However, one organisation representing consumers explained that there will always be differential implementation between Member States to some degree and there is some anecdotal evidence of erroneous origin labelling. An example was provided (albeit in the beef sector) where meat was marked as "*Origin: Ireland*", as well as (voluntarily) "*Viande Bovine Française*".<sup>42</sup> Although the country of origin labelling may be the correct indication, the consumer may still be confused. A second example was provided, again in the beef sector, where meat was labelled as being "*Reared in France*", "*Slaughtered in France*", but "*Born in Gabon*".<sup>43</sup> In this case the retailer concerned explained that this was a labelling error with Gabon coming just after France in the labelling software; this type of error could occur with respect to pig, poultry, sheep/goat meat, although no examples have been provided.

An organisation representing consumers stated that although the information on traceability is considered to be reliable, it still needs to be controlled. This organisation drew attention to published work which shows that a reduction in resources means that Competent Authority checks focus on food safety issues rather than labelling (BEUC, 2019).

An EU organisation representing retailers explained that retailers are quite careful which suppliers they work with and will make sure that they are reliable.

Finally, an EU consumer organisation raised the Article 5 rearing period definition for pigs which means that trade in piglets is not captured by the information provided on the label. It is considered by this organisation that this means the information is not fully reliable.

#### **4.1.2.2 Difficulties, if any, for Competent Authorities to check information**

Respondents to the national Competent Authority survey were asked if they had encountered or are aware of any problems with compliance with the Regulation due to the traceability systems in place. Just over half (59%, n=17) said that they had not encountered and were not aware of any problems. The seven respondents who had encountered problems mentioned the following:

- rearing periods not being specified;
- incorrect construction of batches;
- intentionally (and unintentionally) incorrect paperwork where systems are not electronic;
- lack of transmission of specific (and required) information; and,
- the aggregation of batches of poultry meat with different origin indications meaning that labels list more than one country of origin.

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<sup>42</sup> <https://twitter.com/fnsea44/status/927549197884252161>

<sup>43</sup> <https://twitter.com/carrefourfrance/status/1116000208155041793?lang=fr>

One Competent Authority provided information on infringements identified during controls. Anomalies were found in 24% of 284 controls on traceability. These resulted in 47 warnings, 18 injunctions and six official reports.

Finally, one Competent Authority explained that some difficulties are caused by the fact that Article 3 of Commission Implementing Regulation (EU) No 931/2011<sup>44</sup> does not specify country of origin in the list of information to be communicated along the supply chain.

The point was made that control is more difficult where there are many intermediaries involved, implying that control is easier where there is greater integration in the supply chain.

The case studies found no specific difficulties for Competent Authorities to control the Regulation in the **pig meat sector**. In some Member States it was noted that control resources are focused on food safety issues rather than checks on origin labelling (DE), or in some cases are contracted out which is considered less robust in some cases (ES), but perfectly acceptable in others (IE). In some cases, there are concerns that control regimes are under-resourced, but where there are no imports of live pigs, the risk of mislabelling origin is low to non-existent (IE). In one Member State it is considered challenging to determine whether information gaps are accidental or related to fraudulent practices (IT). Finally, the Competent Authority in one Member State (the National Agency for Consumer Protection) is not considered to have appropriate resources or training to carry out the controls; the National Sanitary Veterinary and Food Safety Authority is considered by industry operators to be the more appropriate body to control the Regulation (RO).

No specific and systemic difficulties were identified in the control of Regulation (EU) No 1337/2013 in the **poultry meat sector**. However, there may be regional differences in Member States where controls are devolved from the centre (ES). Some teething problems were identified in some Member States. For example, in Ireland, the Competent Authority identified poultry raised in Ireland, but slaughtered in Northern Ireland labelled as "*Origin: Ireland*" and this practice was quickly stopped. In one Member State there appears to be a practice of mixing poultry meat with different slaughter dates and different countries of origin with the label indicating several different Member States (NL). There are also said to be cases where labelling lists combinations of multiple countries of rearing and/or slaughter, even if the meat ultimately only has one origin (NL). Whilst Article 5(3) allows for multiple countries to be listed on labels, the implication is that this listing should accurately reflect the actual contents. Concerns were raised in some Member States about the resources devoted to control with food safety issues prioritised (DE, DK, EL) (see also BEUC, 2019, referenced above).

The **sheep/goat meat sector** case studies found that there are no systemic difficulties in the control of Regulation (EU) No 1337/2013. As was noted in the other sectors, there are concerns about resource levels within control agencies (IE, EL). Also, as noted with respect to the pig sector, there are concerns in one Member State that controls may not be carried out by the appropriate authority (RO).

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<sup>44</sup> 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.



#### **4.1.3 AVOIDANCE OF UNNECESSARY BURDENS ON OPERATORS, TRADE, ADMINISTRATION AND ENVIRONMENT**

##### **4.1.3.1 Extent to which operators in the chain have changed their sourcing practices as a result of the origin labelling provisions**

Changes in sourcing practice are investigated in detail under ESQ 2 (section 4.2.1.3).

##### **4.1.3.2 Nature of changes to traceability systems, if any, implemented by operators at each stage of the chain following the entry into force of the Regulation**

The nature of changes to traceability systems implemented by operators in the supply chain following the implementation of Regulation (EU) No 1337/2013 is reported under ESQ 4 (section 4.4.1.1). The most common change was to internal systems, with changes to the registration of arrivals and changes to systems for registering departure also widespread.

The case studies found that the general rules set up to ensure traceability under Regulation (EC) 178/2002 meant that only minimal changes were required to implement Regulation (EU) No 1337/2013 in the **pig meat sector**. Changes were though necessary to the way in which animals are registered on arrival in the slaughterhouse, the way in which traceability is maintained within the slaughterhouse and the way in which products are registered on dispatch (DE, RO). These changes were only necessary where slaughterhouses deal with animals from which meat will require different origin labelling. In slaughterhouses where this will not be the case because there are no imports of live animals (DK, IE) there would have been no need to change existing systems. In Member States where national origin traceability systems pre-dated Regulation (EU) No 1337/2013, there will have been no need to adapt systems (FR).

Similar findings emerged from the **poultry meat sector** case studies in that minimal changes were required due to the earlier introduction of Regulation (EC) No 178/2002. Implementation appears to have been even more straightforward in the poultry meat sector where there is a generally high degree of vertical integration (ES, IE, EL). In some Member States voluntary national schemes requiring origin traceability were already in place and widely used which facilitated implementation (FR, EL).

No significant changes were necessary to traceability systems as a result of the implementation of Regulation (EU) No 1337/2013 in the **sheep/goat meat sector**, again, in part due to the earlier implementation of Regulation (EC) 178/2002. The experience of slaughterhouses in dealing with requirements in the beef sector were said to have facilitated the implementation of the Regulation (ES). Existing national legislation on traceability also helped smooth implementation (EL).

##### **4.1.3.3 Changes to operating procedures used at different stages of the chain**

European Commission (2013a) anticipated that medium-sized slaughterhouses and cutting plants sourcing from different Member States, and not equipped with the most efficient logistics systems would be the group required to make most changes following the implementation of Regulation (EU) No 1337/2013 (see ESQ 4 (section 4.4.1.1) and ESQ 7 (section 5.1.1.1)).

Additionally it was reported in European Commission (2019) that national temporary measures in place under Article 39(2) of Regulation (EU) No 1169/2011 have been found to have a very small impact (see section 3.4.2 and ESQ 15, section 1.1 for further details).

Respondents to the supply chain survey were asked whether internal operational practices changed directly as a result of the entry into force of Regulation (EU) No 1337/2013. A slim majority (60%) said that they had not (n=73).

More than three-quarters (78%) of operators only dealing with **pigs** said that they had not made changes as a result of the Regulation (n=9), compared to 63% of those dealing only with **poultry** (n=19). Just over a third (38%) of operators dealing with all three species said that they had not made changes as a result of the Regulation (n=8).

Of the 29 respondents who indicated that changes had taken place, 43% said that their **internal operating practices** had changed to a "great extent", 36% to a "moderate extent" and 21% to a "small extent" (n=28).

The most common change made was to internal systems for traceability, with changes to the registration of arrivals, and changes to systems for registering departure also widespread. Fewer than half of respondents made changes to the physical segregation of either animals or product. This suggests that, generally, the Regulation involved a greater change in the recording of information than it did in terms of the operation of slaughterhouses. It should also be noted that sizeable proportions of respondents noted only moderate or small changes.

Respondents were asked to identify the reasons for the changes they made to internal operating systems.<sup>45</sup> Respondents drew very little distinction between the different aspects of the Regulation with all broadly as important as each other in requiring changes.

The case studies found that no changes to operating systems at any stage of the supply chain were necessary in Member States which do not import live **pigs** because there is only one indication used, "*Origin...*" (DK, IE). Slaughterhouses in Member States where live pigs are imported needed to adjust their operating procedures to ensure the segregation of live animals and meat products (DE, ES); this is also the case for cutting plants importing carcasses for further breaking down (ES). No changes were reported at other stages of the supply chain in any of the case study Member States.

The high degree of vertical integration in the **poultry meat sector** meant that changes to operating systems were not generally necessary at any stage in the supply chain: a single company often manages the entire production process, from poultry farming to sale of poultry meat to retailers. Some changes would have been required for slaughterhouses and cutting plants dealing with imported live birds for slaughter or imported carcasses for cutting. This was the case in one Member State where around half the birds slaughtered have been reared elsewhere (NL). The rather liberal interpretation of Article 5(3) described above (section 4.1.2.2) reduced the magnitude of the changes required by allowing the mixing of origins. However, it should be noted that there is a lack of clarity in terms of this interpretation and it is thought that some operators did change their operating procedures following implementation of the Regulation (NL). Some slaughterhouse operators in other

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<sup>45</sup> Batch requirements; rearing periods; information required; information provided; traceability in the supply chain.

Member States also reported changes to their operating procedures to ensure the correct labelling of poultry meat (DE).

In summary, where the poultry industry is highly integrated and there are no imports of live poultry, the implementation of the Regulation did not require changes to operating systems. Where there is less integration and, especially where there are imports of live birds for slaughter, changes to operating procedures at slaughterhouses and cutting plants were necessary, subject to the interpretation of Article 5(3).

In Member States which do not import live sheep it was not considered necessary to make changes to operating systems at any point in the **sheep/goat meat** supply chain. Changes had already been made as a result of the introduction of national legislation in one Member State (EL) to ensure the segregation of imported live sheep and the identify preservation of meat products. However, in another Member State which imports live sheep for slaughter (IE), operators had to make changes as a result of implementation of the Regulation. These changes involved slaughtering imported and domestic sheep on different days to ensure that batches cannot become mixed.

#### **4.1.3.4 Extra work, if any, for administrations to ensure compliance with origin labelling provisions**

European Commission (2013a) reported that most Competent Authorities expected an increase in control costs in the short-term. However, once adjustment had taken place, additional costs were expected to disappear. The conclusion was that the impact would be marginal under the implementation model chosen for Regulation (EU) No 1337/2013.

Three-quarters of respondents to the national Competent Authority survey (76%, n=17) said that the implementation of the Regulation had resulted in extra work to ensure that operators are complying with its provisions. Several explanations for this extra work were provided which can be categorised as relating to a need for:

- Training of Competent Authority staff and operators
- Regular (additional) inspections to ensure compliance

One respondent explained that the majority of the additional work was necessary on implementation rather than on an ongoing basis.

Respondents were asked to estimate the extra time required annually (i.e. ongoing costs) by indicating the number of days per year by staff category. Eight Competent Authorities were able to provide some sort of quantification, although these varied dramatically from (i) just two days extra work per year and (ii) 21 days extra work per year to between (iii) 1.1 and 1.5 Full-Time Equivalent (FTEs), (iv) around 4 Full-Time Equivalent (FTEs) and (v) 2,100 hours (~1.17 FTEs). The other estimates provided were (vi) 170 additional hours (~0.9 FTEs), (vii) 520 additional hours (~0.3 FTEs) and (viii) 140 additional days (~0.6 FTEs).<sup>46</sup> Clearly the additional work required depends on the structure of the control regime and the size of the sectors.

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<sup>46</sup> FTEs calculated on the basis of 7.5 hour working days and 1,800 working hours per year.

Respondents were asked to break down the additional time by staff category (one could not).<sup>47</sup> Data were provided in a mix of units, but even after conversion to percentages, there is still a high degree of variability. Two respondents explicitly stated that data were not available. Based on the data provided it is not possible to draw any firm conclusions on the amount of additional staff time required to control Regulation (EU) No 1337/2013.

According to the case studies, checks on origin information are performed within the framework of controls focusing on all the other aspects of general food traceability and as such, are not considered to create appreciable additional work in the **pig meat sector**. Typically, training was organised for staff to familiarise themselves with the requirements of the Regulation; this was facilitated by familiarity with the requirements for controls on country of origin labelling for beef. Standard Operating Procedures (SOPs) were updated to accommodate the requirements of the Regulation. In effect, the requirements were simply integrated into existing Standard Operating Procedures (SOPs) in which they form a minor part.

Similar findings were reported in the **poultry meat sector** case studies and in the **sheep/goat meat sector**, although it was reported in one Member State that Regulation (EU) No 1337/2013 is not controlled in the **poultry meat sector** (NL).

#### **4.1.3.5 Role of the relevant parts of Articles 4, 5, 6, 7 and 8 on overall burden reduction**

Analysis of Regulation (EU) No 1337/2013 in section 3.2 sets out the definitions used for rearing period by species under Article 5. In line with the findings of a workshop reported in the Commission's Impact Assessment (European Commission, 2013a), excluding piglets and day-old chicks simplifies the labelling requirements and therefore constitutes a clear reduction in burden on operators. The possibility to label more than one country of rearing and slaughter in packs where several pieces of meat (of the same or different species) are presented in the same pack also provides an opportunity to reduce burden.

The derogations provided under Articles 6 (meat from third countries) and 7 (minced meat and trimmings) also provide an opportunity to reduce burden, especially in the case of Article 7 where operators do not need to keep minced meat and trimmings from animals from different Member States separate. As well as reducing the burden of segregation, this also gives operators more flexibility to combine meat to achieve the required characteristics.

Respondents to the supply chain survey were asked to what extent a range of provisions within Regulation (EU) No 1337/2013 simplified compliance with the requirements. All articles were considered useful in this regard, but to differing degrees. At least half the respondents thought that Article 4 on the definition of a group of animals; Article 6 providing a derogation to use "non-EU" rather than specific third countries; and, Article 7 providing a derogation to use "EU" and "non-EU" designations on minced meat and trimmings simplified the provisions to a "Great extent" or "Moderate extent". In contrast,

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<sup>47</sup> Category 1: Legislators, senior officials and managers (e.g. more senior officials involved in policy formulation); Category 2: Professionals (e.g. mid-level officials assisting with implementation and policy formulation support, laboratory work, etc); Category 3: Technicians (e.g. inspectors with vocational education); Category 4: Clerks (i.e. completing administrative support and secretarial roles).

38% of respondents did not feel that Article 5 on rearing periods provided any simplification.<sup>48</sup>

A complex picture emerges when assessing the simplifications by type of species processed. Operators processing only **poultry** were more likely to find that Article 4 provided a simplification than other groups, although only to a small extent (n=7). Article 5 is more likely to be considered not to provide a simplification for operators processing all three species (n=8). Article 6 was more likely to be considered to provide a simplification by operators processing all three species (n=6), whereas operators processing only **poultry** were more likely to say that this Article does not provide a simplification. Article 7 is more likely to be considered to provide a simplification by operators processing all three species (n=7) than any other grouping; this is also the case with respect to Article 8 (n=6).

Respondents to the survey of national Competent Authorities were asked to what extent various provisions of the Regulation simplified their task of checking operator compliance with the Regulation. Articles 4 and 6 (definition of a group of animals and the derogation for non-EU meat respectively) were both seen as greatly simplifying compliance checks by 38% of respondents and, as simplifying checks to a moderate extent by 46% of respondents. Article 5, defining rearing periods and Article 7 providing the derogation for minced meat and trimmings were also seen very similarly by respondents, although in this case, Article 5 is seen as providing greater simplification than Article 7. Article 8 allowing additional voluntary information is seen as creating the least simplification.

The case studies found little evidence that Articles 4-8 resulted in clear reductions in burden in the **pig meat sector**, although the derogation on minced meat and trimmings under Article 7 was mentioned as having had a small positive impact (DE). Partly this is related to circumstance, with Articles 4, 5 and 7 only relevant where slaughterhouses are processing animals with different provenances (IE). However, in Member States where imports of live pigs are present, Article 5 is said to make an important contribution to reducing the burden (PL). Where Member States had national origin schemes which pre-date the Regulation, and where these are widely followed, Article 5 is less relevant because the national rules require stricter definitions and the derogation under Article 7 is not relevant as processed meat is also within scope (FR). Article 7 is also not considered relevant where imported live pigs are used in the processed meat sector where the product does not carry provenance indications (IT).

The case studies in the **poultry meat sector** reported difficulties in providing a view on the reduction in burden implied by Articles 4-8. Broilers are placed as day-old chicks and then reared on the same farm until slaughter, so Article 5 is useful in not requiring the location of birth to be labelled. Article 5 also appears to have reduced the burden where poultry are reared in different locations. For example, one Member State imports turkeys for the Christmas market at four weeks which are then raised for three and a half months before slaughter (IE); as a result, the meat can be labelled as "*Reared in Ireland*". In addition to reducing the burden, even if minimally, this avoids raising consumer questions about provenance. Where Member States had national origin schemes which pre-date the Regulation, and where these are widely followed, Article 5 is less relevant because the national rules require stricter definitions and the derogation under Article 7 is not relevant as processed meat is also covered by national rules (FR).

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<sup>48</sup> Article 8 allows for the provision of further information on the label.

As with the other sectors, the case studies found little evidence that Articles 4-8 reduced the burden in the **sheep/goat meat** sector; it was noted in one Member State that the overall burden is not substantial in any case (ES).

#### 4.1.3.6 Impact of the legislation, if any, on the environment

European Commission (2013a) reported that the environmental impacts of introducing country of origin labelling were expected to be minimal in terms of packaging and use of trimmings as a result of the derogations under Article 7. Attention was drawn to possible impacts in terms of live trade, but the point was made that any reduction in live trade could have positive or negative consequences depending on whether disruption was to longer or shorter distance cross-border trade.

No clear and direct relationships between Regulation (EU) No 1337/2013 and the environment were identified in the **pig meat sector** case study. However, a number of potential indirect links were identified including a possible reduction in emissions from reduced transport distances (DK), although this can of course work in the opposite direction if journey distances are increased to avoid live animals/meat from other Member States (DE). In some Member States there were no changes in sourcing practices meaning no impact on emissions in either direction (ES, IT).

It is possible that there is additional waste from the single-origin batch requirement, but the derogation under Article 7 reduces waste from the meat industry (DK). Finally, in one Member State, late notification of the labelling change required pre-printed labels to be discarded (RO).

The same issues were generally raised with respect to the **poultry meat sector** and with respect to the **sheep/goat meat sector**. However, one Member State noted a difference in potential impact in the **sheep/goat meat sector** compared to the other sectors in that the Regulation may have reduced the import of live sheep and thus positively impacted on emissions (ES). This may also have resulted in the promotion of domestic sheep production in marginal areas which could have had positive impacts on fire prevention (ES).

Most interviewed EU organisations said that Regulation (EU) No 1337/2013 had not had any impact on the environment. However, one (representing operators) suggested that there might have been some impact from changing packaging if stocks of existing packaging could not be used; no information was provided on whether this had in fact been a problem (but see above).

A different organisation representing operators explained that, given consumer preference for meat produced domestically, the use of origin labelling might have resulted in more local sourcing. However, it was recognised that there are cases where the closest supply might not in fact be domestic. It is therefore possible that in some cases meat was transported further while in others transport distance might have been cut. No evidence on this could be provided. The impact of the Regulation on trade in live animals and in meat is examined under ESQ 2 (section 4.2.1).

#### 4.1.4 ESQ 1 CONCLUSIONS

**Consumer understanding of the information provided on meat origin is typically low** and, with respect to "Origin...", may have declined over time. Only with respect to the term "Slaughtered in..." do a majority of consumers (62%) have the correct understanding. Less than a third of consumers correctly understand the terms "Reared in..." (26%) and

"Origin..." (29%). Only 5% of consumers correctly understand all three terms. Some 29% of meat purchasers correctly understand two of the three terms and 44% correctly understand only one of the terms; more than a fifth (22%) do not correctly understand any of the terms.

There are some differences in understanding at the Member State level, but it is not the case that consumers in any specific Member State have a notably better understanding of all three terms.

Despite this widespread lack of understanding of the labelling terms, **most EU consumers (62%) were either "quite" or "very satisfied" with the information provided**; only 6% were either "quite" or "very unsatisfied". The main reason for a lack of satisfaction was that there was too little information (46%), followed by information either not being clear enough (32%) or confusing (15%).

**Country of origin is stated to be an important, though second order, consideration for EU consumers when making a meat purchase decision.** However, country of origin is stated to be a more important purchase criterion in some Member States and for some socio-demographic groups. When asked explicitly about their use of origin indication on labelling, most (83%) reported that they look at origin indication either always (25%), most of the time (25%) or sometimes (23%) to help make a purchase decision.

Around **half of consumers who say they use country of origin indications to inform their meat purchases state that they are willing to pay more for meat from the origin they prefer**; a quarter stated that they use origin indications to choose between similarly priced products. However, it is not clear whether consumers can exercise their preference given that the retailer offer on fresh meat is largely restricted to domestic sources and, in practice, consumers usually do not have a choice to make.

In terms of these findings, **there is a known difference between "stated" and "revealed" preference with consumers more likely to state considerations when making a purchase decision** or willingness to pay.

Generally, meat purchasers who state that origin is their most important purchase criterion were more likely than others to say that they are willing to pay more for meat from their preferred origin and less likely to say that they only use origin indications to choose between two products of the same price.

**EU stakeholder organisations have concerns that consumers do not appreciate the difference between "Reared in X" and "Slaughtered in X" versus "Origin X".** there are also concerns that consumers do not understand the definition of "Reared in..." and would not generally realise that animals labelled as "Reared in X" could have also spent time being reared in another Member State. This is consistent with the survey finding that 53% of consumers do not expect "Reared in X" to include the possibility that the animal was also reared elsewhere. This lack of understanding makes it likely that some consumers are inadvertently misled.

Three-quarters of respondents to the supply chain survey systematically receive information on the group of animals from which the meat they receive comes; a further 15% said that they received this information most of the time; operators in the **poultry sector** are more likely to always receive this information than those in the **pig sector**. **Almost half of Competent Authorities responding to the survey stated that the traceability systems currently in place for ensuring compliance with the**

**Regulation through the transmission of reliable information are “fully effective”** and another 41% indicated that the systems are “moderately effective”.

These findings were backed up by the sector case studies which found that, underpinned by Regulation (EC) 178/2002, **traceability systems in operation in all three sectors provide all the information required for compliance with Regulation (EU) No 1337/2013**. No systemic difficulties were identified.

However, some non-systemic issues not directly related to Regulation (EU) No 1337/2013 were identified, specifically the sale of loose **poultry** and **sheep/goat meat** in some Member States in a setting that might lead consumers to assume it is of domestic origin when in fact it is imported; similarly, poultry meat is sometimes lightly processed to put it outside the scope of Regulation (EU) No 1337/2013, although from 1 April 2020 this falls under the scope of Regulation (EU) 2018/775 where the product is sold with information on provenance.<sup>49</sup>

EU level organisations agreed that **the information provided in respect of the Regulation is reliable, although noted that there will always be cases of erroneous labelling**. Differences in the robustness of control are apparent between Member States and generally there are concerns about the resources Member States are able to allocate to controlling the Regulation; these concerns were echoed in the case studies across all three sectors.

Just over half of Member State Competent Authorities responding to the survey did not identify **any difficulties in carrying out controls**; the issues that the others encountered were not systemic. Control is generally easier where the supply chain is vertically integrated; this tends to be most often the case in the **poultry sector** and least often in the **sheep/goat meat sector**.

The case studies revealed that **control is facilitated where live imports do not take place, or at least are not a major feature of the market**. While some teething problems were encountered in specific circumstances, generally the case studies found controls to be feasible. One potential issue relates to the mixing of origins in the **poultry sector** where there is ambiguity in terms of whether a list of possible Member States of provenance on a label should exactly match the contents.

Two-thirds of supply chain survey respondents said that their **sourcing practices**, or the practices of their members, **had not changed following the implementation of Regulation (EU) No 1337/2013**; operators dealing only with poultry were far less likely to have changed sourcing practices than any other group.

The case studies found that **the traceability established under Regulation (EU) No 178/2002**, in conjunction with legislation on the identification and traceability of live pigs and **sheep/goats**, meant that in all three sectors **only minimal further changes were required, principally the passing on of already collected information on origin along the supply chain**. In some Member States national legislation on traceability and origin meant that this information was already being transmitted. This

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<sup>49</sup> Commission Implementing Regulation (EU) 2018/775 of 28 May 2018 laying down rules for the application of Article 26(3) of Regulation (EU) No 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers, as regards the rules for indicating the country of origin or place of provenance of the primary ingredient of a food.



process was greatly facilitated where supply chains are vertically integrated, most usually in the **poultry sector** and least usually in the **sheep/goat meat sector**.

**The most common changes made in the supply chain were at the slaughterhouse/cutting plant stage** where internal systems needed to be adapted to ensure the segregation of live animals and meat products; changes were only required by slaughterhouses/cutting plants dealing with domestic and imported animals. Fewer than half of respondents to the survey made changes to the physical segregation of either animals or product.

Where changes to internal processes were made, respondents to the supply chain stakeholder survey indicated that all aspects of the Regulation were broadly as important as each other in requiring changes.

The sector case studies supported the findings above and provided examples of Member States with no live imports where no changes to operating systems were required as well as examples where live imports are a feature of the market and changes were necessary to ensure compliance with Regulation (EU) No 1337/2013. Again, it was evident that **higher degrees of integration resulted in fewer necessary changes to operating systems**.

The survey of national Competent Authorities revealed that **the Regulation had caused extra work, but that this was not generally considered to be substantial** and largely related to training costs and the adjustment of Standard Operating Procedures; ongoing control costs appear to be minimal. The case studies confirmed these findings with ongoing controls in all three sectors not thought to be resource intensive.

Respondents to the survey of national Competent Authorities considered Article 4 on the definition of a group of animals and Article 6 allowing a derogation for non-EU meat to be especially helpful in reducing the burden of control; Article 5 specifying rearing periods and Article 7 providing a **derogation to use "EU/non-EU" labelling for minced meat and trimmings were also considered helpful**. Article 8, allowing for additional voluntary information, was considered less helpful in providing simplification. Respondents to the survey of supply chain stakeholders provided a similar view on the simplifications provided by Articles 4-8, although found all Articles systematically less helpful than did the national Competent Authorities.

The case studies highlighted that the simplification provided by Articles 4-8 is highly dependent on circumstances. Article 5 provides an important simplification where live trade takes place and examples were provided in both the **pig meat** and the **poultry meat sectors**. Articles 5 and 7 are not relevant where there is no live trade, or where national rules require stricter definitions than Regulation (EU) No 1337/2013.

**No clear and direct relationships between Regulation (EU) No 1337/2013 and the environment were identified in any of the three sectors**. However, case studies pointed to examples where the implementation of the Regulation might have altered trade patterns, although this could have a positive or negative impact on emissions depending on the nature of the change induced (see ESQ 2 for evidence on changes to trade patterns).

**In conclusion, consumers consider country of origin labelling to be important information at the point of purchase**. There is no doubt in terms of accuracy of the information in line with the **labelling definitions**, but **consumer understanding of these definitions is low** and there are therefore doubts over consumer interpretation.

As a result, it cannot be concluded that the information can be considered to be fully accurate, clear and useful as understood in practice by consumers.

**The information provided to consumers is considered to be reliable** (although the interpretation of this by consumers is key) **and no systemic issues have been reported** in terms of the ability of Competent Authorities to check this.

**The Regulation was implemented without unnecessary burdens on the meat supply chain, trade, administration or the environment.**

4.2 ESQ 2: To what extent has mandatory origin labelling stimulated the EU common market? Or in contrary, have there been any tendency/evidence observed of re-nationalisation of the internal market? To what extent consumers perceive origin labelling as labelling of the “quality” of the product?

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#### 4.2.1 CHANGES IN THE MOVEMENT OF ANIMALS AND FRESH MEAT BETWEEN MEMBER STATES, DUE TO THE MANDATORY ORIGIN RULES

##### 4.2.1.1 Changes in flows in live animals within the EU since 2015 and the reasons for this

The available data on intra-EU trade in live animals is presented and analysed in section 3.5, with a deeper analysis in the Annex. This quantitative analysis suggests some market adjustments in the trade in live **pigs** which is consistent with seeking to avoid labelling pig meat as “*Reared in X*”, “*Slaughtered in Y*” in some Member States including Germany and Poland. There is also evidence to suggest some renationalisation in the **sheep/goat meat sector**, but not in the **poultry sector**. However, with the evidence of the data alone, it is not possible to isolate the impact of country of origin labelling from other changes in the market and so the role of the implementation of Regulation (EU) No 1337/2013 is by no means certain.

The case studies in the **pig meat sector** found that the implementation of Regulation (EU) No 1337/2013 did not result in changes in the trade of live pigs. Where live trade takes place, the case studies found that it is driven by market forces (slaughterhouse availability, prices, distance, etc.) and was not impacted by the Regulation, even if changes in some trade flows had been observed.

The case studies also found no major impact on live trade in **poultry**. However, there were some cases where specific supply chains were adjusted to avoid the need to include provenance from more than one Member State (IE). In other cases, some rebalancing of trade was undertaken, but as a result of growing consumer interest in more local production rather than due to the implementation of Regulation (EU) No 1337/2013 *per se* (NL, DE).

The **sheep/goat meat sector** case studies found no impact on the live trade in sheep/goats as a result of the implementation of Regulation (EU) No 1337/2013. The point was made in two Member States that there is a reliance on imports to meet demand (FR, EL). There were concerns in one Member State that the Regulation would impact on live imports for slaughter (although these are not significant in terms of domestic production and the meat is in any case exported), but no impact was apparent (IE). Imports of live

sheep/goats in another Member State are typically breeding animals; this Member State is a major exporter of live animals to third countries (RO).

None of the interviewed EU organisations felt that there had been any change in the pattern of trade for any of the species within the scope of Regulation (EU) No 1337/2013 as a result of implementation. One explained that live **pigs** and live **sheep/goats** are moved between Member States according to need. Another organisation said that while some operators may have changed their sourcing of live animals for marketing reasons, there was no substantial or systemic change as a result of Regulation (EU) No 1337/2013. It was noted, in contrast, that the introduction of the French decree on origin for processed meat<sup>50</sup> has resulted in some changes in the trade in live animals.

Another EU organisation explained that there has been no systemic difference in the live trade in **poultry**. However, some issues were reported in Belgium and the Netherlands as a result of Regulation (EU) No 1337/2013 and also the French pilot project on country of origin labelling in processed products (see above). This impact was explained by the fact that French consumers have a clear preference for national product.

As a general observation, there is increasing trade in live **poultry** for slaughter because it is becoming increasingly difficult to set up poultry farms as a result of environmental restrictions in some Member States (particularly Denmark and the Netherlands, but also Germany to some extent). Slaughterhouses need to operate at full capacity to be economic and the industry has not reported difficulties in selling poultry products marked "*Reared in X*", "*Slaughtered in Y*".

#### **4.2.1.2 Changes in cross-border trade in meat in the EU since 2015 and the reasons for this**

The available data on intra-EU trade in meat is analysed in section 3.5, with a deeper analysis in the Annex. The analysis found no evidence at the EU level for the expected impact in terms of a renationalisation of the trade in meat, although this does not preclude renationalisation in some market segments; the data are insufficiently granular to make this assessment. However, the picture at the Member State level is more complicated.

The case studies in the **pig meat sector** found that trade flows in pig meat are determined by supply and demand, moderated by prices, and that no clear link to the implementation of Regulation (EU) No 1337/2013 can be demonstrated. Other drivers of internal EU trade in pig meat include adjustments following the Russian ban on EU imports (IT) and outbreaks of African Swine Fever in the EU (PL) and in China (IT). However, case studies in some Member States suggested concern that the Regulation may have increased domestic preference and therefore worked against the smooth operation of the Single Market (DK, DE). Hard evidence to support this concern is though absent and it should be borne in mind that the fresh pig meat retail offering was already focused on domestic production to the extent to which this is possible; in Member States where it is not, consumers show less interest in origin as a purchase criterion in any case (see ESQ 1, section 4.1.1.2).

The **poultry meat sector** case studies highlighted that trade flows are determined by market forces and were not affected by the implementation of Regulation (EU) No 1337/2013. In this context it was noted that Poland has increased poultry production and exports to other EU Member States where it is not possible to increase domestic supply

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<sup>50</sup> <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000033053008&categorieLien=id>

(NL).<sup>51</sup> Retailers in many Member States had already moved to domestic supply as far as possible for fresh poultry meat before the Regulation was introduced (ES, IE). In one Member State, trade in poultry meat has changed due to public authorities specifying domestic origin in procurement criteria. Whilst not a direct consequence of the Regulation, this has been enabled by the Regulation and has led to a reduction in imported poultry meat (DK).

Case studies in the **sheep/goat meat sector** did not find any evidence that the implementation of Regulation (EU) No 1337/2013 had an impact on trade in sheep/goat meat. There were concerns in one Member State that meat labelled as "*Reared in X*", "*Slaughtered in Y*" would be problematic on export markets, but these concerns have not materialised (IE).

One interviewed EU level organisation explained that the implementation of Regulation (EU) No 1337/2013 carried a risk that trade in **pig meat** would be renationalised, but so far, no evidence that this has taken place has been identified. The risk of future renationalisation does though remain. Two other organisations confirmed that there had been no systemic change in **pig meat** or **sheep/goat meat** trading patterns since the Regulation was implemented.

An organisation explained that there might have been an impact on the trade in **poultry meat** between Belgium and the Netherlands and France, but the impact at the retail level has not been significant because retailers have been promoting national production for some time, certainly before Regulation (EU) No 1337/2013 was implemented. EU level organisations explained that it is generally the case for all fresh meat that national markets are supplied by local product as far as is possible. However, with respect to the poultry market, some surplus production is shipped to cutting plants in the Netherlands in carcase form from across the EU with breast meat supplying EU markets in deficit and dark meat being generally exported to third countries.

#### **4.2.1.3 Extent to which operators in the chain have changed their sourcing practices as a result of the origin labelling provisions**

European Commission (2013a) stated that downstream meat distributors would be expected to reduce the number of origins for their supply. However, this should be seen in the context of the already high use of origin labelling in the fresh meat sector prior to the implementation of Regulation (EU) No 1337/2013 (European Commission, 2012).

Two-thirds of respondents to the supply chain stakeholder survey (66%) said that their sourcing practices, or the practices of their members, had not changed following the implementation of Regulation (EU) No 1337/2013; a further 15% said that their sourcing practices had only changed "a bit" while 16% said that they had changed "moderately"; only 3% said that they had changed "a lot". Operators dealing only with **poultry** were far less likely to have changed their sourcing practice (16%, n=19) than any other grouping.

Analysis by whether respondents source meat from one country, mainly one country or multiple countries showed that most of those sourcing from only one country did not change their sourcing practices (81%). Only those sourcing from multiple countries changed their sourcing practices "a lot", although the main finding is that even in this group more than half of respondents (58%) did not change their sourcing practices.

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<sup>51</sup> Due to environmental restrictions.

The 25 respondents who indicated that they, or their members, had changed their sourcing practices following the implementation of Regulation (EU) No 1337/2013 were asked to indicate how sourcing practices had changed. The majority (88%), indicated that they had not changed the **main country** from which they source (n=25).

Almost two-thirds (64%) said that they had not changed the **number of countries** from which they source; 24% said that they now source from "slightly fewer" countries, 8% source from "substantially fewer" countries and 4% now source from "slightly more" countries (n=25). There was no pattern to the responses by type of species processed.

Some consolidation of sourcing from the main country was reported with more than half (56%) of respondents indicating that the **main country they source from became more important** following implementation of Regulation (EU) No 1337/2013 (20% "considerably" and 36% "slightly" more important). Just over a third (36%) reported that there has been no change in the importance of the main country from which they source while 8% reported that the importance of the main country had decreased (4% "slightly" and 4% "significantly" (n=25).

More than half (56%) of respondents said that they or their members had not changed the **companies** from which they source; 28% said that they now source from "slightly fewer" companies. Some 8% of respondents said that they or their members now source from "slightly" fewer companies and 8% said that they or their members now source from "significantly" fewer companies (n=25). Operators processing only **poultry** are far more likely to now source from substantially fewer companies than operators dealing with other species or multiple species.

The case studies in the **pig meat sector** generally found no evidence that operators changed their sourcing practices as a result of the implementation of Regulation (EU) No 1337/2013; in one Member State traders are now less likely to take advantage of low prices on the spot market in other Member States (IT). In some Member States, changes in sourcing practices took place some years before the implementation of the Regulation as retailers sought to provide more domestic pork (IE, RO).

This was also generally the case in the **poultry meat sector**; although in at least one Member State some processors adjusted their supply chains to avoid the need to include provenance from more than one Member State (IE). In another, some retailers increased their sourcing of pre-packed meat rather than meat requiring cutting, packing and labelling in store to simplify their operations (ES). Member States which do not import live birds had no reason to change sourcing practices (for example, DK).

No changes in operator sourcing practices were reported in the **sheep/goat meat sector** case studies.

#### **4.2.2 CHANGES IN CONSUMER PREFERENCES FOR MEAT FROM THEIR OWN COUNTRY, AFTER IMPLEMENTATION OF THE RULES**

##### **4.2.2.1 Use of origin labelling information by consumers during their purchasing decision**

As reported under ESQ 1 (section 4.1.1.2), country of origin is an important, though second order, consideration for EU consumers when making a purchase decision.

#### **4.2.2.2 Country looked for by consumers in the case that such information is used**

It is established that consumers tend to be ethnocentric with regard to fresh meat, that is they prefer meat from their own country. This national preference is stronger in some Member States than others and appears to be related to a lack of exposure to imported products. Consumers in smaller Member States which are not able to meet domestic demand with domestic supply tend to be less ethnocentric (for example, consumers in Belgium, the Netherlands and Malta).

According to the consumer survey, more than four-fifths (82%) of European meat purchasers who use origin indications to inform their purchase decision state a preference for meat from their own country. A further 11% look for meat from any EU Member State and 5% look for meat from a specific EU member State which is not their own.

One interviewed EU organisation suggested that the main reason that consumers use country of origin labelling is to identify meat from their own country. It was explained that demand for domestically produced meat is highest in France and Italy, while at the other end of the extreme, consumers in Germany and Denmark are much more price sensitive; the main concern in the Netherlands is animal welfare rather than price or origin.

#### **4.2.3 CONSUMER PERCEPTION OF ORIGIN LABELLING IN RELATION TO "QUALITY"**

##### **4.2.3.1 Motivation for the use of origin labelling by consumers**

Respondents to the consumer survey who use origin labelling to inform their purchase decision were asked why they use this information (it was possible to provide three reasons). There is no clear single reason. Just over half (51%) stated a belief that meat from the country they look for (overwhelmingly their own) is safer than meat from other countries, 50% also mentioned a belief that the quality is better, 34% that they prefer certain aspects of the methods of production and 32% stated a belief that the taste is better. Just under half stated that they wish to support the economy in the country they look for and a third (33%) stated environmental concerns (food miles or GHG emissions). Price was a relatively minor concern cited by 25% of meat purchasers.

It is clear from this finding that meat purchasers use country of origin as a proxy for a range of other credence attributes. However, all Member States operate under the same EU law with regard to food safety and it is therefore not the case that meat from any specific country is safer than meat from any other EU Member States. Neither is it the case that country of origin is a meaningful proxy for quality, for example.

One interviewed EU organisation drew attention to published work which investigated the reasons why consumers want to know the origin of the food they buy (BEUC, 2013). Several reasons were provided by survey respondents in Austria, France, Poland and Sweden with helping to avoid food that might be less safe and helping to assess quality mentioned frequently; helping to assess the environmental impact of food was also mentioned frequently with the exception of Poland. There was very little use of country of origin labelling as a proxy for supporting the local economy. It should also be noted that, with the exception of France, consumers are also simply interested in knowing where their food comes from.

One EU organisation said that while consumers often use country of origin indications to inform their purchases, the indication is actually a poor proxy for the credence attributes that consumers associate with the information. The point was made that Geographical

Indications, for example, provide a better guide to quality; meat from a specific country can be produced to a wide range of standards as reflected by private quality schemes and retailer codes to meet the full range of consumer demand.

#### **4.2.4 EXTENT TO WHICH: MEMBER STATES HAVE INTRODUCED ADDITIONAL RULES; OPERATORS HAVE MADE USE OF ARTICLE 8; AND, REASONS FOR THIS**

##### **4.2.4.1 Inventory of national additional rules**

An inventory of additional national rules is presented under ESQ 15 (section 8.2.1).

##### **4.2.4.2 Extent to which operators use any additional national rules and why**

The case studies found a wide range of certification schemes which either explicitly or implicitly communicate origin to consumers.<sup>52</sup> The extent to which these schemes are used by operators is often not available.

However, in one Member State a voluntary scheme which explicitly communicates origin covers 99% of **pig** production (IE). In another Member State, 98% of slaughtered **pigs** are covered by a voluntary certification and 94% of fresh **pig meat** products sold at retail are identified by either an origin scheme or a quality scheme which implies origin (FR).

All domestic **poultry meat** is sold under a voluntary scheme which communicates origin in one Member State (IE). In another Member State, 66% of fresh poultry meat and 31% of processed poultry meat is sold under a voluntary scheme indicating origin, although 98% and 66% of these products respectively were labelled as "*Origin...*" under Regulation (EU) No 1337/2013 and national legislation covering processed products (FR). In a third Member State, all poultry meat is sold under an integral quality scheme which implies country of origin, although this is not an aim of the scheme (NL).

Voluntary schemes communicating origin in the **sheep/goat meat sector** cover around 25% of slaughterings in one Member State (FR); in another a similar scheme is said to be widely used domestically and universally used in export markets (IE).

The reasons for use typically relate to a desire to respond to consumer demands for information/transparency and to provide a competitive advantage by doing so (DE, EL). The point was also made that these schemes can make the country of origin clearer through the use of flags (IE) or prominent wording (PL).

In one Member State, industry representatives explained that there is no added value in having additional indications of origin (RO).

#### **4.2.5 ESQ 2 CONCLUSIONS**

Quantitative analysis of available trade data suggests some market adjustments in the trade in live **pigs** which is consistent with seeking to avoid labelling pig meat as "*Reared in X*", "*Slaughtered in Y*" in some Member States including Germany and Poland. However, neither the case studies, nor the interviews with EU level organisations found that these

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<sup>52</sup> An example of implicit origin communication is a higher animal welfare scheme where standards go beyond EU and national standards. Although the scheme can in theory be used in other Member States, only pigs or poultry born and reared domestically can be slaughtered domestically in this Member State and so the scheme logo implies national origin (DK).



changes were driven by the implementation of Regulation (EU) No 1337/2013; non-legislative market forces were thought to be the drivers of change.

The quantitative analysis also found some evidence to suggest some **renationalisation** in the **sheep/goat meat sector** at the time of the implementation of the Regulation, but again, no evidence was provided in the interviews or case studies to support a causal relationship; the point was made that Member States which cannot meet demand with domestic supply are reliant on imports.

The quantitative analysis of trade in the **poultry sector** did **not find evidence of a change in trade patterns associated with the implementation of the Regulation**. **Although** the case studies and EU level interviews found **some cases where live supply chains had been altered to avoid the need to include provenance from more than one Member State**, these were not significant at the EU level.

The quantitative analysis of trade data found **no clear evidence that the implementation of Regulation (EU) No 1337/2013 led to a renationalisation in trade at the EU-level** with intra-EU imports of **pig, poultry** and **sheep/goat** meat increasing in absolute terms and remaining the same (**pig meat**), or increasing slightly (**poultry** and **sheep/goat meat**) as a proportion of total consumption after the implementation of the Regulation. However, the average unit value of intra-EU **pig meat** imports decreased in real terms, consistent with the hypothesis that **any renationalisation of trade would be more evident at retail than in the catering and food manufacture sectors**, but the unit value increased in the **poultry** and **sheep/goat meat sectors** providing a mixed conclusion overall. These findings were supported by the case studies and EU level interviews, where it was pointed out that the fresh meat offering at retail was domestic as far as possible before the implementation of the Regulation.

Findings on live trade and the trade in fresh meat were corroborated by respondents to the supply chain survey where two-thirds said that their sourcing practices, or the practices of their members, had not changed following the implementation of the Regulation. **Poultry** processors were far less likely to have changed their sourcing practices, but where they did, they were more likely to have reduced the number of companies that they source from. The case studies also found no systematic evidence that sourcing practices had changed. However, where sourcing practices had changed, generally this was to consolidate supply from the main country sourced from; there was also some consolidation in terms of the number of suppliers engaged with.

**Country of origin is an important, though second order, consideration for EU consumers when making a purchase decision.** The literature suggests that consumers tend to prefer meat from their own country; 82% of respondents to the consumer survey expressed this preference, although there are differences in the importance of this preference by Member State as well as by some socio-economic characteristics.

The consumer survey showed that **consumers use country of origin labelling as a proxy for credence attributes that they feel meat produced in their own country has, including higher safety, quality, production methods and taste**. However, as noted in the interviews with EU level organisations, country of origin is **sometimes seen not as a good proxy** for these attributes within the EU's Single Market

Only two Member States have additional national rules which go beyond the scope of Regulation (EU) No 1337/2013 in terms of their coverage of meat used as an ingredient in processed products and meat provided via mass caterers. A further two Member States



extended the scope of the Regulation in their national implementing legislation to also encompass meat sold loose.

In addition to national rules, **there are various voluntary schemes with origin as the key focus and various voluntary quality schemes which implicitly signal origin.** The reasons given for using these schemes was typically to meet consumer demand for information/transparency and to provide a competitive advantage by doing so.

Where information is available on the use of voluntary schemes, the take-up rate is almost universal in the **pig meat sector** and in the **poultry meat sector** in one Member State, although is lower in another. Take-up rates in the **sheep/goat meat sector** are somewhat lower.

**In conclusion, there is no clear evidence that Regulation (EU) No 1337/2013 has had an impact on trade within the EU's Single Market, although some changes to trade flows appear to have occurred in specific cases.** In short, it is not clear whether the Regulation has stimulated or hindered the smooth operation of the Single Market.

Consumers perceive **origin labelling to communicate credence attributes such as safety and quality** for which it is seen **as a poor proxy** within the EU's Single Market.

The use of additional national rules is not widespread and can be perceived to meet specific national needs. **Voluntary schemes which communicate origin, either explicitly or implicitly, are widespread** and are widely used to meet consumer demand for information and extract a competitive advantage.

#### 4.3 ESQ 3: To what extent have the rules of the mandatory origin labelling for certain meats influenced the different actors in the food chain (from producers to consumers)?

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##### 4.3.1 IMPACT OF RULES ON THE SUPPLY CHAIN

###### 4.3.1.1 Impact on farmers

Farmers were not targeted in the survey of supply chain stakeholders, but some operator respondents are involved in production as well as processing<sup>53</sup> and these were more likely to have made changes to their **sourcing practices** as a result of Regulation (EU) No 1337/2013 (30%, n=10) than operators involved only in processing (25%, n=16), but less likely to have made changes to sourcing practices than operators involved in processing and retail (43%, n=7).

Operators involved in production and processing were less likely to have made changes to their **traceability systems** as a result of the Regulation (20% made a change, n=10) than those involved only in processing (44% made a change, n=16) or in processing and retail (71% made a change, n=7).

Operators involved in production and processing were more likely to identify **tangible benefits** as a result of the Regulation to a "great extent" than other groups (40%, n=10 c.f. 6%, n=32). This was also the case with respect to **intangible benefits** (40%, n=10 c.f. 13%, n=32).

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<sup>53</sup> Defined as slaughter, cutting, packing and trading/distribution.

The case studies in the **pig meat sector** generally found no impact on farmers resulting from the implementation of Regulation (EU) No 1337/2013, either positive or negative in most Member States (including for example, ES, DK). However, there were minority reports of some negative impact where trade between Member States has been renationalised to some extent (DE); it should be noted that in this case, farmer representatives did not share this negative view, presumably because they benefited from higher demand for domestic production. In some Member States some positive impact was noted in the form of greater visibility of domestic production at retail (IE, RO).

According to the case studies, **poultry** producers have been little impacted by Regulation (EU) No 1337/2013. However, it was noted in two Member States that the greater visibility of domestic poultry meat at retail is good for producers (EL, IE). In some Member States pre-existing country of origin requirements meant that any adjustment would already have taken place (EL, FR).

No impact on farmers was reported in the case studies in the **sheep/goat meat sector**. In some Member States pre-existing country of origin requirements meant that any adjustment would already have taken place (FR). In one Member State it was noted that the impact of the Regulation had not been as positive as expected *a priori* because the origin indication is not particularly visible to consumers and has not supported domestic production in the way that was hoped (ES).

None of the interviewed EU level organisations felt that there was any reason for farmers to have been impacted by the implementation of Regulation (EU) No 1337/2013 and no specific impact could be identified. However, one organisation representing farmers suggested that the Regulation had provided added value for EU producers by differentiating EU production in a globalised market.

#### **4.3.1.2 Impact on slaughterhouses**

According to the supply chain survey, operators involved only in processing (i.e. slaughtering, cutting, packing and trading/distribution) were least likely to have made changes as a result of Regulation (EU) No 1337/2013 to their **sourcing practices** (25%, n=16) than any other operator group. This group was also less likely to have made changes to **traceability systems** as a result of the Regulation than those involved in processing and retail (44%, n=16, c.f. 71%, n=7), but more likely than those involved in production and processing (20%, n=10). Operators involved only in processing were more likely than all operator groups considered together to have made changes to the **registration of arrivals** (86%, n=7 c.f. 71%, n=17), the **segregation of product** (57%, n=7 c.f. 47%, n=17) and the **registration of departure of products** (86%, n=7 c.f. 76%, n=17) following implementation of the Regulation.

According to the **pig meat sector** case studies, the slaughterhouse is the segment of the supply chain which has been most affected by the implementation of Regulation (EU) No 1337/2013, although this impact has typically been fairly minor. The main issue that slaughterhouses needed to address was the possible mixing of animals and/or products from different Member States (DE, ES); this is a bigger issue in parts of the EU where cross-border trade in live pigs is common such as between Germany and the Netherlands, and between Germany and the Czech Republic. Other issues have included the need to store and incorporate information from the primary sector and to transfer this down the supply chain. In one Member State there have been some issues where third countries have refused to buy pig meat labelled as "Reared in X", "Slaughtered in Y" (ES). In Member States where there are no imports of live pigs, the slaughterhouse sector has been

relatively unaffected (DK, IE). This is also the case where national schemes requiring country of origin labelling pre-dated the Regulation (FR).

Although the impact in the slaughterhouse segment of the **poultry sector** was considered to be less than in the pig sector, slaughterhouses processing poultry from more than one Member State would have had to ensure batch segregation and the identity preservation of meat (DE, ES, NL). In the case of one Member State, a small number of supply lines were changed to ensure that production could be labelled as "*Origin X*" (IE). In another there was no connection to supply chains in other Member States and hence no need to make any adaptations (EL). In some Member States, traceability was already in place meaning that no further changes to operating practices were required (DK, FR).

No appreciable impacts on slaughterhouses were reported as a result of the implementation of Regulation (EU) No 1337/2013 in the **sheep/goat meat sector** case studies. Slaughterhouses in Member States importing live animals for slaughter would have had to take measures to keep these animals separate from domestic animals. This is typically done by processing these animals on different days and the impact on operations was not said to be significant (ES, IE). In one Member State the point was made that any adjustments had been made following the introduction of national legislation on country of origin which pre-dates the Regulation (EL).

Interviewed EU level organisations said that some minor changes were necessary for some slaughterhouses processing **pigs** and **sheep/goats** to implement the requirements of Regulation (EU) No 1337/2013. However, traceability in the sector was already robust following the implementation of traceability under Regulation (EC) No 178/2002. One organisation explained that batch processing was already widely in use in order to facilitate the traceability required under Regulation (EC) No 178/2002. According to this organisation, slaughterhouses would not have mixed animals originating from different Member States within a batch in order to make their traceability process easier. This organisation felt that the implementation of Regulation (EC) No 178/2002 resulted in changes to supply chain practices which later allowed Regulation (EU) No 1337/2013 to be implemented with little disruption.

The main point of contention for **pig** and **sheep/goat** slaughterhouse operators is that the small costs that were incurred could not be transmitted along the supply chain due to pressure from the retailers.

Another EU organisation explained that no changes were necessary in **poultry** slaughterhouses as a result of the implementation of the Regulation. There is a plethora of labels for different markets in the poultry sector, so slaughterhouses are well used to ensuring suitable segregation of product and traceability in any case.

#### **4.3.1.3 Impact on cutting plants**

It was not possible to separate out supply chain survey respondents active only in cutting operations due to the integration of processing activities. Survey analysis by this stage in the supply chain is provided under section 4.3.1.2 above.

Case studies in the **pig meat sector** found that it is quite common for cutting plant operations to be integrated into slaughterhouse activities and as such, the impact of the implementation of Regulation (EU) No 1337/2013 is combined. The Regulation has made the operations carried out at the cutting stage more complex in order to guarantee identity preservation (DE, PL). However, retailer requirements and food safety standards are considered more onerous than the requirements of the Regulation (DK). Some pig

processing companies operate in multiple EU countries with slaughtering taking place in one country, cutting in another and further processing and/or sales in a third (or the original country). The Regulation has made this more complicated from the point of view of information handling and has reduced the economies of scale by requiring batches to be segregated (DK). Case studies in Member States with a smaller pig production sector generally reported less of an impact resulting from a lack of integration into the wider EU Single Market (IT, PL, RO). Impact was also less in Member States where national schemes requiring country of origin labelling pre-dated the Regulation (FR).

The integration of cutting operations with slaughterhouses is normal in the **poultry sector** and so no differential impact was noted. It was though noted that changes were required within cutting operations to ensure identity preservation and segregation of product from different batches (PL). There are also some dedicated cutting plants which process carcasses from many Member States and sell the cuts into markets within the EU and in third countries. Cutting plants in one Member State use the option under Article 5(3) to label poultry cuts as being reared and/or slaughtered in more than one Member State. However, it is not guaranteed that the product will necessarily include meat from all the countries listed, although it might (NL).

Cutting operations are usually part of the slaughterhouse activity in the **sheep/goat meat sector**. However, in some Member States there are a few independent cutting plants (IE, EL). These plants use batch processing to ensure carcasses from animals slaughtered in other Member States are kept separate from carcasses from domestic production.

Interviewed EU level organisations explained that cutting plants are often integrated with slaughterhouses. One organisation noted that where cutting plants in the **pig** and **sheep/goat** sectors are separate entities, batch systems were already in operation for general traceability reasons.

Another organisation explained that **poultry** cutting plants are almost all integrated with slaughterhouses with the exception of some cutting plants in the Netherlands (see section 4.2.1.2).

#### **4.3.1.4 Impact on traders**

It was not possible to separate out supply chain survey respondents active only in trading operations due to the integration of processing activities. Survey analysis by this stage in the supply chain is provided under section 4.3.1.2 above.

The cases studies in the **pig meat sector** found that the trading operations are often carried out by the processors. The only impact on independent traders (or the trading operation of processors) has been the requirement to add a field to their traceability management systems to incorporate information required under Regulation (EU) No 1337/2013 (ES, PL); in many cases this information was already passed on (DK). However, in one Member State, traders were considered to be one of the most affected stages of the supply chain, albeit only to small extent (IT). It was noted in one Member State that information required under Regulation (EU) No 1337/2013 is only relevant for pig meat traded within the EU (DE).

Trading in the **poultry meat sector** is usually carried out by the integrated processors. Independent traders in one Member State deal with all species and tend to trade with third countries and are therefore unaffected by Regulation (EU) No 1337/2013 (NL). The impact on traders in another Member State depends on the degree to which they trade within the EU (DE).

No impacts were reported on traders in the **sheep/goat meat sector**. In one Member State the point was made that national legislation on origin pre-dated Regulation (EU) No 1337/2013 and any adjustments would have taken place at that point. In another Member State there was an expectation that the Regulation would have allowed consumers access to different products because EU sheep production is differentiated in a way that the fresh pig and poultry markets are not. This would have been beneficial for traders, but there is no indication that this expected impact has occurred.

Interviewed EU level organisations said there had been no impact on traders as a result of Regulation (EU) No 1337/2013. Although there are some traders in the **poultry** sector, usually the processors undertake this activity themselves.

#### 4.3.1.5 Impact on retailers

It was not possible to separate out supply chain survey respondents active only in retail due to the integration of this function with either processing activities or production activities. However, operators involved with processing and retail were more likely to have made a change in **sourcing practices** as a result of Regulation (EU) No 1337/2013 than either those involved in production and processing (43%, n=7 c.f. 30%, n=10) or only processing (25%, n=16).

Operators involved in processing and retail were more likely to have made changes to **traceability systems** (71%, n=7) than either processors (44%, n=16) or those involved in production and processing (20%, n=10).

There was no differential impact in terms of the way traceability or internal operational practices were changed as a result of the Regulation for operators involved in processing and retail.

Operators carrying out processing and retail activities were less likely to identify **tangible benefits** than any other group (29%, n=7) and less likely to identify **intangible benefits** than other groups (57%, n=7).

The **pig meat sector** case studies generally found that Regulation (EU) No 1337/2013 has had little impact in the retail sector. In some cases, retailers had already moved to stocking domestic pig meat in the fresh market segment (ES, IE), in others, imported fresh pig meat is not an issue (unlike in the market for products with Geographic Indications, IT).

The impact of Regulation (EU) No 1337/2013 on retailers in the **poultry meat sector** was found to be generally insignificant; pre-packed meat is labelled by the processor who has to ensure that the information is correct (NL). In some Member States the fresh poultry market already had a strong domestic focus and there were no changes in sourcing (EL, IE). In Member States where a voluntary national scheme covering origin was already in place, the Regulation was said to have helped convince retailers to focus on stocking domestic production (FR). In other Member States with a predominantly domestic supply, the implementation of the Regulation has coincided with a greater focus on domestic production in the fresh segment with imported poultry meat more commonly sold frozen. However, this small shift resulted from a voluntary marketing effort and not the Regulation *per se*.

The implementation of Regulation (EU) No 1337/2013 has had an indirect effect in some Member States through its lack of applicability to meat sold loose. Often loose meat is sold in a setting that implies it is of domestic origin when it is in fact imported. One Member

State considered this to be sufficiently problematic that national regulations were brought in to address the problem (EL). Another Member State has held a public consultation on whether country of origin labelling should be extended to cover meat sold loose, although to date no further action has been taken (IE).

While no impacts were noted at the retail level in the **sheep/goat meat sector** in the case studies as a result of the implementation of Regulation (EU) No 1337/2013, there were reports in one Member State that country of origin indications are not as visible to consumers as they could be (ES). This is said to be particularly the case around Christmas when domestic production is most affected by competition from imported production. In one Member State the presence of national legislation on origin which pre-dates the Regulation meant that the Regulation had no impact at the retail level. The same indirect impact with respect to meat sold loose as noted in the poultry meat sector also applied in the sheep/goat meat sector (EL).

An interviewed EU level organisation said that retailers were already generally sourcing fresh **pig** and **poultry meat** from domestic supply as far as possible before Regulation (EU) No 1337/2013 was implemented. Another organisation added that this is not always possible for **sheep/goat meat** due to low national production in key markets.

One EU level organisation explained that the main impact of Regulation (EU) No 1337/2013 on retailers was in setting up the operating system and the labelling requirements. While the required information to implement the labelling was already held, the Regulation required this information to be passed along the supply chain. This was not seen as being problematic; the information required under the Regulation is part of a wider system, but the more information that is required, the more there is to maintain.

Another organisation added that some retailers would have changed sourcing practices where they felt there would be commercial advantage. For example, suppliers for discount lines would have been changed frequently, irrespective of country of origin and according to the prices offered, but where retailers perceive that national sourcing is an issue for consumers, this practice would have stopped. The type of retailer which dominates in each market is important in this context with markets dominated by discounters less likely to insist on national supply and therefore less likely to change sourcing practices in response to the implementation of the Regulation.

One organisation stated that the biggest impact for retailers is likely to have been changes to the packaging for consumers. It was noted that all legislation which requires changes to labelling means that new labels have to be designed and printed. There was also a need for retailers to ensure that all the information available on the label could also be found online and this involved some set up costs.

#### **4.3.2 IMPACT OF RULES ON CONSUMERS**

##### **4.3.2.1 Use of origin labelling information by consumers during their purchasing decision**

The use of origin labelling by consumers was investigated under ESQ 1 (section 4.1.1.2).

##### **4.3.2.2 Changes in consumer prices as a result of rules**

European Commission (2013a) anticipated that, on average across the sectors and Member States, around 90% of any increase in costs would be passed to consumers (the remaining 10% being passed to producers). It is made clear that the split of any actual cost increases will be determined by market forces (see analysis of primary evidence

below). The expected increases in consumer prices were low at +0.5% for **pig meat**, +0.3% for **poultry meat** and +0.3% for **sheep/goat meat**. The expected impacts differed by Member State.

Additionally, European Commission (2019) reported on the use of temporary national measures covering origin information under Article 39(2) of Regulation (EU) No 1169/2011 (see ESQ 15, section 1.1). While some stakeholders did not think that the national measures taken (not just in the meat sector) had resulted in increases in consumer prices, others were less convinced.

Three-quarters (75%) of respondents to the supply chain survey indicated that no costs (60%), or only a small proportion of costs (15%), could be passed along the supply chain. On this basis, and bearing in mind that additional costs were minimal in any case (see section 4.5.4.1), it is not likely that the implementation of the Regulation resulted in changes in consumer prices.

In line with the minimal changes in supply chain practice identified, the case studies did not find any evidence that consumer prices changed as a result of the implementation of Regulation (EU) No 1337/2013 in any of the three sectors.

An interviewed EU level organisation representing retailers, and an organisation representing farmers, explained that there were no noticeable increases in consumer prices following the implementation of Regulation (EU) No 1337/2013. This is partly explained by the fact that retailers were already largely sourcing domestically and partly by the fact that the changes retailers were required to make were minimal (see section 4.3.1.5); slaughterhouses were largely unable to pass any cost increases through the supply chain (see section 4.3.1.2). This is in contrast to the expectation in European Commission (2013a) that price increases, even if small, would be passed on to consumers.

#### 4.3.3 ESQ 3 CONCLUSIONS

**Very little impact on farmers was identified following the implementation of Regulation (EU) No 1337/2013.** In Member States with **imports of live animals** there may have been some **small benefit from an increase in demand for domestic production**, but this would have been at the expense of farmers in other Member States.

**Although the impact of the implementation of Regulation (EU) No 1337/2013 was generally fairly minor, the processing stage of the supply chain, encompassing slaughter and cutting operations, has been the most affected.** Operators at this stage of the supply chain did not generally alter their sourcing practices or traceability systems, but it was necessary to make **changes to the registration of arrivals, the segregation of product and the registration of departure of product for traceability reasons**. Changes were more necessary where slaughterhouses source from more than one Member State, although even in these cases batch processing was already widely used for general traceability; where there is no integration of live supply chains, few adaptations were necessary. The impact on the processing sector was greatest in the **pig meat sector** and least where national legislation on country of origin pre-dated Regulation (EU) No 1337/2013.

**No impacts were identified for traders, beyond the need to incorporate country of origin data in their traceability management systems.** Although there are some independent traders, this function is generally undertaken by the processors in any case.

**The impact of the implementation of Regulation (EU) No 1337/2013 on retailers was not substantial.** The fresh *pig meat* and *poultry meat* markets were already largely domestic before the Regulation came into force; the *sheep/goat meat* market is less focused on domestic production due to structural imbalances between supply and demand.

The survey of supply chain stakeholders found that **only a small proportion of cost increases, if any, had been passed through the supply chain.** The case studies found **no evidence that consumer prices increased as a result of the Regulation.** This finding was supported by the interviews with EU level stakeholders. Despite *ex-ante* concerns, there is no evidence that Regulation (EU) No 1337/2013 has had any impact on consumer prices.

In summary, **the processing stage of the supply chain was most affected by the implementation of Regulation (EU) No 1337/2013, even though this impact was fairly minimal.** There has been little impact on farmer, retailers or consumers.

4.4 ESQ 4: As regards the traceability systems (i.e.: identification and registration systems that are set up by food business operators for each stage of production and distribution of the meat defined): a) Are the traceability systems effective to ensure compliance at present? Do they ensure the link between the meat and the animal/group of animals from which it has been obtained? b) How and to what extent are the relevant sectors coping with the traceability systems?

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**4.4.1 EXTENT TO WHICH TRACEABILITY SYSTEMS OF FOOD BUSINESS OPERATORS (FBOS), AT EACH STAGE OF THE CHAIN, HAVE CHANGED**

**4.4.1.1 Changes to traceability systems, if any, implemented by operators at each stage of the chain following the entry into force of the Regulation**

European Commission (2013a) noted that slaughterhouses and large-scale cutting plants with performing traceability and labelling facilities would not be required to make changes to their systems under any of the three country of origin labelling models proposed. Very small operators sourcing locally were also expected not to have to make significant changes. According to the Commission's Impact Assessment, medium-sized operators sourcing from different Member States, and not equipped with the most efficient logistics systems, would be the group required to make most changes. Operators in this group in Member States with substantial cross-border live trade such as the Netherlands, Denmark, Belgium and Luxembourg were expected to be most affected by the introduction of country of origin labelling.

Respondents to the supply chain survey were asked whether traceability systems changed directly as a result of the entry into force of Regulation (EU) No 1337/2013. A slim majority (60%) said that they had not (n=73). More than three-quarters (78%) of operators only dealing with *pigs* said that they had not made changes as a result of the Regulation (n=9), compared to 63% of those dealing only with *poultry* (n=19). Just over a third (38%) of operators dealing with all three species said that they had not made changes as a result of the Regulation (n=8).



There was no difference from the overall response for operators involved only in processing, but those involved in production and processing were less likely to have made changes to traceability systems (20%, n=10), the reverse was true for those involved in processing and retail where 71% made changes (n=7).

Of the 29 respondents who indicated that changes had taken place, 38% said that their traceability systems had changed to a "great extent", 34% to a "moderate extent" and 28% to a "small extent" (n=28).

The most common change was to internal systems for traceability, with changes to the registration of arrivals and changes to systems for registering departure also widespread. Fewer than half of respondents made changes to the physical segregation of either animals or product. This suggests that, generally, the Regulation involved a greater change in the recording of information than it did in terms of the operation of slaughterhouses. It should also be noted that sizeable proportions of respondents who did make changes said that these were only moderate or small.

Operators dealing solely with **pigs** only made small and moderate changes as a result of traceability requirements (n=9); operators dealing solely with **poultry** were more likely to make changes to a great extent (n=19), as were operators dealing with all three species (n=8).

Operators involved only in processing were more likely than all operator groups considered together to have made changes to the registration of arrivals (86%, n=7 c.f. 71%, n=17), the segregation of product (57%, n=7 c.f. 47%, n=17) and the registration of departure of products (86%, n=7 c.f. 76%, n=17).

Respondents were asked to identify the reasons for the changes they made to traceability systems. They drew very little distinction between the different aspects of the Regulation with all broadly as important as each other in requiring changes.<sup>54</sup>

Respondents to the national Competent Authority survey were asked to what extent traceability systems were changed by operators in their Member State in order to comply with Regulation (EU) No 1337/2013. Just over a fifth (21%) said that traceability systems had not changed at all and 29% thought they had only changed to a "low extent". However, 14% thought they had changed to a "great extent" and 36% to a "moderate extent" (n=14).

Competent Authorities were asked to explain the sort of changes that operators had had to make. Three explicitly indicated that they did not have any information on changes; in one case, the Competent Authority made clear that they had not been told of any problems which they understood to indicate that there had been no significant problems or difficulties in making any changes.

One Competent Authority stated that changes were made to information systems and records kept and that adaptations were made to operating systems related to the processing of carcasses from animals of different origin. There was also some cost involved in changing packaging material.

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<sup>54</sup> Batch requirements; rearing periods; information required; information provided; traceability in the supply chain.

The case studies reported that in most cases operators had not had to make any changes to traceability systems in operation in the **pig meat sector** following the entry into force of Regulation (EU) No 1337/2013. The only additional requirement was to pass on information relevant to the country of origin designation to the next stage of the supply chain and to be able to trace it back to the previous stages; the industry largely found this additional task straightforward.

At farm level, the most notable change was the need to inform the next stage of the supply chain on the origin of the animals. As there is no fully harmonised system for animal registration in the pig sector at EU level,<sup>55</sup> this will largely depend on the existing systems in place in the Member States. For example, in some Member States, pigs leaving the farm now have to be accompanied by an additional "document of information for the food chain" which includes origin information (ES). In other cases, adaptation was facilitated by the prior existence of national legislation on origin labelling and/or traceability systems, even if the scope was different to Regulation (EU) No 1337/2013 (PL, FR).

At the slaughter/cutting plant stage, a notable adaptation in traceability systems was the reported duplication of effort by the industry to perform changes (system for registering arrival; physical segregation of animals; physical segregation of product; internal system for traceability; and, system for registering departure) (DE). The case studies indicate that the adaptations required at slaughter/cutting plants were largely dependent on the sourcing practices; slaughterhouses dealing with animals sourced from various Member States experienced greater need for adaptations to existing traceability systems to ensure segregation (DE, RO). In contrast, the lack of integration with imported live pig supply chains in some cases made adaptation very straightforward (IE).

Case studies showed that the existing traceability systems used in the **poultry meat sector**, as well as the high degree of integration within the poultry sector and already existing national legislation (EL, PL), facilitated compliance with the Regulation in terms of the transmission of origin information through the supply chain. Consequently, no systemic need for adaptations by operators were identified (PL, DK, NL, FR, IE, EL). Minor adaptations were required in the existing traceability systems in some cases (ES: addition of a dedicated field to report the information concerning origin/provenance to the existing traceability systems).

The case studies report that the traceability systems which were already in place throughout the **sheep/goat meat** supply chain at the time of the introduction of Regulation (EU) No 1337/2013, were largely sufficient as they facilitated compliance with the Regulation. Consequently, in most cases, no changes to these traceability systems were implemented by operators. Some Member States had instigated individual electronic identification (FR, IE) under Council Regulation (EC) No 21/2004. Minor adaptations were identified in the already existing traceability systems in Greece to the ARTEMIS system developed and managed by the authorities, which triggered some changes to the systems used by operators (in particular at retail level). However, these changes targeted mainly meat sold loose (subject to national origin labelling legislation) which accounts for over 80% of sheep/goatmeat sold at retail point in Greece, in an effort to better control the origin labelling of imported meat.

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<sup>55</sup> Directive 2008/71/EC on the identification and registration of pigs aims to ensure the traceability of pigs by requiring Member States to put in place a uniform identification and registration system. The Directive will be repealed and replaced by Regulation (EU) 2016/429 with effect from 20 April 2021.

#### **4.4.1.2 Changes in sourcing practices (if any) implemented by operators at each stage of the chain as a result of changes to traceability systems**

The 25 respondents to the supply chain survey who had changed their sourcing practices (34% of the total, n=73) were asked the extent to which the traceability requirements of Regulation (EU) No 1337/2013 had caused them to make changes. Almost half (44%) of these respondents (i.e. 15% of total respondents) said that the traceability requirements were responsible to a "moderate extent" to the changes in sourcing practices that they had made. A quarter (24%, 9% of the total) said that the traceability requirements were responsible for the changes to a "small extent"; 4% (1% of the total) said they were not responsible at all. Just over a quarter (28%, 10% of the total) said that the traceability requirements were responsible to a "great extent" for the changes to sourcing practices that they made.

No appreciable differences were found by species in terms of traceability requirements. However, operators handling multiple species were more likely to say that batching requirements were only responsible for changes to a small extent, probably because there was already a need to work with batches to handle different species.

Further analysis combining the role of the traceability requirements and the importance of the changes to sourcing reveals that in a fifth of cases (20%, n=25), sourcing practices changed only "a bit" and the role of the traceability requirements in these changes was "small". In just over a third of cases (36%, n=25), the changes made, and the role of the traceability requirements, were "moderate". In 16% of cases (n=25), sourcing practices changed "a bit" with the role of the traceability requirements said to be "great". This analysis suggests that the traceability requirements played a generally moderate role in small to modest changes to sourcing practices (72%, n=25, i.e. 25% of the total sample, n=73).

It was not possible to analyse responses by stage in the supply chain due to the high degree of integration which means that not enough operators can be associated with a specific stage in the chain.

#### ***Sourcing live animals***

The case studies in the three sectors found that Regulation (EU) No 1337/2013 did not result in any major changes in the sourcing practices of live animals:

- In the **pig sector**, where live trade takes place this is mainly driven by market forces (slaughterhouse availability, prices, distance, etc.) and was not impacted by the Regulation, even if changes in some trade flows had been observed (see ESQ 2, section 4.2.1).
- In the **poultry sector**, there were some cases where specific supply chains were adjusted to avoid the need to include provenance from more than one Member State (IE). In other cases some rebalancing of trade was undertaken, but as a result of growing consumer interest in more local production rather than due to the implementation of Regulation (EU) No 1337/2013 *per se* (NL, DE).
- In the **sheep/goat meat sector** reliance on imports to meet demand is a factor that constrains operators' potential to change sourcing practices (FR, EL). Some ex-ante concerns expressed in one Member State on potential impacts of the Regulation do not appear to have materialized (IE).

### ***Sourcing carcasses/meat***

Similarly, the case studies in the three sectors did not identify any major changes in sourcing practices of carcasses/meat resulting from the implementation of Regulation (EU) No 1337/2013. Any observed changes in sourcing practices derive mainly from the evolution of market conditions and customer requirements, not from the entry into force of Regulation (EU) No 1337/2013. Furthermore, in some cases, changes in sourcing practices took place some years before the implementation of the Regulation as retailers sought to provide more domestically sourced meat to respond to increasing consumer preferences for “locally” produced meat (***pig meat sector***: IE, RO; ***poultry meat sector***: ES, IE).

In some cases, there is evidence of additional impacts. For example, processors adjusted their supply chains to avoid the need to include provenance from more than one Member State (***poultry meat sector***, IE); or, public authorities specifying domestic origin in procurement criteria (***poultry meat sector***, DK). Moreover, in some Member States, concern was expressed that the Regulation has increased consumer awareness for origin labelling of meat, the scope of which extends beyond the Regulation (DE, DK) to include meat destined to processing/catering, for which there is no requirement to control how the origin is communicated to consumers (EL).

#### **4.4.2 EXTENT TO WHICH THESE MODIFIED TRACEABILITY SYSTEMS ENSURE TRANSMISSION OF INFORMATION ALONG THE CHAIN; THAT THE LINK IS MADE BETWEEN THE MEAT AND THE ANIMALS**

##### **4.4.2.1 Nature of information received at each stage of the chain**

The case studies reported that the place of rearing and the place of slaughter is communicated between each stage of the supply chain along with other pieces of information required under other pieces of legislation. This takes place as part of the one step forward – one step back traceability system required under the General Food Law (Regulation (EC) No 178/2002, Article 18) and the requirements of Regulation (EC) No 853/2004 on hygiene of food of animal origin. Generally, the information requirements brought by Regulation (EU) No 1337/2013 were seamlessly integrated within existing traceability systems without requiring any major changes/adaptations (as discussed above, section 4.1.1.1). In addition, in some cases, particularly in the **poultry meat** and in the **pig meat** sector, national certification schemes already provided this type of information prior to the introduction of Regulation (EU) No 1337/2013, thus facilitating the transmission of information required by the Regulation.

In the **pig meat sector**, the information of relevance to the requirements of the Regulation that is transmitted to the next stage of the chain is summarised in Table 4.1. The document required under Regulation (EC) No 853/2004 (Annex II, section III: Food Chain Information) accompanies the batch of pigs moving to the slaughterhouse and includes the identification of the holding from which the animals originated<sup>56</sup> comprising the batch. The slaughterhouse combines the numbered carcasses into batches (made up of pigs from one or more suppliers) and assigns a batch number so it is known which individual holdings are represented in the batch. The batch number accompanies the carcasses into the cutting room where carcasses are divided into meat cuts.

In some cases, the transmission of this type of information was already ensured by some pre-existing national certification schemes, which extended beyond the requirements of Regulation (EC) No 1337/2013. An example is the "*Porc Français*" which covers 98% of national pig slaughterings (FR); under this scheme, the data received at each stage of the supply chain include *inter alia* the place of birth and breeding of the animals, the batch code and the location of the slaughterhouse and the cutting plant. In some cases, major meat operators accounting for a large share of the market were identified to use only meat of domestic origin in meat preparations (DK).

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<sup>56</sup> In accordance with Directive 2008/71/EC, the identification and registration of pigs is done at group level, through: eartags or tattoos on each animal containing the holding number; a register on each holding (any place in which animals are held, kept or handled); and, a register of pigs' holdings at central national level. Member States have to set up their own systems for ensuring traceability. As such, Member States may also perform individual animal identification (DK, PL and IE).

*Table 4.1 – Nature of information provided at each stage of the meat chain (pig meat; sheep/goat meat)*

Stage of the supply chain	Information provided (a)
<b>Livestock holding</b>	Number of holding Number of animal (b) Age of animal Country of birth and rearing
↓	
<b>Slaughterhouse</b>	Number of meat batch Country of birth Country of rearing Country of slaughtering
↓	
<b>Cutting plant</b>	Number of meat batch Country of birth Country of rearing Country of slaughtering
↓	
<b>Processing plant</b>	Number of meat batch Identification number of slaughterhouse/cutting plant Country of birth Country of rearing Country of slaughtering
↓	
<b>Retail trade</b>	Number of meat batch Identification number of slaughterhouse/cutting plant Country of birth Country of rearing Country of slaughtering

(a) Includes only information of relevance to the requirements of Regulation (EC) No 1337/2013.

(b) According to EU rules animal identification is by group of animals in the pigs sector (reference to holding in each animal identifier) and by individual animal in the sheep/goats sector. In some Member States (IE, DK, PL) it was indicated that in the pigs sector, animals are also individually identified with an individual number unique to each animal. It is noted that the above are the general EU rules for animal identification (in the pigs and sheep/goats sector); for the purposes of Regulation (EU) No 1337/2013, batch identification is permissible and sufficient.

In the **poultry meat sector**, the information of relevance to the requirements of the Regulation that is transmitted to the next stage of the chain is summarised in Table 4.2.

As reported in all case study Member States, the high degree of integration in the poultry industry reduces the requirement to pass information through different organisations in the supply chain. As was the case for pigs, pre-existing national certification schemes which extend beyond the requirements of Regulation (EU) No 1337/2013 ensured the transmission of this type of information. An example in one Member State is the “*Volailles Françaises*” which has been adopted since 2005 by almost all domestic poultry companies (FR).

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

*Table 4.2 – Nature of information provided at each stage of the poultry meat chain*

Stage of the supply chain	Information provided (a)
<b>Poultry holding</b>	Number of holding Number of flock or hen house Place of origin of chicken (b)
↓	
<b>Slaughterhouse</b>	Number of meat batch Number of holding & flock or hen house Number of slaughterhouse Day of slaughtering
↓	
<b>Cutting plant</b>	Number of meat batch Number of slaughterhouse Country of origin (imported poultry)
↓	
<b>Retail trade</b>	Number of meat batch Number of slaughterhouse/cutting plant Country of origin (imported poultry)

(a) Includes only information of relevance to the requirements of Regulation (EC) No 1337/2013

(b) In some Member States it was indicated that, due to food safety and/or quality standards, only birds hatched in the country can be processed by operators in the national poultry sector; consequently, there is no import of day-old chicks, only eggs for hatching (e.g. DK, EL).

In the **sheep/goat meat sector**, the information transmitted is similar to that in the pig meat sector, except that animal identification at the beginning of the chain (holding level) is by individual animal.<sup>57</sup> Nonetheless, some problems with the transmission of the information as it finally arrives at retail stage of the chain (incomplete; illegible) were reported in some cases (ES).

Interviewed EU level organisations explained that, with respect to the requirements of Regulation (EU) No 1337/2013, the place of rearing and the place of slaughter is communicated along the supply chain along with other pieces of information required under other pieces of legislation. One organisation said that the information passed on is more detailed and includes full information on place of birth, dates spent on specific holdings and dates of movements. The point was made that most of the information is required under Regulation (EC) 178/2002 in any case as part of the requirement for one stage up and one stage back traceability. This organisation explained that blockchain technology is now quite widely used.

The high degree of integration in the **poultry** industry reduces the requirement to pass information through different organisations in the supply chain. An industry organisation explained that typically slaughterhouses receive live birds and send pre-packaged meat directly to the retailer.

One organisation explained that retailers usually receive pre-packaged meat and there is therefore no requirement for them to receive information related to origin. However, where

<sup>57</sup> In accordance with Regulation (EC) No 21/2004, the identification and registration of sheep and goats are based on the principle of individual traceability and includes the following elements: double identifiers (electronic; and, conventional ear tag, tattoo or mark); a register on each holding (any place in which animals are held, kept or handled); a 'movement document' for each movement of groups of animals; and, a central register or computerised database of all holdings and movements of batches of animals at national level. Exemptions from the obligation to have an electronic identifier exist for Member States with populations of less than 600 000 sheep and goats, or less than 160 000 goats, but the individual traceability and applying two conventional ear tags remains compulsory.

meat is packed instore, then the retailer does need to receive information to allow the correct information to be placed on the label.

#### **4.4.2.2 Information on the identification of animals or group of animals that is not automatically transmitted is available on request**

According to the feedback provided during the case studies in all Member States and for all species, information on the identification of animals or group of animals is generally automatically transmitted through traceability systems, veterinary documents and documents of trade (this supports the findings of the supply chain survey, see section 4.4.4.1). The electronic issuing/submission of these documents through centrally operated/monitored traceability systems is increasingly used in most cases, and this is considered to minimise the potential for human error in data entry.

The process for the transmission of information is facilitated in the **poultry meat sector**, and to a lesser extent in the **pig meat sector**, by the high degree of vertical integration. In some cases, it was reported that the traceability system does not allow the next stage to proceed without the submission of the required information (DK, acceptance of animals by slaughterhouses or meat shipments by cutting plants). It was also noted that, apart from the controls carried out by authorities, the traceability system and provision of information are additionally scrutinised by private standards (such as those set by retailers), and this ensures strict adherence to the EU rules.

In instances where some information is missing, it is available on request. No cases were reported where the information was not made available on request.

All interviewed EU organisations representing operators in the supply chain were adamant that information is always transmitted automatically. This is of course facilitated by higher degrees of integration; this is especially the case in the **poultry meat sector** and, to a lesser extent, in the **pig meat sector**.

#### **4.4.3 EXTENT TO WHICH THESE MODIFIED TRACEABILITY SYSTEMS FACILITATE COMPLIANCE**

##### **4.4.3.1 Identification of information required for compliance that is insufficient/missing**

The supply chain survey found that information required for compliance is usually passed on automatically through the supply chain, increasingly by electronic means. Where it is not, it is generally available on request (see section 4.4.2.2). Respondents did not identify specific information that is missing; there is no evidence from the survey that specific information is systemically insufficient or missing. This finding was supported by the cases studies (see section 4.4.2.2)

Although the national Competent Authorities generally do not have a comprehensive view on whether or to what extent information is missing or incomplete, the case studies found only isolated exceptional cases where information was not complete. The **sheep/goat meat sector** seems to be more vulnerable to these rare instances (EL, IE, RO), partly due to the more fragmented structure of the sector which makes control and verification of the information provided, by operators and by authorities, more difficult.

In the **poultry meat** and **pig meat sectors**, the existing traceability systems, coupled with the high level of vertical integration, adherence to private (retailer) standards and national schemes (where these exist), generally ensure compliance to the Regulation. One exception was the **poultry meat sector** in the Netherlands where the industry practice



of mixing batches from different slaughter dates and countries of origin does not allow the authorities to verify that the information provided to consumers is compliant with Article 4 of the Regulation.

Four interviewed EU level organisations stated that there should not be any, and are no, cases where information that is required is insufficient or missing. However, one organisation disagreed and explained that sometimes documents can be lost and the information needs to be recovered. However, the increasing use of blockchain technology is reducing the number of incidences of lost information. This organisation stated that the absence of an agreed format for the data means that it is not possible to harmonise the approach.

#### **4.4.3.2 Supply chain view (at different stages) of the effectiveness of traceability system for compliance with the Regulation**

Almost two-thirds of respondents to the supply chain survey (64%) reported that they find the traceability systems currently in place for ensuring compliance with the Regulation through the transmission of reliable information to be fully effective, while 32% considered the systems to be moderately effective. No respondents said that the systems are ineffective (n=73).

To support this, 81% of respondents said that they have never encountered or were not aware of any problems with compliance with the Regulation due to the traceability systems in place (n=73).

There were some differences by species processed with operators processing only **poultry** more likely to find traceability systems fully effective (79%, n=19) compared to 56% of operators processing only **pigs** (n=9) and 38% of operators processing all three species (n=8). There was though no difference by species in terms of whether operators had encountered or were aware of problems with compliance.

Nine respondents offered a view on the problems they have encountered. One noted that information can only be passed on correctly if the information provided is accurate and another suggested that controls are carried out to different standards in different Member States. Different interpretation of the Regulation was cited by three respondents with two stating that they have seen labelling showing two countries listed as "*Reared in...*" or "*Origin...*".<sup>58</sup> Another stated that mistakes caused by human error are always possible.

It was not possible to analyse responses by stage in the supply chain due to the low number of respondents stating problems.

Respondents to the national Competent Authority survey were asked to state how effective they thought the traceability systems currently in place for ensuring compliance with the Regulation through the transmission of reliable information are. Almost half (47%) of Competent Authorities stated that the systems are "fully effective" and another 41% indicated that the systems are "moderately effective". Some 12% said that the systems are "somewhat effective"; no Competent Authority said that the systems are ineffective (n=17).

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<sup>58</sup> However, this appears to be permitted under Article 5(3) of the Regulation.

Two Competent Authorities who said the system is “fully effective” based their answers on the fact that operators are legally obliged to ensure traceability; one said that effectiveness could be demonstrated on the basis of control results.

More explanations were provided where the system was not thought to be “fully effective”. One respondent mentioned that traceability can be difficult due to the many intermediaries involved. Another agreed and added that as a general rule, the larger and more integrated the operator, the more effective the traceability system. One noted that some infringements have been found during controls.

One Competent Authority explained that while the system is effective, it is not as effective as the system applied in the beef sector. Another said that effectiveness is decreased because the Regulation does not state clearly that batches of meat (in all species) with different dates of slaughter should not be put together.

One Competent Authority explained that traceability for country of origin purposes is greatly facilitated by the fact that only exclusively domestically reared pigs, poultry, sheep/goats are slaughtered in their Member State.

The difficulties encountered by Competent Authorities are discussed under ESQ 1 (see section 4.1.2.2).

The case studies found that all stages of the supply chain for all species are, by and large, satisfied that the traceability system is sufficiently effective to ensure compliance with Regulation (EU) No 1337/2013. Any reported missing information was mostly isolated and non-systemic. Nonetheless, some opportunities for improvements were identified in some cases to further safeguard the accuracy of the information provided. For example, making the submission of information contained in the animal movement document accompanying animals from the holding to slaughterhouses electronic would complete the current central system used for the submission of traceability information (EL). This would minimise potential errors/gaps.

The general satisfaction with the traceability system was also confirmed by the national Competent Authorities in the case study Member States, as demonstrated by the annual results of controls which mostly identify only minor issues of non-compliance with EU labelling rules. An exception was the Competent Authority in charge of controls in one Member State (NL), which stated that the **poultry** industry practice of mixing batches from different slaughter dates and countries of origin is potentially non-compliant with Article 4 of the Regulation. However, this issue relates to industry interpretation of Article 4, rather than any inability of the traceability system to ensure compliance with the rules.

Another case of systemic difficulties with implementation of traceability at the farm level related to the extremely fragmented structure of the **pig** and **sheep/goat sectors** in a Member State with a large number of family farms and subsistence farming (RO). However, meat produced on these farms does not pass through commercial channels being destined to a large extent for own consumption.

Competent Authorities note, however, that, in the context of increasingly constrained resources, the priority of controls is generally placed on compliance with food safety rules. If the level of control increased, it is possible that more issues of non-compliance with labelling rules (including possibly origin labelling) might be identified. For example, in one Member State (NL), the authorities carried out a dedicated survey of supermarkets in 2016 to verify compliance of meat sold with origin labelling rules and identified a relatively high level of non-compliance. However, it was noted that this was the first year of

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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implementation of the Regulation and there have been no further, more recent, surveys on this issue.

All interviewed EU level organisations agreed that the traceability system is fully effective to ensure compliance with Regulation (EU) No 1337/2013; one added that the system is underpinned by the traceability required to ensure food safety and another mentioned the increasing use of blockchain technology.

#### **4.4.4 DIFFICULTIES RESULTING FROM TRACEABILITY SYSTEMS, FOR THE DIFFERENT SECTORS**

##### **4.4.4.1 Percentage of respondents to the supply chain survey identifying problems in compliance that they believe result from traceability systems**

Respondents to the supply chain survey were asked whether they, or their members, systematically receive information on the group of animals from which the meat they receive comes. Just under three-quarters (73%) said that they always received this information with 15% reporting that they received this information most of the time and 5% some of the time. Only 7% reported that they did not systematically receive this information, implying that there could be problems in compliance resulting from traceability systems (n=73).

The proportion of operators dealing only with **poultry** who always receive this information was much higher at 89% with the remainder receiving this information most of the time (n=19). In contrast, 79% of operators dealing only with **pigs** receive this information all the time (11% most of time); 11% of these operators say they do not receive this information (n=9).

##### **4.4.4.2 Difficulties in compliance resulting from traceability systems**

As noted in section 4.4.3.1, there is no evidence from the supply chain survey that specific information is systemically insufficient or missing and therefore there are no specific difficulties in compliance resulting from traceability systems. This was confirmed by the case studies which found that the system is largely considered fully effective in enabling compliance with Regulation (EU) No 1337/2013.

The issue potentially constraining compliance of the **poultry meat sector** in one Member State (NL), appears to stem from the industry interpretation of Article 4 of the Regulation, rather than any inability of the traceability system to ensure compliance with the rules.

Interviewed EU level organisations did not identify any difficulties in ensuring compliance. However, one organisation felt that better IT would improve the operation of traceability systems; it is likely that the effectiveness of IT systems differs between operators. Another organisation questioned whether the level of detail is required. This organisation felt that an "EU/non-EU" designation would suffice, but recognised that it would be difficult to reduce the level of information available now as consumer interest in receiving the current level of information has increased.

#### **4.4.5 ESQ 4 CONCLUSIONS**

The *ex-ante* expectation was that the existing **traceability systems** used by large operators would be sufficient to cope with the requirements under Regulation (EU) No 1337/2013 and that small-scale operators sourcing locally would also be able to cope with existing systems. The concern was that medium-scale operators sourcing from multiple Member States and lacking efficient logistics systems would be most likely to need to make changes.

The survey of supply chain stakeholders found that **40% had had to make changes** (n=73); **operators dealing with all three species were more likely to have had to make changes** (62%, n=8) than were operators dealing only with **poultry** (37%, n=19) and those dealing only with **pigs** (22%, n=9). Just under a third of changes that were made were to a "low extent", a third "moderate" (typically amongst operators processing

only **pigs**) and just over a third to a “great extent” (more typically amongst operators dealing only with **poultry** or with all three species). **The most common type of changes were to internal systems for traceability and to the registration of arrivals and departures.**

Some 79% of Competent Authorities reported that **changes to operator traceability systems had been necessary. However, where changes had to be made they were not generally considered to be significant.**

When examining more in-depth the extent and nature of the changes that had to be made, the case studies and interviews suggest that **changes to traceability systems were rather limited.** Case studies found that generally, changes to traceability systems in the **pig meat sector** were not required; the only additional requirement was the need to pass on information which, in the case of processors, was already collected by existing systems. This supports the findings of the supply chain stakeholder survey. The point was made, in line with *ex-ante* expectation, that **slaughterhouses dealing with animals from multiple Member States experienced a greater need for adaptation than those where live trade is not a feature of the market.** Few adaptations were needed in the **poultry meat sector** due to the high degree of supply chain integration and in the **sheep/goat meat sector** where existing systems were largely sufficient.

In summary, following the implementation of Regulation (EU) No 1337/2013, on balance, and bearing in mind the relative robustness of the different sources of evidence, it can be concluded that **changes were not necessary for most operators. Where changes were necessary, these were not usually substantial and tended to amount to internal traceability and the passing on of information.**

Only a third of respondents to the supply chain survey reported **changing their sourcing practices** at all with 25% of these saying that Regulation (EU) No 1337/2013 had been responsible to a “great extent” for these changes and 15% to a “moderate extent”. The traceability requirements played a generally moderate role in small to modest changes to sourcing practices (72% of those making changes, 25% of all respondents).

The case studies and interviews indicate that the sourcing of live **pigs** and live **sheep/goats** is driven by market forces and does not appear to have been impacted by the Regulation, even though some changes in sourcing had been observed in the **pig sector**; there were some adjustments to sourcing supply chains in the **poultry sector** in some border areas to avoid mixed origin designations. Regulation (EU) No 1337/2013 has not had any impact on the sourcing of fresh meat with most already being supplied domestically as far as possible.

In summary, **some changes to sourcing practices took place, but this was not widespread**, and the Regulation was not the only driver of change. **Operators dealing with animals of multiple species and/or sourced from multiple Member States would have been more likely to have had to adapt their traceability systems and/or sourcing practices.**

**The place of rearing and of slaughter is communicated between each stage of the supply chain along with other pieces of information** required under other pieces of legislation. This takes place as part of the one step forward – one step back traceability system required under Regulation (EC) No 178/2002 (Article 18) and the requirements of Regulation (EC) No 853/2004 on hygiene of food of animal origin. **The transmission of information through the supply chain is made easier where the chain is**

**integrated and there are fewer actors involved** (most usually in the *poultry meat sector*, but also often in the *pig meat sector*).

**Traceability information is increasingly transmitted automatically**, often using blockchain technology, and is available on request where this is not the case. **Traceability systems ensure that the information required under Regulation (EU) No 1337/2013 is passed on through the supply chain.**

**There is no evidence that specific information required under Regulation (EU) No 1337/2013 is systematically insufficient or missing.** There are though isolated and non-systemic cases where information is missing. These tend to be more prevalent in the *sheep/goat meat sector* which is more fragmented than the *pig meat* and *poultry meat sectors* and which makes control and verification of information harder. There is also an issue in the *poultry meat sector* in one Member State (NL) where the industry practice of mixing batches from different slaughter dates and countries of origin is potentially non-compliant with Article 4 of the Regulation. However, this issue relates to industry interpretation of Article 4, rather than any inability of the traceability system to ensure compliance with the rules.

**There is generally high confidence in the effectiveness of traceability systems to ensure compliance with the Regulation.** As a general rule, the larger the operator and the more integrated the supply chain, the greater the effectiveness of traceability in ensuring compliance. Compliance is therefore facilitated and appears to be greatest in the *poultry meat sector*, followed by the *pig meat sector*. There are some issues in the more fragmented *sheep/goat meat sector*, as well as amongst small-scale operators in Member States with a high prevalence of subsistence farming/own consumption (although this does not apply to commercial supply chains).

Just over a quarter (27%) of supply chain respondents identified **some problem with information provision**, but only 7% reported that they did not systematically receive this information; compliance is highest in the *poultry sector*.

**Very few cases of difficulties resulting from traceability systems were identified.** The systematic transmission of information was found to be occurring at a satisfactory level along the supply chain for meat of all species, and appears to be most complete in the more integrated *poultry meat sector*.

In conclusion, the **traceability system** required under Regulation (EU) No 1337/2013 builds on that required and already operating under Regulation (EC) No 178/2002. **Information is increasingly transmitted automatically**, often using blockchain technology, and is available on request where this is not the case. **There is no evidence that specific information is systematically insufficient or missing.** There is high expressed **confidence in the effectiveness of the traceability system** and few reported difficulties. On this basis, it is concluded that the **traceability systems are effective to ensure compliance with Regulation (EU) No 1337/2013** and that **the sectors can cope with the requirements.**

4.5 ESQ 5: To what extent have the specifications (as defined in Article 5 1(a) of Regulation 1337/2013) regarding different rearing periods for the different species and age/weight for different meats been effective? What is the impact/effect on prices, consumer information and administrative burden? a) Is the consumer aware of the differences? Does the consumer need/understand the differentiations? To which extent are these differences clear to consumers or could potentially mislead consumers? b) Is it controllable?

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#### **4.5.1 CONSUMER AWARENESS OF REARING PERIODS**

##### **4.5.1.1 Proportion of consumers aware of periods in Article 5 of the legislation**

Respondents to the consumer survey were asked to explain their understanding of the term "*Reared in...*". Just over a quarter (26%) of meat purchasers correctly stated that they understood that the animal lived most of its life in the named country, but may also have lived in other countries. However, half of EU meat purchasers (53%) understand "*Reared in...*" to mean that the animal lived all its life in the country indicated. This is not in fact what the term means in the context of Regulation (EU) No 1337/2013 for any of the three species examined. A further 10% of meat purchasers understand "*Reared in...*" to mean that the animal lived in the named country for some period of time, but may have spent longer periods of time in other countries; 11% said that they did not know what the term meant.

#### **4.5.2 CONSUMER VIEW AS TO WHETHER THE INFORMATION PROVIDED ON REARING PERIODS COULD BE MISLEADING**

##### **4.5.2.1 Proportion of consumers aware of periods in Article 5 of the legislation (as above)**

Only a quarter (26%) of consumers responding to the survey correctly understand the definition of "*Reared in...*" (see section 4.5.1.1). This implies that those consumers who do not understand the term as defined in Article 5 of Regulation (EU) No 1337/2013 are misled, even if unintentionally.

##### **4.5.2.2 Among consumers who are aware of the periods: proportion of consumers who consider them misleading**

Meat purchasers responding to the consumer survey were asked to state their level of agreement with a series of statements regarding how acceptable potential labelling indications relating to the rearing of animals would be. When asked whether if a product is marked "*Reared in...*", it is acceptable that the animal has been born in another country, 42% agreed, although a third disagreed (32%) and just over a quarter (26%) were neutral.

As definitions move further from the idea that "*Reared in...*" means that the animal should have lived most of its life in the named country, acceptability to consumers declines.

Meat purchaser acceptance of animals being reared in a country not identified on the country of origin label suggests that it is considered broadly acceptable that animals are born in a different country to the one they are indicated as having been reared in. Meat purchasers are also relatively accepting that an animal can be reared for a short period of

time in a country different to that indicated (this is essentially the approach to the Article 5 definition). However, it is considered broadly unacceptable that an animal spends a long period of its life in another country, even if it lived in the identified country at some point.

#### **4.5.3 EXTENT TO WHICH THE INFORMATION PROVIDED ON REARING PERIODS POSES CHALLENGES TO OPERATORS AND THE SPECIFIC COSTS/BURDEN STEMMING FROM THIS**

##### **4.5.3.1 Nature of information provided to and by each part of the chain in relation to rearing periods**

Respondents to the supply chain survey were asked which information they or their members (a) receive from the previous link in the chain; and, (b) transmit to the next link in the chain. There is some simplification of information as it moves through the supply chain with 41% of operators receiving full information, but only 30% passing this on.<sup>59</sup> This is also reflected in a higher proportion of transmission of simple information.

Operators processing only **poultry** are more likely to receive full information compared to those processing only **pigs** (47%, n=19 c.f. 33%, n=9). Operators only processing poultry are more likely than any other grouping to pass on information in a simplified form (68%, n=19, c.f. 46% for all respondents).

A fifth (20%) of Competent Authorities responding to the survey believe that full information on rearing periods is transmitted through the supply chain. A further fifth (20%) stated that abbreviated information is passed on. Some 27% of Competent Authorities indicated that a combination of the two approaches is used; a third (33%) did not know what information is provided (n=15).

The **pig meat sector** case studies found that the information provided on rearing periods is sufficient to ensure the correct labelling, but respondents typically were unable to specify exactly what this information is. In some case study Member States, it was though made clear that country of birth and rearing are provided from the pig holding to the slaughterhouse and then to each subsequent link in the supply chain (PL, RO).

In Member States where there is little or no import of live pigs, the period of time spent in a country is in any case (generally) irrelevant (ES, FR, IE). In one Member State, information passed on concerning rearing periods simply notes that the animal should be labelled as "*Reared in X*" (IE).

In Member States which export live pigs, national databases record birth dates, movement dates and places of rearing and this information is transmitted with the pig, ultimately to the slaughterhouse, wherever this may be (DK).

Where live pigs are imported, information on rearing periods is provided by the operator in the exporting Member State (ES). Where imported pigs are fattened for at least six months, which means that their meat can be labelled as "*Reared in X*", where "X" is the importing Member State, fattening is often on contract with farmers paid based on the

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<sup>59</sup> Full information on country and date of birth, dates of any subsequent movements, dates of slaughter; abbreviated information stating the countries of birth, rearing and slaughter and the periods spent in each; simple indications on the countries of rearing, slaughter and (if relevant) origin in accordance with the criteria set out in Article 5 of the Regulation.



number of days spent on farm. In these situations, inaccurate information on rearing periods is considered to be impossible (ES).

Information on rearing periods in the **poultry meat sector** is not generally relevant because birds are either slaughtered in the country of rearing or are traded live to another country for slaughter, in which case the exporting country is the country of rearing (EL, FR, IE), although information still has to be collected and passed through the supply chain. The high degree of vertical integration means that the slaughterhouse is responsible for receiving information from the primary sector and representing this on the label on the pre-packed meat that is usually supplied straight to retailers.

Typically, flocks are accompanied to the slaughterhouse with information on country of origin, including the farm, of the parent flock; the hatchery that supplied the eggs; the rearing farm (including barn number, flock number and country); and, dates and locations of movements. The slaughterhouse then passes on data on flock number (via the batch number which links to the information from the primary sector); the slaughterhouse and date of arrival; and, internal information to allow the slaughterhouse to trace meat back to a specific flock.

Differences in the information provided along the supply chain (post-slaughterhouse) were found in one Member State with a federal structure with abbreviated information used in some cases and full information, including dates, used in others (DE). In one Member State which imports live birds for slaughter, each batch is accompanied by full information on country and date of birth, as well as dates of any subsequent movements from the exporting country. The date of slaughter is then added as this information is passed through the supply chain (NL).

Information on rearing periods in the **sheep/goat meat sector** can be quite sophisticated in Member States where there is an electronic identification system (IE, FR). In these cases, full information on animals movements can be retrieved on scanning at the slaughterhouse. Whether there is an electronic system or not, the slaughterhouse transmits information to allow the correct labelling to be applied, i.e. abbreviated information stating the country of rearing (EL, IE, RO).

One interviewed EU level organisation explained that full information on rearing locations and dates is transmitted along the supply chain. This is not necessary in the **poultry** sector because of the high degree of integration; slaughterhouses take in live birds and send out labelled, pre-packaged meat.

#### **4.5.3.2 Impacts at operational level (traceability, sourcing practices, other operational aspects) if any, connected to receiving and providing this information**

The majority of respondents to the supply chain survey (66%) stated that the information provided on rearing periods did not impact on operations or traceability practices (n=73); there was no difference by species.

The case studies in the **pig meat sector** and **poultry meat sector** found no difficulties connected to receiving or providing this information. This was also generally the case in the **sheep/goat meat sector**, although in one Member State it was noted that origin information printed on carcasses/cuts is often illegible upon arrival at the point of sale (ES).

A specific issue was raised in one Member State (ES) where the production of some specific types of lamb does not appear to easily fit within the definition of rearing periods set out under Article 5 of Regulation (EU) No 1337/2013. In this Member State, some lambs are slaughtered before they reach six months of age:

- "Lechal" suckling lamb (up to 7kg of weight, slaughtered at an age of less than 2 months).
- "Recental" lamb (from 7 to 13kg of weight, normally slaughtered at an age of 2-4 months)
- "Pascual" lamb (from 13 to 16kg of weight, normally slaughtered at an age of 4-5 months).

These lambs could, in theory, be imported at less than two months of age and then reared for a further period before slaughter. Such lambs would therefore have been reared in two Member States and would need to be labelled as such under Article 5; it would therefore not be possible for meat from these animals to be marketed as "domestic".<sup>60</sup>

Interviewed EU level organisations said that there are no issues connected to receiving or providing information on rearing periods. Three organisations added that place of birth could very easily be added to labels as this information is available in any case; two advocated that this information should be added.

#### **4.5.3.3 Cost, if any, connected to this information and source of any identified cost**

Of the 25 respondents to the supply chain survey who said that there had been an impact on operations or traceability practices, 17 (68%, i.e. 23% of all respondents, a clear minority) said that the impact had resulted in both one-off and additional ongoing costs. Five respondents (20%, 7% of all respondents) said that there had been no cost implication (2 respondents indicated only one-off costs and 1 only ongoing costs).

The case studies in the **pig meat sector** found that costs involved in the provision of information on rearing periods are not generally considered to be significant, and form a minor part of overall information requirements. In some cases, it was made clear that the traceability systems used were put into place before the implementation of Regulation (EU) No 1337/2013, and as such, costs are limited to providing or transmitting information, i.e. entering data into IT systems (DK). The point was made in another Member State that the Competent Authority had borne the costs of establishing a traceability management system with slaughterhouse operators only needing to upload information which incurs a small cost in terms of time (ES). To the extent that there are additional costs, these fall on the slaughterhouse part of the supply chain.

The **poultry meat sector** case studies found that information on rearing periods is just a small part of a much wider set of required information on traceability and food safety. While modest additional costs were identified in principle in some Member States arising from the implementation of Regulation (EU) No 1337/2013, these could either not be attributed specifically to the rearing provisions (DK) or could not be quantified suggesting that they are not considered to be significant (DE, ES).

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<sup>60</sup> At the moment it appears as if this is a theoretical problem only, as interviewees stated that live imports of sheep currently go straight to slaughter, not further fattening.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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A similar story was uncovered in the ***sheep/goat meat sector*** case studies; costs associated with complying with Regulation (EU) No 1337/2013 were considered minimal in total and incapable of being split out by Article/specific requirement.

None of the interviewed EU level organisations felt that there had been any appreciable costs from providing information on rearing periods.

#### **4.5.4 EXTENT TO WHICH ANY ADDITIONAL COSTS FOR THE SUPPLY CHAIN IDENTIFIED ABOVE ARE TRANSFERRED TO CONSUMERS**

##### **4.5.4.1 Extent to which each stage of the chain passes any costs occurring from information on rearing to the next stage of the chain**

Only a minority of respondents to the supply chain survey indicated that there had been costs associated with passing on information on rearing (27%, n=73). The majority of these 20 respondents said that these costs had not been passed down the supply chain (60%, i.e. 16% of all respondents). A further 15% (4% of all respondents), said that less than a third of costs had been passed on.

Most of the **pig meat sector** case studies found that the minimal costs associated with transmitting information on rearing periods through the supply chain are borne by the stage at which they are incurred (ES, PL, RO). It was pointed out in one Member State that Regulation (EU) No 1337/2013 did not impose additional requirements for farmers, and there is therefore no additional cost to be passed on; the minimal additional costs incurred by slaughterhouses and further processors are not passed on (DK). Other case studies suggested that costs (although minimal) are concentrated in the processing stage of the supply chain and are not passed on to the end consumer (DE, IT).

Case studies in the **poultry meat sector** found that any minimal costs (costs were not identified in all Member States) are borne by the stage at which they occur, which is generally the processing sector (ES, NL, PL). The high degree of integration in the poultry sector reduces the scope for costs to be passed on given that the same company typically controls the entire chain.

Findings in the **sheep/goat meat sector** were that costs related to information on rearing periods are minimal and not passed on. However, there was an exception in one Member State (ES) where it was felt that, although minimal, costs are in fact passed through the supply chain to the final consumer; organisations made it clear that in this respect the sheep/goat meat supply chain differs from the pig meat and poultry meat supply chains.

Interviewed EU organisations representing operators towards the retail/consumer end of the supply chain were clear that, if there are any additional costs, these are not passed on to consumers and therefore are absorbed in the supply chain. Organisations representing operators in the supply chain did not identify any appreciable costs resulting from passing on information on rearing periods.

##### **4.5.4.2 Extent to which cost is perceived to be transferred to the final consumer**

As noted above, interviewed EU organisations did not feel that costs are transferred to the final consumer. Only one example was found in the case studies. This was in the **sheep/goat meat sector**, where (minimal) costs associated with transmitting information on rearing period are passed to the final consumer (ES). In all other cases it was clear that costs are (a) minimal; and, (b) absorbed where they are incurred, which is the slaughterhouse/processing stage.

#### **4.5.5 EXTENT TO WHICH REARING PERIODS POSE CHALLENGES FOR COMPETENT AUTHORITY CONTROLS**

##### **4.5.5.1 Difficulties, if any, for Competent Authorities to verify the information provided on rearing periods during controls**

Almost half (41%) of Competent Authorities responding to the survey said that they “never” have problems verifying information provided by operators on rearing periods when carrying out controls. A further 29% indicated that they only have difficulties on a few occasions. Frequent difficulties are experienced by just one Competent Authority (6%), but 24% sometimes experience difficulties (n=17).

The case studies in the **pig meat sector** found no specific and systematic difficulties for Competent Authorities in verifying information provided on rearing periods. In one Member State, the Competent Authority identifies operators which handle only domestic animals and those that handle imported animals through the TRACES system which allows controls to focus only on the second group; there is no risk of mistakes in the labelling of rearing periods in the first group (ES). In Member States where there are no imports of live pigs, clearly there will be no difficulties in verifying the information (DK, IE). For pig meat products, the Competent Authority can request information stored in the processors’ traceability system (DK). Where there are national schemes requiring origin information, operators are controlled by the certification body (FR). Occasional difficulties with verification were reported in one Member State (DE). In two Member States (IT, RO), occasional difficulties were reported specifically with respect to micro-enterprises.

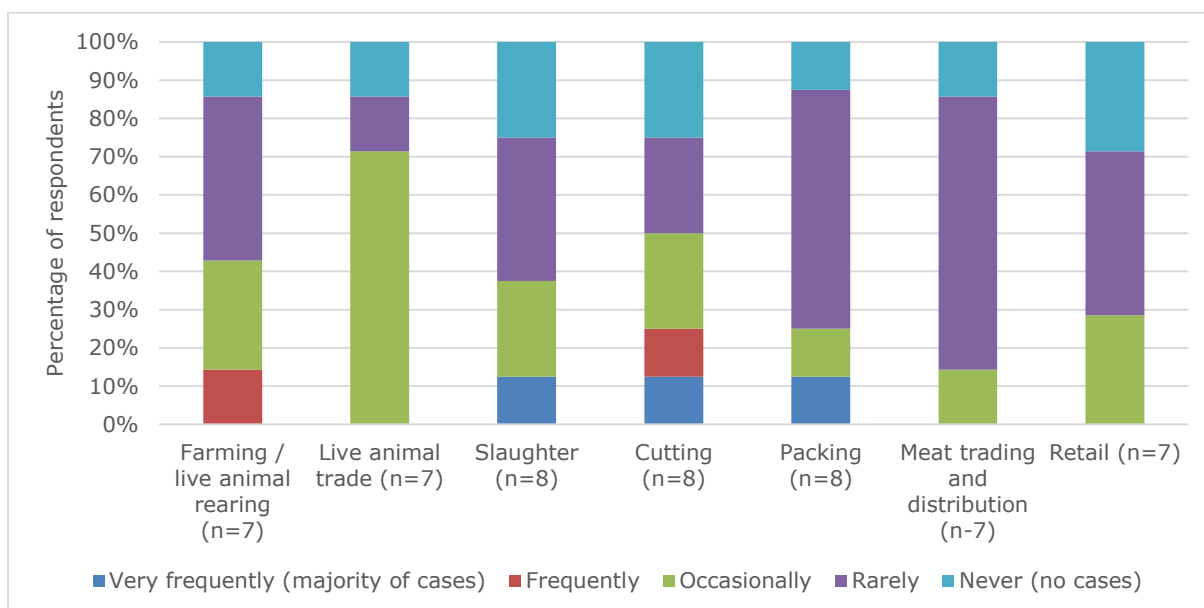
A very similar picture was presented in the context of the **poultry meat sector** case studies. The fact that poultry are reared in one location is said to simplify the system (NL). Again, in Member States with national schemes which require origin information, certification bodies provide control (FR).

The **sheep/goat meat sector** case studies noted that difficulties only potentially arise where live imports have taken place (IE); where carcasses are imported for further cutting, these are single origin meaning there is no need to verify rearing periods (FR). In one Member State it was reported that there are some difficulties in verifying information on micro-enterprises where ear tags are often missing (RO). In one Member State there have been successful detections of attempts to provide fraudulent information on rearing periods for suckling lambs imported from other Member States (ES).

##### **4.5.5.2 Stage of the chain at which difficulties occur and reason for these difficulties**

Competent Authorities responding to the survey which said that they experienced some difficulties were asked at which stage in the supply chain these most commonly occur. The sample size makes detailed analysis problematic, but the only incidences of “very frequent” and “frequent” problems are at the farm level and at cutting plants. The trade in live animals also causes occasional difficulties. Problems are generally less frequent towards the retail end of the supply chain (Figure 4.1).

*Figure 4.1 – Stage of the chain where difficulties in verifying information provided by operators on rearing periods are apparent*



Source: Supply chain survey.

Several common reasons for difficulties were put forward including:

- single origin batches not being produced in the poultry sector;
- information not being clear, or not capable of verification, for animals imported for slaughter;
- lack of information on rearing periods meaning that it is not possible to transmit this information to the next link in the chain; and,
- incomplete information.

The point was made by one Competent Authority that difficulties are more usual for smaller operators where traceability systems are typically less sophisticated.

According to the case studies, the only difficulties reported in the **pig meat sector** were in Member States with small-scale production where difficulties can be encountered at the farm level (IT, RO); this was also the case in the **sheep/goat meat sector** case studies (RO). This was not raised as an issue in the **poultry meat sector** case studies, probably because of the greater commercial orientation and high degree of integration.

#### 4.5.6 ESQ 5 CONCLUSIONS

**Only a quarter of consumers correctly understand the term “Reared in...”.** A majority of consumers (53%) think that animals reared in a specified Member States have spent all their life in that Member State. Understanding differs by Member State. There is therefore clear and strong evidence (based on the robustness of the consumer survey) that most consumers do not understand the term “Reared in...” as defined under Article 5 of Regulation (EU) No 1337/2013. This implies that those consumers who do not understand the term as defined in Article 5 of Regulation (EU) No 1337/2013 are misled, even if unintentionally.

**Meat purchaser acceptance of animals being reared in a country not identified on the country of origin label suggests that it is considered broadly acceptable that**

**animals are born in a different country to the one they are indicated as having been reared in.** Meat purchasers are also relatively accepting that an animal can be reared for a short period of time in a country different to that indicated (the essence of the Article 5 definition). However, it is considered broadly unacceptable that an animal spends a long period of its life in another country as long as it lived in the identified country at some point. Consumer opinions varied by Member State.

**It is difficult to draw a conclusion from these findings in relation to whether consumers could be misled by the definition of "Reared in..." on origin labels because the understanding of length of time spent in other countries is subjective.** That said, the proportion of meat purchasers which indicated that they do not find it acceptable that animals are born or reared in countries which are not identified is sufficient to conclude that at least some consumers are likely to consider themselves (inadvertently) misled by the labelling with respect to rearing period.

**National Competent Authorities appear to be somewhat unaware of the exact nature of the information on rearing periods that is passed on.** This might reflect a diversity in approach and differences between different stages in the supply chain. The survey of supply chain stakeholders suggested that information on rearing periods is simplified to some extent as it passes down the supply chain. The high degree of integration and the short length of the supply chain in the **poultry meat sector** means that it is more likely that full information is received by processors, but simplified information is passed on (usually on pre-packaged product).

The case studies make clear that the **information on rearing periods that is passed through the supply chain is sufficient to ensure correct labelling and does not pose any problems to operators in terms of receiving or passing it on**; in fact, place of birth could easily be added. An issue was raised with respect to the definition of rearing for **sheep** in one Member State where national production specificities are not felt to be sufficiently taken account of.

According to the interviews with EU level stakeholders, and the case studies, **the costs of providing information on rearing periods is not considered to be significant**, although some individual operators responding to the survey of supply chain stakeholders did identify both one-off and ongoing costs.

**There is little evidence** from the survey of supply chain stakeholders **to suggest that costs resulting from passing on information on rearing periods (in any case minimal) are passed down through the supply chain.** The more robust evidence gathered through the case studies and interviews with EU level stakeholders found that the minimal costs incurred are borne by the stage of the supply chain at which they occur; this is the processors.

The evidence is clear that **costs are not passed on to consumers.**

The survey of Competent Authorities found that almost half (41%) never have **problems verifying information provided on rearing periods; where issues are encountered these are more usually infrequent.** The case studies confirmed that there are no specific and systematic difficulties.

No difficulties were reported in the **poultry meat sector**, or where there is no live trade. Difficulties in the **pig meat** and **sheep/goat meat sector** tended to relate to very small-scale production and micro-enterprises, which are usually outside commercial supply chains, and where traceability systems are typically less sophisticated. In summary,

checking rearing periods poses no problems where there is no live trade and where supply chains are commercially oriented, large-scale and integrated.

In conclusion, it is clear that **there is low consumer understanding of the term "Reared in..."** as defined under Article 5 of Regulation (EU) No 1337/2013, **but broad acceptance of this definition itself.** Despite these findings, **it is difficult to draw a conclusion in terms of whether consumers are misled by the definition because consumer understanding of what constitutes a short period of time in the context of livestock rearing is subjective.** However, it is likely that at least some consumers would consider themselves (inadvertently) misled based on their understanding of the term. **The information passed on concerning rearing periods is sufficient to ensure correct labelling and can be generally verified by Competent Authorities. This information is provided at minimal cost which is borne by the processing stage of the supply chain and is not passed on to consumers.**

4.6 ESQ 6: To what extent has the obligation of having a single origin batch throughout the whole processing chain (as specified in Article 3 of Regulation 1337/2013) an effect on the market/sector?

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**4.6.1 JC6.1 EXTENT TO WHICH THE BATCH REQUIREMENT IS RELEVANT FOR ALL MEAT SUPPLY CHAINS IN VIEW OF SUBSEQUENT CHANGES IN THE LEGISLATIVE SITUATION AND THE MARKET SITUATION**

**4.6.1.1 Identification of any changes to other legislation following the introduction of the Regulation which may impact the relevance of the batch requirement for certain products**

Generally, interviewed EU level organisations were not aware of any legislative changes which have impacted on the relevance of the batch requirement. However, one drew attention to Commission Implementing Regulation (EU) 2018/775, which introduced labelling indicating the country of origin or place of provenance of the primary ingredient of a food from 1 April 2020 where the product is sold under a different provenance. This organisation felt that this Regulation will increase the relevance of the batch requirements. Under Regulation (EC) No 178/2002, processors are currently aware of the batches of meat used for a specific batch of processed product. Under Regulation (EU) 2018/775, where the origin of the primary ingredient is not the same as a product claiming provenance, its origin must be separately listed.

It should be noted that this Regulation, as well as allowing Member State indications, also permits the use of "EU/non-EU" designations on products containing meat. Should operators choose to use the "EU/non-EU" designation, then the relevance of single-origin batch requirements for meat destined for use in products would be diminished, as it is for minced meat and trimmings under the Article 7 derogation of Regulation (EU) No 1337/2013.

That said, this does not imply a material difference in the operation of the supply chain as some operators may choose to use Member State indications and therefore will require the same information to be passed on as is currently. In fact, Regulation (EU) 2018/775 also allows operators to use regional designations and this would require more detailed information on provenance to be provided.



#### **4.6.1.2 Identification of any supply chains which are entirely segregated from the supply chains for fresh and frozen meat in the EU**

ESQ 13, section 7.2.1.2, concludes on the basis of desk research, in-depth interviews with EU level stakeholders, case studies, the supply chain survey and the survey of national Competent Authorities, that while there is a range of different market channels, there are no significant segregated supply chains in the EU.

#### **4.6.1.3 Extent to which any segregated supply chains follow the provisions of Regulation (EU) No 1337/2013**

Different market channels have different product specifications (see ESQ 13, section 7.2.1.4). However, operators responding to the supply chain survey tend to follow a Standard Operating Procedure which underpins all their production and therefore follow the provisions of Regulation (EU) No 1337/2013.

ESQ 13 (section 7.2.1.4) reported that of the two respondents to the national Competent Authority survey that identified segregated supply chains (whether these are actually segregated or simply different market channels is unclear), one felt that the requirements of Regulation (EU) No 1337/2013 were not followed at all. The other respondent indicated that the requirements are fully followed.

Although no significant segregated supply chains were identified, the case studies in the **pig meat sector** found some market channels where processors have specialised in products which are outside the scope of Regulation (EU) No 1337/2013 and which rely on imported pig meat (ES). However, in other Member States, it is clear that all supply chains follow the requirements of the Regulation, including the batch requirements (DK, IT). In some Member States, the presence of national legislation which pre-dates the Regulation, and has a wider scope, means that all supply chains follow the single-origin batch provisions of the Regulation (FR).

Again, no significant segregated supply chains were identified in the **poultry meat sector** case studies and operators supplying all market segments follow the requirements of Regulation (EU) No 1337/2013, including the batch requirements pre-further processing.

No segregated supply chains were identified in the **sheep/goat meat sector** case studies. In one Member State, the presence of national legislation which pre-dates the Regulation and has a wider scope means that all supply chains would follow the single-origin batch provisions of the Regulation in any case (FR).

#### **4.6.1.4 Costs and benefits of following the provisions of Regulation (EU) No 1337/2013 specifically with regards to the batch requirement for any segregated supply chains**

Respondents to the supply chain survey did not think that following the provisions of the Regulation for meat which is not sold as fresh or frozen in the EU provides any economic benefits, including in relation to the batch requirements. However, almost a third (36%) of respondents identified non-economic benefits, mainly relating to marketing and information transparency (n=15); the batch requirements play an integral role in ensuring that this information is accurate.

Only 36% of respondents explained that there are costs as a result of following the provisions (n=14), but these could not be attributed to specific elements of the Regulation. No differences by species were identified.

Two EU level organisations representing operators in the supply chain stated that there have been no additional costs as a result of the batch requirements. Another organisation explained that slaughterhouses require high levels of throughput in order to operate economically and that the single-origin batch requirement could be problematic for some if they have to stop processing to keep meat from animals in different batches separate. However, this would only be the case where slaughterhouses are drawing supplies which would require different origin labelling. This is therefore likely to be more of a concern in smaller countries which import live animals, and in places where the meat supply chain is less organised.

No EU level organisations could identify any benefits from operating the single-origin batch requirements beyond compliance with the legislation.

Evidence from the case studies is reviewed in section 7.2.2.2.

#### **4.6.2 EXTENT TO WHICH THE BATCH REQUIREMENT REQUIRED CHANGES IN TRACEABILITY SYSTEMS**

##### **4.6.2.1 Changes (if any) to the traceability system at different parts of the chain specifically caused by the batch requirement**

European Commission (2013c) stated that the batch requirement under Regulation (EU) No 1337/2013 should not require any changes to current traceability practice as batches are required to be used under Regulation (EC) 178/2002. 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. However, European Commission (2013a) anticipated that the sophisticated traceability systems used by large-scale operators would be sufficient.

The survey of supply chain stakeholders found that most (60%, n=73) had not made changes to traceability systems following the implementation of Regulation (EU) No 1337/2013. Further analysis revealed that a third (34%, n=29) of the minority that did make changes to their traceability systems said that the batch requirements were "very important" in making changes to a "great extent"; a fifth (21%, n=29) said that the batch requirements were "important" in making "moderate" changes.

To put this in context, this means that 14% of all respondents (n=73) said that they made changes to traceability systems to a "great extent" in which the role of the batch requirements was "very important". A further 8% said that the batch requirements had been "important" in the "moderate" changes to traceability that they made.

The case studies in the **pig meat sector** found that no significant changes in traceability systems were required by the batching requirements of Regulation (EU) No 1337/2013. However, slaughterhouses and cutting plants in Member States processing imported as well as domestic pigs and carcasses had to make what were described as minor adjustments to traceability systems to ensure correspondence between batches and related provenance information (ES). It was pointed out in one Member State that the lack of integration with live pig supply chains in other Member States reduced the relevance of the batching requirements (IE). The point was made in another Member State that the pig supply chain already used homogenous groups of animals prior to the implementation of the Regulation (IT).

The case studies in the **poultry meat sector** reported that no substantial changes in traceability systems were required as a result of the batching requirement. It was noted

in one Member State that the only necessary change was to add information on batches to traceability software (NL). In other Member States this information was already recorded (DK).

Case studies reported no changes to traceability systems resulting from batching requirements in the **sheep/goat meat sector**. The point was made in one Member State that there is no import of live sheep/goats for further fattening (so all sheep/goats reared in this Member State will carry the same provenance designations); all live sheep/goats imported are slaughtered immediately with the slaughterhouses segregating batches of imported and domestic animals (ES).

#### **4.6.2.2 Cost (if any) of the changes to the traceability system specifically caused by the batch requirement**

The majority of respondents to the supply chain survey (60%, n=73) did not make changes to traceability systems. More than three-quarters of those that did make changes noted one-off costs (76%, n=29) and increased ongoing costs (79%, n=25). Around a fifth reported no one-off costs (20%, n=29) or increase in ongoing costs (17%, n=25).<sup>61</sup> In other words, a minority of 30% of all respondents noted one-off costs and a minority of 27% of all respondents reported additional ongoing costs as a result of changes made to traceability systems.

Operators processing only **pigs** (n=2) or only **poultry** (n=7) were more likely to report an increase in ongoing costs (100% and 86% respectively) than were operators processing all three species (60%, n=5). While both operators processing only **pigs** (n=2) and those processing all three species (n=4) all noted one-off costs, a third of operators processing only **poultry** reported that they had not incurred one-off costs (n=6).

There were no appreciable differences by stage in the supply chain.

However, an investigation of cost changes **specifically as a result of the batching requirements** found that only 26% of respondents (n=73, 19 respondents c.f. to the total of 29 noting cost increases) reported one-off costs resulting from the batch requirements. Of these, 37% said that the batch requirements had been a "very important" driver of this cost and 37% said that the requirements had been an "important" driver (i.e. 10% of all respondents in both cases). Some 11% said that the requirements had been a "moderate" driver (3% of all respondents) and 16% (4% of all respondents) said it had not been "at all important" as a driver (n=19).

With respect to ongoing costs, 32% of respondents (n=73) reported an increase due to changes made as a result of the batch requirements. Of these, 52% (17% of all respondents) said that the batch requirements had been a "very important" driver of this cost increase while 35% (11% of all respondents) said that it had been a "important" driver. Some 9% (3% of all respondents) said it had been a "moderate" driver and 4% (1% of all respondents) said it had been "not at all important" as a driver (n=23).

The additional ongoing costs identified were small. Eight estimates were provided ranging from a maximum of 5.0% of overall production costs down to 0.5% with a mean of 2.4% and a median of 2.0%.

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<sup>61</sup> Some 3% of respondents noted a decrease in ongoing costs, but there is no reason to conclude that this was caused by the implementation of Regulation (EU) No 1337/2013.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

---

As set out in the previous section, the case studies in all three sectors found that changes made to traceability systems as a result of the batching requirements under Regulation (EU) No 1337/2013 were minimal, and generally applied only to operators processing animals from more than one Member State. As a result, costs (resulting from downtime between batches with different origins) were also considered to be insignificant and will have only been a factor for this same group of operators; operators across all species and in many Member States are not connected to live imports from other Member States.

#### **4.6.3 EXTENT TO WHICH THE BATCH REQUIREMENT CHANGED OPERATOR PRACTICES, INCLUDING PROCESSING OPERATIONS AND SOURCING**

##### **4.6.3.1 Changes (if any) to the sourcing practices at different parts of the chain specifically caused by the batch requirement**

The 25 respondents to the supply chain survey (34%, n=73) who had changed their sourcing practices were asked the extent to which the batching requirements (single origin batching along the chain) of Regulation (EU) No 1337/2013 had caused them to make these changes. Half (52%) of respondents said that the batching requirements were responsible to a "moderate extent" to the changes in sourcing practices that they had made (i.e. 18% of all respondents). A quarter (24%, 8% of all respondents) said that the batching requirements were responsible for the changes to a "small extent". Only a fifth (20%, 7% of all respondents) said that the batching requirements were responsible to a "great extent" for the changes to sourcing practices that they made.

Operators handling multiple species were more likely to say that batching requirements were only responsible for changes to a small extent, probably because there was already a need to work with batches to handle different species.

Further analysis combining the role of the batching requirements and the importance of the changes to sourcing reveals that in a quarter of cases (24%, n=25, i.e. 8% of all respondents), sourcing practices changed only "a bit" and the role of the batching requirements in these changes was "small". In just over a third of cases (36%, n=25, i.e. 12% of all respondents), the changes made, and the role of the batching requirements, were "moderate". This analysis suggests that the batching requirements played a small to moderate role in modest changes to sourcing practices (60%, n=25, i.e. 21% of all respondents).

The case studies in all three species sectors reported no significant changes to sourcing practices at any point in the supply chain as a result of the batching requirements under Regulation (EU) No 1337/2013.

##### **4.6.3.2 Changes (if any) to operating practices at different stages of the chain specifically caused by the batch requirement**

The 29 respondents to the supply chain survey (40%, n=73) who had changed their operating practices were asked to explain the role of different aspects of Regulation (EU) No 1337/2013 in prompting the changes made. It should be noted that the changes made differed in importance, with 21%, (n=28, i.e. 8% of all respondents) reporting only "small" changes to internal operating practices. Respondents drew little overall distinction between the role of the different aspects of the Regulation; the batching requirements were considered no more or less important than any of the other requirements.

An investigation of the role of the batch requirements in changes made by operators to internal operating practices revealed that a third said that the batch requirements had been "very important" in changes made to a "great extent" (36%, n=28, i.e. 14% of all respondents). A fifth said that the batch requirements had been "important" as drivers of a "moderate" change (21%, n=28, i.e. 8% of all respondents). The clear implication is that where changes to internal operating practices were required (in a minority of cases), the batch requirements were an important reason for the changes made.

Further investigation of the role of the batching requirement in prompting changes in operating practices showed that its biggest role was in prompting changes to the segregation of animals.

The case studies in the **pig meat sector** did not report any significant changes in operating practices at any stage of the supply chain. It was pointed out in some Member States with no import of live animals that batch requirements are not relevant in this context (DK). In Member States where there is some import of live animals, it was reported that there has been no change in operating practices for farmers, but slaughterhouses and cutting plants which deal with domestic and imported animals have had to ensure that these are segregated in different batches (DE).

The case studies in the **poultry meat sector** did not generally report any significant changes in operating practices at any stage of the supply chain. However, in one Member State where slaughterhouses and cutting plants source from other Member States, it became necessary to organise product flows by country of origin (NL). The consequence of this was a loss in sourcing flexibility and greater work in terms of meeting quality requirements (due to restrictions on the extent to which different batches can be mixed) and in terms of meeting labelling requirements.

No changes to operating practices were reported to have arisen from the batching requirements in the **sheep/goat meat sector** case studies.

#### **4.6.3.3 Cost (if any) of changes to sourcing practices and operating practices at different parts of the chain specifically caused by the batching requirement**

European Commission (2013a) makes clear that the implementation model selected for Regulation (EU) No 1337/2013 was designed to keep total costs to the industry to a minimum, within the context of providing appropriate information to consumers (see ESQ 7, section 5.1.1.2). Direct and indirect costs resulting specifically from the batch requirements can be expected to comprise only a fraction of these total costs. The *ex-ante* expectation is therefore that any additional costs arising from the batch requirements would not be substantial.

An investigation of whether the batching requirements caused one-off costs showed that they did for a minority of 19% of all respondents to the supply chain survey (n=73). In almost three-quarters of these cases (71%, i.e. just 13% of all respondents), the batching requirements were said to be responsible for the costs to a "moderate extent". In 14% of these cases the batch requirements were said to be responsible to a "great extent" and in 14% of cases to a "small extent" (n=14, in both cases this equates to 3% of all respondents).

A similar investigation of the impact of the batching requirements on additional ongoing costs found that 22% of respondents (n=73) reported an increase. In just over two-thirds of cases (69%, i.e. 15% of all respondents), the role of the batching requirements as a casual factor was "moderate", in 25% of cases the batch requirements were responsible to a "great extent" (6% of all respondents) and in 6% (1% of all respondents) of cases they were responsible to a "small extent" (n=16).

Only six respondents provided information on the magnitude of ongoing cost increases resulting from changes to **sourcing practices** which were prompted by the batch requirements. One noted that the cost increase was very small, and three respondents indicated that it amounted to 1.5%. Another respondent stated that the increase in

ongoing costs was 5% and the final respondent stated that the increase in costs was between 15% and 50%. This last estimate does not seem credible in the light of the wider body of evidence.

It is reasonable to assume that the fact that most respondents, and no operators, quantified the additional ongoing costs means that these are not considered significant; this is consistent with the small number of quantifications provided by representative organisations.

Although the survey did ask separately about additional ongoing **operating costs** arising from the batch requirement, there was a complete causal overlap with traceability (see section 4.6.2.2). In practice, respondents recognised one set of additional ongoing costs caused by the batching requirement through changes to both operating practices and traceability requirements.

As noted above, the case studies did not identify any significant changes to sourcing or operating practices which resulted from the batch requirements. As a result, no additional costs were identified.

#### **4.6.4 IMPACT (IF ANY) OF THE BATCH REQUIREMENT ON PRICES**

##### **4.6.4.1 Total costs (if any) resulting from changes caused by the batching requirement**

The cost of changes to traceability specifically as a result of the batching requirements in Regulation (EU) No 1337/2013 were examined above in section 4.6.2.2. The cost of changes to sourcing and operational practices as a result of the batch requirements were examined in section 4.6.3.3.

The case studies did not identify any significant changes in sourcing, traceability or operational practices resulting from the batch requirements of Regulation (EU) No 1337/2013. In line with this, no additional costs were identified.

##### **4.6.4.2 Stage(s) of the chain which is perceived to absorb the main part of the above cost increases**

European Commission (2013a) anticipated that medium-scale slaughterhouses and cutting plants sourcing from multiple Member States would be the ones at risk of absorbing the main part of cost increases.

The survey of supply chain stakeholders found that the minimal additional costs resulting from changes made as a consequence of the batch requirements were typically not passed along the supply chain (69%), with 21% passing down less than a third of additional costs, 3% passing down between a third and two-thirds of additional cost and 7% passing down more than two-thirds of additional costs (n=73). There were no appreciable differences by species processed. However, operators involved only in processing were less able to pass costs on than those involved in processing/retail.

This is consistent with the treatment of costs relating to the rearing period requirements (ESQ 5, section 4.5.4.1), the majority of which also could not be passed through the supply chain.

The case studies did not identify additional costs arising from the batch requirements and therefore could not comment on the stage in the supply chain absorbing costs.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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Interviewed EU level organisations could not identify any additional costs resulting from the single-origin batch requirement (see section 4.6.1.4)



#### 4.6.5 ESQ 6 CONCLUSIONS

The only identified change in the legislative situation which has any relevance for the batch requirement is **Commission Implementing Regulation (EU) 2018/775**, which **introduced labelling indicating the country of origin or place of provenance of the primary ingredient of a food from 1 April 2020 where this differs from the advertised provenance of the product**. This will increase the relevance of the batch requirement as provenance information will be required outside the fresh meat market. **However, operators may choose to label provenance at the "EU/non-EU" level, which would allow the combining of batches from individual Member States in this case.**

**There is no evidence that there are any significant segregated supply chains in the EU meat sector** (as distinct from different market channels).

While these different market channels have different product requirements, **operators tend to follow a Standard Operating Procedure which underpins all their production and therefore follow the provisions of Regulation (EU) No 1337/2013, including those on batch provisions.**

In conclusion, **limited benefits, but also limited costs were identified from following the requirements of the Regulation in market channels which fall outside its scope**

**The batch requirement under Regulation (EU) No 1337/2013 should not have required changes to current practice;** the only change required was to the transmission of already available information. This was confirmed by the survey of supply chain stakeholders which found that less than a quarter of respondents (22%) made moderate or substantial changes to traceability systems where the batch requirements had been an important or very important driver. The case studies drew attention to the fact that operators dealing with imported and domestic animals (more likely in the **pig meat sector** and in certain Member States) were more likely to have made changes to traceability systems as a result of the batching requirements, although the changes made were described as minor

In line with the minimal changes to traceability systems that were made, the cases studies found that **costs associated with these changes were also minimal**. However, the survey of supply chain stakeholders found rather more evidence that both one-off and ongoing costs had been incurred by operators. Despite this, only eight respondents were able to provide an estimate of the magnitude of additional ongoing costs. The lack of estimates and the average of the figures provided (2%) suggests that costs were not high.

The majority of respondents to the survey of supply chain stakeholders did not make **changes to sourcing practices as a result of Regulation (EU) No 1337/2013**; the changes that were made **tended to be small or moderate**, and the role the batch requirements played in driving these changes was also modest.

The survey also found that the majority of respondents did not change their operating practices; the role of the batch requirements was no more or less important than any of the other requirements of the Regulation in prompting these changes. However, the clear implication is that in the minority of cases where changes to internal operating practices were required, the batch requirements were an important reason for the changes made. The biggest role that the batching requirements played was in prompting changes to the segregation of animals at slaughterhouses. The cases studies in all three sectors supported

this moderate impact. Changes were only necessary in cases where slaughterhouses and cutting plants source animals from more than one Member State

A fifth of respondents to the supply chain survey reported one-off and ongoing costs as a result of changes induced by the batch requirements. However, the case studies and survey of supply chain stakeholders found little evidence for anything other than small additional ongoing costs, generally in the region of <2%. In summary, changes induced by the batch requirements have been minimal and relate mainly to the slaughterhouse/cutting sector processing domestic and imported live animals.

The majority of respondents to the survey of supply chain stakeholders did not make changes as a result of the batching requirements. The cost estimates provided by the minority that did were low suggesting that additional ongoing costs resulting from the batch requirements were in the order of 2-3% of overall production costs. Neither the case studies, nor the interviews with EU level stakeholders identified any additional cost. Taken together, the evidence suggests that costs were not generally incurred and, where they were, they were small.

Where (minimal) additional costs were identified, these were usually not passed down through the supply chain, or were only passed down in part. There is no evidence to suggest that the batch requirements resulted in any impact on prices for consumers.

In conclusion, the batch requirements were not generally expected to result in changes to sourcing, traceability or operational practices and this indeed appears to have been the case. There is some evidence to suggest that, as expected, changes, and associated costs, were more likely to be incurred in slaughterhouses and cutting plants sourcing from multiple Member States. The (minimal) costs incurred have been absorbed in the processing stage of the supply chain and have therefore not been passed on to consumers.

## 5. EFFICIENCY OF THE REGULATION

The theme of efficiency is addressed through three Evaluation Study Questions (ESQs) as set out below.

ESQ	Judgement criteria	Key data sources
ESQ 7: To what extent have the rules and conditions of the mandatory origin labelling been efficient and contributed to increase (or decrease) in all actual costs and administrative burden for different actors in the food chain (from producers to consumers)?	JC7.1: Extent to which operators changed internal practices and the impact on costs	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC7.2: Extent to which operators changed sourcing practices and the impact on costs	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC7.3: Extent to which the cost changes of the adaptations identified above affected different operators at different stages of the chain	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> </ul>
	JC7.4: Identification of any tangible benefits from mandatory Country of Origin Labelling	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority Survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC7.5: Identification of any intangible benefits from mandatory Country of Origin Labelling	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority Survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
ESQ 8: To what extent is the traceability system efficient? a. Have the costs stemming from the set-up of those systems been reasonable and affordable? b. What are the costs/administrative burden both for operators and administration? c. Are the costs transmitted throughout the value chain (for e.g. to the retailers) and how?	JC8.1: Extent to which operators at each stage of the chain changed traceability systems	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Case studies</li> </ul>
	JC8.2: Costs of changes to traceability systems identified above; contextualisation of these costs	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC8.3: Extent to which these costs are absorbed by the stage of the chain where they occur / transferred down the chain	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC8.4: Changes to control practices/processes performed by competent authorities; costs of these	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
ESQ 9: To what extent has the obligation of having a single origin batch throughout the whole processing chain (as specified in Article 3 of Regulation (EU) No 1337/2013) been efficient and contributed (or not) to an increase in all actual costs and administrative burden?	JC9.1: Extent to which operators at each stage of the chain changed internal systems to implement the single origin batch requirement, and the impact on costs	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Cases studies</li> <li>• In-depth interviews</li> </ul>
	JC9.2: Extent to which operators at each stage of the chain changed sourcing practices to implement the single origin batch requirement, and the impact on costs	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Cases studies</li> <li>• In-depth interviews</li> </ul>

## 5.1 ESQ 7: To what extent have the rules and conditions of the mandatory origin labelling been efficient and contributed to increase (or decrease) in all actual costs and administrative burden for different actors in the food chain (from producers to consumers)?

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### 5.1.1 EXTENT TO WHICH OPERATORS CHANGED INTERNAL PRACTICES AND THE IMPACT ON COSTS

#### 5.1.1.1 Changes performed by operators in internal practices to adapt to the rules

As noted under ESQ 4 (section 4.4.1.1), European Commission (2013a) anticipated that medium-sized operators sourcing from different Member States, and not equipped with the most efficient logistics systems, would be the group required to make most changes following the implementation of Regulation (EU) No 1337/2013.

Changes performed by operators in respect of traceability systems were examined under ESQ 4 in section 4.4.1.1.

The case studies in the **pig meat sector** found that operators generally made only minimal changes to internal practices as a result of Regulation (EU) No 1337/2013 (DE). In one Member State these changes amounted simply to adding an additional field for recording origin in existing traceability systems (ES). In another, one operator reported having to purchase a new computer to produce new labels (DK). The need to update labels to include country of origin was also mentioned in another Member State (IE). Similar IT/labelling changes were mentioned in other Member States (for example, IT, RO). In some Member States, changes were necessary to the storage of meat in slaughterhouses and cutting plants to ensure segregation of product, but these were considered to be minor (PL).

The case studies in the **poultry meat sector** revealed a similar situation with only limited changes required to internal practices (ES, PL). The need to print new labels was mentioned as the main issue in two Member States (IE, NL). No changes to existing internal practices were mentioned in some Member States (DE, DK); in others, existing national schemes meant that any necessary adaptations had already taken place (EL, FR).

The only changes to internal practices mentioned in the **sheep/goat meat sector** case studies was to add country of origin to labels (FR, IE, RO); other necessary adaptations had already been made where national schemes pre-dated the Regulation (EL, FR).

One EU level organisation explained that some **pig meat** and **sheep/goat meat** slaughterhouses would have had to make changes to the segregation of live animals and the segregation and identity preservation of products in order to adapt to the requirements of Regulation (EU) No 1337/2013. Some would have decided to change their sourcing, and some would have had to make changes to their tracking and tracing processes. The point was made that the information would already have been available, but some changes to internal processes would have been required to transmit this information along the supply chain. There were also necessary changes to labelling. Another added that additional staff time was required to collect, store and provide data. It was also necessary to upgrade software, etc. to deal with the transmission of the information.

However, a different organisation stated that no changes had been necessary in the **poultry meat sector**, partly due to the high level of integration.

An organisation explained that retailer specifications would have had to be updated to include reference to the information required. Internal systems would have had to be adapted to reflect the information.

#### **5.1.1.2 Quantification of costs of these changes: % change in costs, i.e. additional costs or cost reduction**

European Commission (2013a) reported on the expected operating costs of implementing country of origin labelling. These costs were small for each species at 1.5% (additional costs as a percentage of wholesale price) in the **pig meat sector**, 1.02% in the **poultry meat sector** and just 0.3% in the **sheep/goat meat sector**. In absolute terms, and at the prices prevailing at the time, these cost increases amounted to €25 per tonne for pig meat, €34 per tonne for poultry meat<sup>62</sup> and €9 per tonne for sheep/goat meat. The European livestock and meat trading union estimated the total cost of adapting traceability systems and applying labelling to **pig meat** and **sheep/goat meat** (including the upgrading of animal identification systems) at €800 million for the EU-27. Although it is not clear which potential implementing model this figure referred to, it is broadly consistent with the percentage cost increases provided in the in-depth interviews with EU level stakeholders (see below).

More than three-quarters of respondents to the supply chain survey making changes in respect of traceability systems noted one-off costs (76%, n=29, i.e. a minority of 30% of all respondents) and increased ongoing costs (79%, n=25, i.e. a minority of 26% of all respondents). Around a fifth reported no one-off costs (20%, n=29, i.e. 8% of all respondents) or no increase in ongoing costs (17%, n=25, 5% of all respondents); 3% of respondents noted a decrease in ongoing costs (n=25, i.e. 1% of all respondents).

Operators processing only **pigs** (n=2) or only **poultry** (n=7) were more likely to report an increase in ongoing costs (100% and 86% respectively) than were operators processing all three species (60%, n=5). While both operators processing only **pigs** (n=2) and those processing all three species (n=4) all noted one-off costs, a third of operators processing only **poultry** reported that they had not incurred one-off costs (n=6).

There were no appreciable differences by stage in the supply chain.

These costs were typically not passed down the supply chain (69%), with 21% passing down less than a third of additional costs, 3% passing down between a third and two-thirds of additional cost and 7% passing down more than two-thirds of additional costs (n=29). There were no appreciable differences by species processed. However, operators involved only in processing were less able to pass costs on than those involved in processing and retail.

Reflecting that only minimal changes to internal practices were made in all three meat sectors, the case studies did not generally find any evidence of costs which could be quantified.

The point was made in the **pig meat sector** that while the necessary labelling changes were made too long ago to allow the cost to be commented on, retailers often carry out label redesigns when legislation requires changes to be made and the costs of redesign

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<sup>62</sup> The Impact Assessment states that the cost of Option 2 (the selected option) and Option 3 (the beef model) would be similar in absolute terms for poultry meat. This clearly cannot be the case as the percentage impacts are 1.02% and 1.3% respectively. Assuming the absolute value of €34 per tonnes is calculated using 1.3% (1.02%), then the absolute cost of a 1.02% (1.3%) increase in costs would be €27 (€43) per tonne.

would therefore be conflated (IE). A generic cost of €2 000 was cited for label redesign (i.e. this is not the specific cost associated with Regulation (EU) no 1337/2013), but it was felt that operators would have benefited from adding country of origin and so would have been happy to make this change (IE). In one Member State a cost of 1.5%-2.0% of total production costs was estimated by one organisation, although other interviewees could not provide a quantification (IT); costs were estimated at between 0.1% and 0.2% of production costs in another Member State (RO).

Despite no adaptation of traceability systems, additional costs in the **poultry meat sector** were estimated to have settled at between 1% and 2% of production costs in one Member State, although were higher initially (NL).

No cost estimations could be provided in the **sheep/goat meat** case studies.

The total extent of additional operating costs (relating to internal processes and sourcing arrangements) was said by one interviewed EU level organisation to be in the order of 1.5% to 3.0% of the final product price in the **pig meat** and **sheep/goat meat sectors**. Around half of this is in respect of technical changes and half in respect of market changes (sourcing and sales). The reason for changes in sourcing is that prior to implementation of the Regulation, the supply chain bought on product quality to meet the specifications required by customers.<sup>63</sup> Now the industry sources on a mix of quality and origin and this adds some cost by reducing purchase flexibility. The other organisation which implied that there had been increases in staff requirements was not able to quantify the cost of this, implying that it was not substantial. Stakeholders also made the point that meat processing is a low margin industry; a point borne out by LEI (2016).

Another organisation explained that there had been no cost implication in the **poultry meat sector** as no changes had been necessary.

Retailers would have incurred one-off costs from updating their specifications and internal systems, but an organisation explained that it is not possible to estimate these costs as the sector is too diverse.

## **5.1.2 EXTENT TO WHICH OPERATORS CHANGED SOURCING PRACTICES AND THE IMPACT ON COSTS**

### **5.1.2.1 Changes performed by operators in sourcing practices to adapt to the rules**

The analysis of adaptations made by operators to sourcing practices under ESQ 2 (section 4.2.1.3) found only isolated examples of relatively small changes in the **pig meat** and **poultry meat** sectors. These included some reduction in the use of the EU spot market for low priced pig meat (IT) and the switching to pre-packed poultry meat by retailers seeking to avoid the need to label when cutting and packing in store (ES).

One interviewed EU level organisation explained that some slaughterhouses may have changed their sourcing practices as a result of Regulation (EU) No 1337/2013 (see section 5.1.1.1). Another organisation explained that there might be different implications depending on the degree of integration and there are likely to have been different impacts for different operators. This organisation expected a lot of variation across the EU.

One organisation suggested that there had been some realignment of poultry supply

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<sup>63</sup> Food safety requirements underpin all sourcing.

chains in Belgium and the Netherlands in terms of exports to France. Because the organisation had no information on the impact of this, the organisation assumed that this had not been a significant issue. This organisation felt that some small countries may have had some problems if they do not have domestic slaughter capacity, but again, nothing significant has been reported.

An organisation stated that there was no general change in sourcing practices at the retail level given earlier moves towards supplying national product to the extent possible in the fresh meat sectors. However, sufficient national supplies are not available in all Member States, so in these cases there was no choice but to maintain existing sourcing patterns.

#### **5.1.2.2 Quantification of costs of these changes: % change in costs, i.e. additional costs or cost reduction**

Those respondents to the supply chain survey who indicated that they had changed sourcing practices as a result of the implementation of Regulation (EU) No 1337/2013 (33%, n=73) were asked whether the change had resulted in any additional costs. A third of these respondents (33%) indicated that there had been no change in terms of any one-off cost (n=21) and a third (36%) indicated that there had been no change in ongoing costs (n=25). This means that a fifth of all respondents reported one-off costs and an increase in ongoing costs (minorities of 19% and 22% respectively, n=73).

In both cases operators were more likely to highlight additional costs than the organisations representing them. All operators processing only **poultry** said that there had been one-off costs and an increase in ongoing costs (n=19). All those processing only **pigs** noted one-off costs (n=9). Two-thirds of operators processing all three species reported no one-off costs and no increase in on-going costs (n=8).

All respondents who said they had higher ongoing costs also noted one-off costs, but only 86% of those noting one-off costs also cited increases in ongoing costs.

Only six respondents (all organisations) provided information on the magnitude of ongoing cost increases. One noted that the cost increase was very small, and three respondents indicated that it amounted to 1.5%. Another respondent stated that the increase in ongoing costs was 5% and the final respondent stated that the increase in costs was between 15% and 50% which does not seem plausible in the context of the other estimates.

It is reasonable to assume that the fact that most respondents, and no operators, quantified the additional ongoing costs means that these are not considered significant; this is consistent with the small number of quantifications provided.

Reflecting the lack of adaptation to sourcing practices discussed above, the case studies did not reveal any general quantification of cost. The reduction in the use of the EU spot market to take advantage of low prices in the **pig meat sector** would have implied a cost (the difference between the EU spot price and the domestic price multiplied by the concerned product volumes), but this could not be quantified (IT). No other examples of costs were provided.

As noted in section 5.1.1.2, one interviewed EU level organisation estimated the total increase in cost at between 1.5% and 3.0% of final product price in the **pig meat** and **sheep/goat meat sectors**, with around half of this resulting from changes to sourcing practices. Another organisation explained that there might be different implications

depending on the degree of integration and there are likely to have been different impacts for different operators. This organisation expected a lot of variation across the EU.

Another organisation explained that there was no evidence suggesting cost increases in the **poultry meat sector**.

#### **5.1.3 EXTENT TO WHICH THE COST CHANGES OF THE ADAPTATIONS IDENTIFIED ABOVE AFFECTED DIFFERENT OPERATORS AT DIFFERENT STAGES OF THE CHAIN**

##### **5.1.3.1 Type of operators bearing the costs of the above adaptations: position in supply chain**

Analysis of the supply chain survey sample by position in the supply chain found little difference in whether specific stages reported one-off or ongoing costs resulting from changes to **sourcing practices** beyond the fact that all operators carrying out processing and retail functions reported one-off costs and increases in ongoing costs, although the sample was small (n=3 in both cases). There were no appreciable differences by position in the supply chain with respect to costs resulting from changes in **traceability systems**. Operators carrying out processing only, and those carrying out processing and retail activities, were more likely to have experienced both one-off and ongoing costs resulting from the provision of information on **rearing periods** (80% and n=5 in both cases c.f. 68%, n=25). In all cases it should be recalled that the majority of respondents did not make any changes at all.

In line with the general lack of necessary adaptations identified above, no costs could be quantified in the case studies. However, in one Member State the point was made that retailers will not accept higher costs and therefore any costs incurred will affect the relevant stage of the supply chain, usually the processing sector (DK).

#### **5.1.4 IDENTIFICATION OF ANY TANGIBLE BENEFITS FROM MANDATORY COUNTRY OF ORIGIN LABELLING**

##### **5.1.4.1 Tangible benefits: price (increase; stability); market growth; cost reduction (from adaptations, if identified above)**

Almost half of respondents to the supply chain survey (47%) reported no tangible benefits (for example, price benefits, stability, market growth, cost reduction); a further 27% reported only low tangible benefits, 14% reported tangible benefits to a "moderate extent" and 11% to a "great extent" (n=70).

Operators processing only **poultry** were less likely to report tangible benefits than any other group (63% said "not at all", n=19). However, these operators were also most likely to report tangible benefits to a "great extent" (21%) showing that responses were quite polarised. In contrast, operators processing all three species were more likely to report tangible benefits, although only to a low or moderate extent.

Operators carrying out processing and retail activities were less likely to identify tangible benefits than any other group (29%, n=7). Operators combining production and processing were more likely to identify tangible benefits to a "great extent" than any other group (40%, n=10).

One respondent said that there are no tangible benefits from the Regulation because it is difficult to sell meat into markets with a strong domestic preference. However, another respondent noted that as origin information is important for some consumers there is a



positive impact on prices and the volume of sales. This respondent considered origin labelling to be an asset for German producers who face higher than average overall production costs.

Respondents to the national Competent Authorities survey were asked whether they perceived any tangible benefits to operators from Regulation (EU) No 1337/2013. Some 60% identified tangible benefits to a "great extent", 13% to a "moderate extent" and 20% to a "low extent"; only 7% did not identify any tangible benefits (n=15).

In terms of tangible benefits to Competent Authorities, two-thirds (66%) identified benefits to some extent. A third (33%) said that tangible benefits were evident to a "moderate extent", a fifth (20%) identified benefits to a "great extent" and 13% identified benefits to a "low extent". The remaining third of respondents (33%) said that there were no tangible benefits (n=15).

The case studies in the **pig meat sector** found that while some tangible benefits can be identified, these are generally limited. Part of this finding is related to the fact that there was no appreciable adjustment of trade within the EU meaning that, for consumers, there was no change in the pig meat offering (ES); fresh meat sold at retail was largely domestic before the implementation of Regulation (EU) No 1337/2013. In some Member States, the fact that consumers can now more easily identify the origin of meat was highlighted (DK); this has resulted in some further reorientation towards domestic pig meat which more closely aligns with consumer demand (DE).

Findings in the **poultry meat sector** case studies were similar. It was mentioned in one Member State that poultry is a commodity and it is very difficult to use origin as part of a value-adding strategy (ES). In one Member State, the implementation of the Regulation prompted the greater use of domestic poultry in the food service and catering sector to meet heightened consumer demand; this provided an opportunity for market growth (IE). Greater market access for domestic producers was also cited as a tangible benefit in another Member State (EL), although national legislation pre-dated the Regulation.

Again, the case studies in the **sheep/goat meat sector** did not uncover many examples of tangible benefits beyond some increased protection for domestic producers (EL), although national legislation pre-dated the Regulation. However, any benefit for domestic producers is usually at the expense of producers in other Member States and therefore does not represent a net gain at the EU level. However, in one Member State, origin is of key importance for marketing strategies (ES). The Regulation allows for clearer identification of domestic production which is of a different character to imported product which, at key seasonal market peaks, competes with domestic production.<sup>64</sup>

According to one interviewed EU level organisation, Regulation (EU) No 1337/2013 brought some marketing advantages in some cases in the **pig meat** and **sheep/goat meat sectors** in terms of market access, access to specific sales channel and in terms of reputation. Another organisation added that the information can be used for marketing purposes. Although in theory it should be possible to achieve higher prices by providing additional information, so far there is no indication of this. Organisations representing operators in the supply chain felt that retailer market power meant that no increase in price was possible.

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<sup>64</sup> Unlike the pig and poultry sectors, the sheep/goat meat sector is not considered to be a commodity market in some Member States.

#### **5.1.5 IDENTIFICATION OF ANY INTANGIBLE BENEFITS FROM MANDATORY COUNTRY OF ORIGIN LABELLING**

##### **5.1.5.1 Intangible benefits: availability of better information; product differentiation; other benefits (if any)**

Respondents to the supply chain survey were more positive in terms of intangible benefits (for example better information, product differentiation) with 15% reporting these benefits to a "great extent" and more than a third (35%) reporting these to a "moderate extent". A further 20% reported intangible benefits to a "small extent" while 30% did not report any (n=71).

In terms of intangible benefits, again operators processing only **poultry** were more likely to report no benefits (42%, n=19) and again these operators were more likely to report intangible benefits to a "great extent" (32%). Operators processing all three species were more likely to report low and moderate intangible benefits.

Operators combining processing and retail activities were less likely to identify intangible benefits than other groups (57%, n=7), while operators combining production with processing activities were more likely to identify intangible benefits to a "great extent" (40%, n=10).

One respondent felt that being able to identify **lamb** as French rather than simply EU conferred a marketing advantage; another French respondent agreed, but felt this advantage applied beyond the sheep sector. The benefits of harmonisation at the EU level were pointed out by one respondent in terms of simplifying trade. Another respondent said that meeting consumer demand for information on the origin of meat provided an intangible benefit. However, the point was also made that intangible benefits such as increased product differentiation ought to lead to tangible benefits otherwise they are irrelevant.

Some respondents felt that the Regulation has intangible disbenefits in that it is not possible to switch suppliers in times of shortage because labels are already pre-printed; there is therefore a loss of flexibility in supply.

The interpretation of some of the comments provided depends on the point of view of those making them. For example, one respondent thought that the Regulation supports local (domestic) production over imports, but another respondent explained that the Regulation had resulted in a re-nationalisation of trade and therefore runs counter to the objectives of the Single Market. This contra-tension was summed up by a third respondent who said that the Regulation had promoted country loyalty in consumers which has both positive and negative aspects.

Respondents to the Competent Authority survey were asked whether they perceived any intangible benefits to operators from Regulation (EU) No 1337/2013. Half (53%) identified tangible benefits to a "great extent", a fifth (20%) to a "moderate extent" and a fifth (20%) to a "low extent"; only 7% did not identify any tangible benefits (n=15).

Three-quarters (75%) of respondents identified intangible benefits to Competent Authorities with a quarter (25%) saying that intangible benefits were evident to a "great extent", 38% to a "moderate extent" and 13% to a "low extent". The remaining 25% of respondents did not identify any intangible benefits (n=16).

One Competent Authority explained that the requirements of Regulation (EU) No 1337/2013 provide enhanced traceability which can be helpful in the case of food

scandals or in the prevention of epidemic diseases through the provision of information at the regional level and on transport. Two Competent Authorities noted that the Regulation provides an intangible benefit in satisfying consumer expectations on transparency and permits consumers to make a more informed purchase decision. Finally, one Competent Authority felt that the simplifications in the Regulation provided a benefit to authorities in terms of permitting simplified controls.

A slightly broader range of intangible benefits was identified in the **pig meat sector** case studies. The main intangible benefit is simply that consumers interested in the origin of pig meat can now more easily identify this at point of sale (DK, ES, IT, PL). This higher transparency is said to lead to less misunderstanding, an increase in consumer confidence and an increase in choice in Member States not supplied primarily from domestic production (DE, DK). Where national rules already existed, Regulation (EU) No 1337/2013 is said to have strengthened these (FR). The Regulation also closed (to some extent) the information gap relative to the beef sector (IT).

Similar intangible benefits were reported in the **poultry meat sector** case studies. An additional intangible benefit is the protection offered to domestic producers when crises (such as disease epidemics) occur in the poultry sector in other Member States (ES). An intangible disbenefit was mentioned in one Member State where it is felt that the Regulation has altered the balance between domestic and imported product with the result that what is perceived as lower quality imported product is increasingly used in the processed meat and catering sectors (EL).

Findings in the **sheep/goat meat sector** case studies were broadly similar. The only additional point was that the promotion of extensively produced domestic meat in one Member State, facilitated by the Regulation, could have a positive environmental and social impact, including the reduction of rural depopulation, the risk of fires in rural areas and the promotion of sustainable agricultural production (ES).

The main intangible benefit mentioned by interviewed EU level organisations was increased consumer confidence and trust in the product via the provision of information. One organisation suggested that there might have been some intangible benefits from shorter supply chains and a more stable relationship between suppliers and retailers which may have reduced the likelihood of fraud. On the other hand, there may be less product differentiation as retailers focus on national supply and are therefore not offering consumers a choice. However, this pre-dates the implementation of the Regulation and there is usually a choice in terms of quality within supply from specific countries.

One organisation suggested an intangible cost in that consumers can come to expect product from a certain country to be available and disruptions in supply are then problematic. This is apparently a problem with some products bearing Geographical Indications where supply shortages of raw material mean a shortage in supply of Protected Designation of Origin (PDO)/Protected Geographical Indication (PGI) products.

#### 5.1.6 ESQ 7 CONCLUSIONS

The survey of supply chain stakeholders found that **the majority of respondents did not need to make changes; where changes did need to be made, these tended to relate mainly to internal traceability systems and the registering of animals and departure of product.** Most respondents reporting changes said that these were small or moderate. The case studies confirmed that changes made were typically modest and usually related to IT systems and labelling, as did the interviews with EU level stakeholders.

The supply chain stakeholder survey and interviews with EU level stakeholders demonstrated that **changes made had only a small cost implication.** The case studies provided some cost increase estimates at a maximum of 2% in the **pig meat** and **poultry meat sectors**; no estimates could be provided in the **sheep/goat meat sector**. In summary, not all operators were required to make changes and the changes required to be made by some operators were not substantial and did not carry a high cost.

According to the survey of supply chain stakeholders, **sourcing practices did not change** for two-thirds of respondents; **where there had been changes, they tended to be relatively minor.** These findings were supported by case studies which revealed **only minor adjustments in isolated cases.** The interviews with EU level stakeholders suggested that Member States with substantial cross-border live trade may have experienced greater change in sourcing, but even in these cases no clear examples could be provided.

**Even where changes in sourcing practices had changed,** the survey of supply chain stakeholders found that a third of respondents had **not incurred one-off or ongoing costs** as a result. The fact that operators were more likely to report cost impacts than organisations representing them might suggest that the survey over-estimated the extent to which costs were incurred. No operators quantified the cost increases, although organisations provided a wide range of costs with the weight of evidence suggesting that cost increases were small. This was also the outcome from the EU level interviews. No cost estimations could be provided in the case studies lending weight to this conclusion.

There is **little quantitative evidence on the position of operators bearing costs in the supply chain**, which were in any case small. The expectation from the case studies is that costs would mainly have resided where they were/are incurred, usually with the processor who is unable to pass them on.

The survey of supply chain operators found **low evidence for tangible benefits** from Regulation (EU) No 1337/2013. The fact that operators further towards the production end of the supply chain were more likely to report tangible benefits fits with the case study finding that the Regulation provides the **tangible benefit of easier consumer identification of domestic meat.** The stakeholder survey and the interviews with EU level organisations found that country of origin labelling can be used for marketing purposes in some cases, although the advantage is in terms of market penetration rather than higher prices. The survey of national Competent Authorities suggests that they perceive tangible benefits from the Regulation.

The survey of supply chain stakeholders revealed a **greater perception of intangible than tangible benefits from the implementation of Regulation (EU) No 1337/2013.** A quite disparate range of intangible benefits were mentioned in the supply chain survey, case studies and EU level interviews. An important **intangible benefit was simply increased consumer confidence and trust.** Some intangible

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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benefits depend on perspective. While a marketing advantage for domestic producers is seen as a benefit by some, for others this works against the smooth operation of the EU's Single Market. Some disbenefits were also mentioned, principally a loss in supply flexibility as pre-printed labels make it harder to change suppliers.

In conclusion, **Regulation (EU) No 1337/2013 was designed to have a minimal impact on the sector while also providing consumers with appropriate information to better inform their purchase decision.** The evidence suggests that **this objective has been met.** The Regulation is efficient in that **cost increases and administrative burdens on operators have been successfully minimised.** That said, the (minimal) **cost increases do fall largely on the low margin meat processing sector which is unable to pass them along the supply chain.**

5.2 ESQ 8: To what extent is the traceability system efficient? a) Have the costs stemming from the set-up of those systems been reasonable and affordable? b) What are the costs/administrative burden both for operators and administration? c) Are the costs transmitted throughout the value chain (for e.g. to the retailers) and how?

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#### **5.2.1 EXTENT TO WHICH OPERATORS AT EACH STAGE OF THE CHAIN CHANGED TRACEABILITY SYSTEMS**

##### **5.2.1.1 Changes performed by operators to traceability systems, to adapt to the rules**

European Commission (2013a) explains that, following implementation of country of origin labelling, changes would be expected in terms of adjusting hardware and software, increased administration and increased auditing requirements. However, the implementation model adopted under Regulation (EU) No 1337/2013 would minimise these changes as far as possible while also providing consumers with meaningful information on provenance.

Changes made by operators to traceability systems were examined under ESQ 4 (section 4.4.1.1).

One interviewed EU organisation explained that there would have been changes to staffing requirements and IT systems to allow the exchange of harmonised information. However, the required traceability systems were already in place under Regulation (EC) No 178/2002 and only minor adaptations were necessary to provide the required information along the supply chain. Another organisation explained that no changes were necessary in the **poultry meat sector** and another added that there were no changes at the retail level.

#### **5.2.2 COSTS OF CHANGES TO TRACEABILITY SYSTEMS IDENTIFIED ABOVE; CONTEXTUALISATION OF THESE COSTS**

##### **5.2.2.1 Quantification of costs of these changes: % change in costs, i.e. additional costs or cost reduction; change in traceability costs as % of total production costs**

European Commission (2013a) considered the expected administrative burden on businesses from the implementation of country of origin labelling.<sup>65</sup> Only minimal one-off and additional ongoing costs were expected for companies sourcing only domestic animals and in Member States where existing systems related to the provision of country of origin labelling were already in place, such as in France and in the Romanian **sheep/goat meat sector**. Higher costs were though expected where companies source imported and domestic animals.

European Commission (2013c) considered the expected administrative burden on companies and reported that, according to the industry, no new administrative costs were expected as the current systems already allowed the transmission of all information to the relevant public authorities. However, additional administrative costs were identified in some Member States. Examples from the German **pig meat sector** and the Dutch **poultry meat sector** considered the (higher) costs associated with providing information on

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<sup>65</sup> Administrative costs refer to costs incurred in meeting legal obligations to provide information such as costs of reporting, monitoring and assessment. This is broadly analogous to meeting traceability requirements.

country of birth, rearing and slaughter rather than the simpler model which was ultimately adopted and are therefore not relevant here.

The point is made in both European Commission (2013a) and European Commission (2013c) that administrative costs would be expected to be lower in the model adopted than in a model providing information on country of birth, rearing and slaughter (costs would be expected to be lowest in a model using an “EU/non-EU” designation).

Changes in costs resulting from adaptations to traceability systems were discussed under ESQ 7 (section 5.1.1.2). The case studies did not generally find any evidence of costs which could be quantified. Cost increases solely in respect of changes to traceability systems will be only a part of the costs identified; in one Member State these costs were described as negligible (RO).

One interviewed EU level organisation explained that there would have been some additional costs relating to changes in staffing requirements and IT systems; changes to packaging would also have incurred a one-off cost in terms of design and new label approval. This would have equated to a cost around 10-15% of total label production costs.

There were no required changes in the **poultry meat sector** and hence no costs were identified. However, it is reasonable to assume that new label design costs would have been incurred, but also that these were minimal, or it is likely they would have been mentioned.

An EU level organisation explained that there were no differences in traceability costs at the retail stage.

### **5.2.3 EXTENT TO WHICH THESE COSTS ARE ABSORBED BY THE STAGE OF THE CHAIN WHERE THEY OCCUR / TRANSFERRED DOWN THE CHAIN**

#### **5.2.3.1 Type of operators bearing the costs of the above adaptations: position in supply chain and extent of cost absorption/transfer**

The position in the supply chain of operators bearing any additional costs from changes to traceability systems was analysed under ESQ 7 (section 5.1.1.2). The case studies found little evidence for costs resulting from adaptations to traceability systems. These cannot therefore be allocated to specific stages of the supply chain. That said, the perception is that any costs that are incurred cannot be passed along the supply chain and therefore reside where they occur. This is typically at the processing stage.

The costs identified were considered to be minimal by interviewed EU level organisations and would have been absorbed at the point of the supply chain in which they occurred; this was typically the processors. No organisations felt that costs were passed through to consumers.

### **5.2.4 CHANGES TO CONTROL PRACTICES/PROCESSES PERFORMED BY COMPETENT AUTHORITIES; COSTS OF THESE**

#### **5.2.4.1 Changes performed in control practices/processes by Competent Authorities to adapt to the rules**

As reported under ESQ 1 (section 4.1.3.4), the Commission’s Impact Assessment expected extra work for Competent Authorities to be minimal once adjustment had taken place. The survey of national Competent Authorities found that they needed to provide training to

staff undertaking controls following the implementation of Regulation (EU) No 1337/2013. However, carrying out the controls themselves required minimal additional work.

The case studies reported under ESQ 1 (section 4.1.3.4) that checks on origin information are performed within the framework of controls focusing on all the other aspects of general food traceability. The only change necessary was to update Standard Operating Procedures to include the necessary checks within the wider body of checks carried out under Official Controls Regulation (EU) 2017/625.

None of the interviewed EU level organisations thought that changes to Competent Authority control practices or processes would have been necessary. One organisation commented that Regulation (EU) No 1337/2013 would have resulted in just one more thing to check and that this would not have added significantly to the workload. This organisation added that the Regulation does increase the risk of food fraud by creating another point of differentiation in the market which cannot be independently verified.

#### **5.2.4.2 Quantification of costs of these changes: % change in costs, i.e. additional costs or cost reduction**

One respondent to the national Competent Authority survey estimated the **one-off cost** of drawing up operating guidelines at 24 hours of staff time at €19.59 per hour = €470 in total. Training costs were estimated by the same Competent Authority at 8 hours per inspector at the same hourly rate. With a total of 45 inspectors in this case, the cost amounted to €7,053. Of course, even assuming the same time requirement in other Member States, costs will vary according to wage structure.

Competent Authorities estimated the extra time required annually, i.e. **ongoing costs**, by indicating the number of days per year by staff category. These estimations were reviewed under ESQ 1 (section 4.1.3.4).

The case studies found, for all three sectors, that the ongoing costs for Competent Authorities in controlling Regulation (EU) No 1337/2013 are minimal.

None of the interviewed EU level organisations thought that Competent Authorities would have incurred additional costs as a result of the implementation of the Regulation.

#### **5.2.5 ESQ 8 CONCLUSIONS**

The survey of supply chain stakeholders found that changes **to IT systems necessary to implement Regulation (EU) No 1337/2013** were only required in 40% of cases and were least likely in the **pig meat** and **poultry meat** sectors. The case studies and interviews with EU level stakeholders, which provide a more robust overview of the sectors as a whole than the survey, found that changes were not required in the highly integrated **poultry meat sector**. Beyond **relatively minor changes** to allow information to be passed along the supply chain, changes in the **pig meat sector** were only required where slaughterhouses deal with imported and domestic animals. Traceability systems in the **sheep/goat meat sector** were largely adequate to cope with the requirements of the Regulation.

The costs for operators slaughtering only domestic animals under the implementation model were expected to be minimal, while costs for those processing domestic and imported animals were expected to be manageable. The survey of supply chain stakeholders found that just over three-quarters of respondents reported both one-off and ongoing costs, a third of processors dealing only with poultry reported that they had not



incurred any one-off costs. However, the cases studies revealed very little evidence on costs which could be quantified, which suggests that these were **not generally significant**. This is corroborated by the few examples provided which suggest total ongoing costs resulting from Regulation (EU) No 1337/2013 were less than 2%, with costs relating specifically to traceability systems a fraction of this. Interviews with EU level stakeholders confirmed that additional costs would have been limited and that there would have been no additional costs in the **poultry meat sector**.

**Additional costs resulting from adaptations to traceability systems**, in supply chains where they occur, **tend to be incurred by processors and cannot be passed through the supply chain**.

**The extra work for Competent Authorities to control Regulation (EU) No 1337/2013 was minimal once adjustment had taken place**. This was borne out by the survey of Competent Authorities which found that, once training of staff had taken place, carrying out the controls themselves required minimal additional work. This was confirmed by the interviews with EU level stakeholders and the case studies which noted that the controls form a small part of the wider body of official controls performed under the Official Controls Regulation (EU) 2017/625.

**Costs associated with training requirements were found to be relatively small**, although of course will have varied according to staffing levels and wage structures. The survey of Competent Authorities found quite a wide range of additional ongoing costs from a few extra days work per year to a maximum of an additional 4 Full Time Equivalent (FTEs); most estimates were around 1 Full Time Equivalent (FTE) or less. It is therefore clear that total costs to Competent Authorities were not substantial.

In conclusion, **traceability systems are considered to be efficient**, based as they are on the availability of information under Regulation (EC) No 172/2002. **The costs imposed on most operators are small**, and those imposed on operators dealing with imported and domestic animals are affordable. The **pig meat sector** is more likely to have experienced costs than the **poultry meat** and **sheep/goat meat sectors**. These costs cannot be passed through the supply chain and are largely incurred by the processing stage which operates on small margins. **Control costs for Competent Authorities are small within the context of the official controls** under Regulation (EU) 2017/625.

5.3 ESQ 9: To what extent has the obligation of having a single origin batch throughout the whole processing chain (as specified in Article 3 of Regulation 1337/2013) been efficient and contributed (or not) to an increase in all actual costs and administrative burden?

#### 5.3.1 EXTENT TO WHICH OPERATORS AT EACH STAGE OF THE CHAIN CHANGED INTERNAL SYSTEMS TO IMPLEMENT THE SINGLE ORIGIN BATCH REQUIREMENT, AND THE IMPACT ON COSTS

##### 5.3.1.1 Extent to which changes to internal systems were due to implementation of the single origin batch requirement

The Commission Impact Assessment (European Commission, 2013a) reviewed three implementation modalities. The implementation model chosen for Regulation (EU) No 1337/2013 was a compromise between two extremes and was expected to have manageable impacts on internal systems which would be focused on specific operators, typically mid-sized and dealing with domestic and imported animals and therefore located

in a few Member States (see also ESQ 7, section 5.1.1.2). European Commission (2013c) stated that the batch requirement specifically should not require any changes to current practice with respect to traceability (see ESQ 6, section 4.6.2.1).

Findings from the survey of supply chain stakeholders covering changes to traceability systems and operational practices were presented under ESQ 6 in sections 4.6.2.1 and 4.6.3.2 respectively.

Bringing together the analysis of the impact of the batch requirement on internal operating systems (i.e. traceability and internal operating practices, but also sourcing (see below in section 5.3.2.1),) shows that 22% of all respondents (n=73) made changes to all three elements as a result of the batch requirements, although the importance of the batch requirements in driving these changes varied.

For 25% of those making changes to all three elements (5% of all respondents), the role of the batch requirement in prompting these changes was "very important" with respect to traceability and internal operating systems and "great" with respect to sourcing practices. For a further 25% (5% of all respondents), the role of the batch requirement was "important" with respect to traceability and internal operating systems and "moderate" with respect to sourcing practices. For 13% (3% of all respondents), the role of the batch requirement was "very important" or "moderately important" with respect to traceability and internal operating systems and of "moderate" importance with respect to sourcing practices.

In essence, this analysis shows that where the batch requirements had an impact, and this was in the minority of overall cases, this tended to be moderately to very important in respect of sourcing arrangements, traceability and internal operating systems, i.e. modifications, where they were necessary, were necessary to all three aspects.

As reported under ESQ 6, the only substantial changes reported in the case studies in terms of **traceability systems** and **internal operating systems** were (i) with respect to slaughterhouses and cutting plants in the **pig meat sector** where both imported and domestic animals are processed; the changes necessary were said to be relatively minor (section 4.6.2.1); and, (ii) with respect to slaughterhouses and cutting plants in the **poultry meat sector** where operators sourcing from multiple Member States were required to organise product flows by country; this entailed some loss of sourcing flexibility (section 4.6.3.2).

#### **5.3.1.2 Share of change in costs (i.e. additional costs or cost reduction), attributed to adaptations required to implement this requirement**

ESQ 6 investigated whether changes made by operators as a result of the batch requirements resulted in additional costs.

An investigation of cost changes to traceability systems resulting from the batching requirements found that only 26% of respondents to the supply chain survey (n=73) reported one-off costs. Of these, 37% (10% of all respondents) said that the batch requirements had been a "very important" driver of this cost and 37% (10% of all respondents) said that the requirements had been an "important" driver. Some 11% (3% of all respondents) said that the requirements had been a "moderate" driver and 16% (4% of all respondents) said it had not been "at all important" as a driver (n=19).

With respect to ongoing costs resulting from changes to traceability systems, 32% of respondents (n=73) reported an increase due to changes made as a result of the batch

requirements. Of these, 52% (17% of all respondents) said that the batch requirements had been a "very important" driver of this cost increase while 35% (11% of all respondents) said that it had been a "important" driver. Some 9% (3% of all respondents) said it had been a "moderate" driver and 4% (1% of all respondents) said it had been "not at all important" as a driver (n=23).

The majority of respondents to the survey of supply chain stakeholders did not make changes to traceability systems as a result of the batching requirements. The cost estimates provided by a small number of those that did were low at around 2%.

As reported under ESQ 6 (section 4.6.2.2), the case studies in all three sectors found that changes made to traceability systems as a result of the batching requirements under Regulation (EU) No 1337/2013 were minimal, and generally applied only to operators processing animals from more than one Member State. As a result, costs (resulting from downtime between batches with different origins) were also considered to be insignificant and will have only been a factor for this same group of operators; operators in many Member States are not connected to live imports from other Member States.

Only one interviewed EU stakeholder representing operators in the **pig meat** and **sheep/goat sectors** suggested that the batch requirements could have increased costs as a result of the need to separate batches and therefore stop the processing line. However, the costs involved could not be quantified and were said to be small. Operators in Member States importing live animals and with less organised meat supply chains would be more at risk of cost increases. The other organisations interviewed did not report any cost increases as a result of the batch requirements; it was specifically stated that there had been no cost increases in the **poultry meat sector**.

### **5.3.2 EXTENT TO WHICH OPERATORS AT EACH STAGE OF THE CHAIN CHANGED SOURCING PRACTICES TO IMPLEMENT THE SINGLE ORIGIN BATCH REQUIREMENT, AND THE IMPACT ON COSTS**

#### **5.3.2.1 Extent to which changes to sourcing practices were due to implementation of the single origin batch requirement**

The extent to which changes to sourcing practices were due to implementation of the single origin batch requirement was assessed under ESQ 6 in section 4.6.3.1.

#### **5.3.2.2 Share of change in costs (i.e. additional costs or cost reduction), attributed to adaptations required to implement this requirement**

ESQ 6 investigated whether changes made by operators as a result of the batch requirements resulting in additional costs. An investigation of whether the batching requirements caused one-off costs resulting from changes to sourcing practices showed that they did for 19% of all respondents to the supply chain survey (n=73). In almost three-quarters of these cases (71%, 14% of all respondents), the batching requirements were said to be responsible for the costs to a "moderate extent" in 14% (3% of all respondents) of these cases the batch requirements were said to be responsible to a "great extent" and in 14% (3% of all respondents) of cases to a "small extent" (n=14).

With respect to additional ongoing costs resulting from the impact of batching requirements on sourcing practice found that 22% of respondents (n=73) reported an increase. In just over two-thirds of cases (69%, 15% of all respondents), the role of the batching requirements as a casual factor was "moderate", in 25% (6% of all respondents) of cases the batch requirements were responsible to a "great extent" and in 6% (1% of all respondents) of cases they were responsible to a "small extent" (n=16).

The majority of respondents to the survey of supply chain stakeholders did not make changes as a result of the batching requirements. The cost estimates provided by those that did were low at around 2%.

No changes to sourcing practices were identified in the case studies and consequently there was no cost implication.

No changes to sourcing practices were identified by interviewed EU stakeholders (see also ESQ 2, section 4.2), and hence no assessment of additional cost was provided.

### 5.3.3 ESQ 9 CONCLUSIONS

**Regulation (EU) No 1337/2013 was designed to have manageable impacts on operators** with the expectation being that impacts would be focused on specific operators, typically mid-sized and dealing with domestic and imported animals and therefore located in a few Member States. **The batch requirement specifically was not expected to require changes to current practice with respect to traceability.**

The survey of supply chain stakeholders found that most (60%) did not make changes to their internal systems; **where changes to traceability systems were made, the role of the batching requirement was relatively modest.** The batching requirement played a more important role in changes made to internal operating systems.

In essence, and supported by evidence from the case studies and EU level interviews, which encompass a wider field of vision than the supply chain survey, the analysis shows that **the batch requirements had an impact in a minority of cases**, but where it did have an impact, this tended to be moderately to very important in respect of prompting changes to traceability and internal operating systems.

A minority of respondents to the supply chain survey identified **one-off ongoing costs resulting from changes made due to the batch requirements of the Regulation.** The additional ongoing cost estimates provided by those that made changes were low at around 2%.

The cases studies did **not find evidence of significant changes to sourcing practices in any of the sectors.** Analysis of the evidence gathered through the survey of supply chain stakeholders suggests that the batching requirements prompted changes in sourcing practices in around a third of cases; but where it did play a role it was a moderate one in modest changes to sourcing practices.

A fifth of respondents to the survey of supply chain stakeholders reported one-off and ongoing costs as a result of changes made to sourcing practices as a result of the batch requirements. The cost estimates provided were low at around 2%.

In conclusion, **the batch requirements in Regulation (EU) No 1337/2013 have therefore been efficient**, given the need to provide consumers with meaningful information on provenance. They have contributed to a modest and manageable increase in costs for a minority of operators.

## 6. COHERENCE OF THE REGULATION WITH OTHER RULES AND REGULATIONS

The theme of coherence is addressed through two Evaluation Study Questions (ESQs) as set out below.

ESQ	Judgement criteria	Key data sources
ESQ 10: To what extent have the rules and conditions of the mandatory origin labelling been coherent with other rules and regulations both at the EU as well as at the Member States levels?	JC10.1: Coherence of the objectives of the Regulation with those of other EU legislation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.2: Coherence of definitions/specifications in the Regulation with those in other relevant EU legislation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.3: Coherence of traceability requirements set out by the Regulation with those in other relevant EU legislation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.4: Coherence of labelling requirements set out by the Regulation with those in other relevant EU legislation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.5: Coherence of derogations provided in the Regulation with those in other relevant EU legislation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.6: Extent to which relevant legislation exists at EU Member State level and the coherence of this legislation with the Regulation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.7: Unintended side effects of the Regulation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC10.8: "Deadweight" which can be related to the Regulation	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
ESQ 11: To what extent is it coherent that the derogation introduced by Article 7 of Regulation (EU) No 1337/2013 to label meats as 'EU/non-EU' only applies to minced meat and trimmings and not to the meats covered by the Regulation in general (i.e. fresh, chilled and frozen meat of swine, sheep, goats and poultry)?	JC11.1: Coherence of the Article 7 derogation with similar articles in other EU legislation (Regulation (EC) No 1760/2000 on the labelling of beef and beef products; other legislation)	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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ESQ	Judgement criteria	Key data sources
	JC11.2: Coherence of Article 7 derogation with other requirements of Regulation (EU) No 1337/2013	<ul style="list-style-type: none"><li>• Desk research</li><li>• Supply chain survey</li><li>• Member State Competent Authority survey</li><li>• In-depth interviews</li></ul>

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## 6.1 ESQ 10: To what extent have the rules and conditions of the mandatory origin labelling been coherent with other rules and regulations both at the EU as well as at the Member State levels?

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### 6.1.1 COHERENCE OF THE OBJECTIVES OF THE REGULATION WITH THOSE OF OTHER EU LEGISLATION

#### 6.1.1.1 Coherence between the objectives of the Regulation and those of other relevant EU legislation

As explained in section 3.1, origin labelling of food has a long history in the EU.

As illustrated in the intervention logic in section 1.1, the key objective of Regulation (EU) No 1337/2013 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. This key objective of the Regulation is therefore the same as pursued by Regulation (EC) No 1760/2000 (although this Regulation was adopted in the aftermath of the BSE crisis for public health and food safety reasons), and is related to the objectives pursued by Regulation (EU) No 1169/2011 on the provision of food information to consumers (the so-called FIC Regulation), the framework within which Regulation (EU) No 1337/2013 was developed.<sup>66</sup>

It can therefore be concluded that consistency between the key objective of Regulation (EU) No 1337/2013 and those of other relevant EU legislation was pursued “by design” in the development of the Regulation itself.

A high proportion of respondents to the supply chain survey (more than 80% across all types, n=73) that identified no inconsistencies or conflicts between the objectives of Regulation (EU) No 1337/2013 and the objectives of other EU legislation reveals a high degree of perceived consistency among supply chain actors. The views of individual operators on the matter are somewhat less positive than those of supply chain organisations and consumer organisations, but representative organisations can be expected to have a more comprehensive overview of legislative matters.

Some 93% of respondents to the Competent Authority survey (n=15) identified no inconsistencies or conflicts between the objectives of the Regulation and those of other EU legislation. This reveals a very high degree of perceived consistency within this category of stakeholders which can be expected to be well placed to comment on this issue.

With a single exception, explained in section 6.1.1.2, interviewed EU level organisations stated that the objectives of Regulation (EU) No 1337/2013 are fully consistent with those of other EU legislation.

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<sup>66</sup> The FIC Regulation stipulated that an implementing act concerning the indication of the country of origin or place of provenance for fresh, chilled and frozen meat of swine, sheep, goats and poultry should be in place by 13 December 2013. That implementing act is Regulation (EU) No 1337/2013.

#### **6.1.1.2 Potential conflicts between the objectives of the Regulation and those of other relevant EU legislation**

Potential inconsistencies or conflicts between the objectives of Regulation (EU) No 1337/2013 and those of other relevant EU legislation were identified by a minority of respondents to the supply chain survey (12%, n=73). Operators were slightly more likely than other types of respondent to note inconsistencies or conflicts (16%, n=37), usually one or two inconsistencies or conflicts rather than several (11% c.f. 5%).

The most significant inconsistencies or conflicts perceived by respondents concern: (i) consistency between mandatory country of origin labelling and the objective of ensuring the smooth functioning of the Single Market; and, (ii) consistency between Regulation (EU) No 1337/2013 and the rules in the beef sector (Regulation (EC) No 1760/2000). Country of origin labelling for beef includes the country of birth, which is missing from Regulation (EU) No 1337/2013 except implicitly where the "*Origin...*" designation is used.

Only one surveyed Competent Authority identified a potential conflict (7%, n=15) between Regulation (EU) No 1337/2013 and Regulation (EC) No 1760/2000. Again, this related to the different treatment of country of birth.

Only one interviewed EU level organisation, representing the interests of traders of live animals and meat, identified a conflict between Regulation (EU) No 1337/2013 and the wider EU objective of ensuring the smooth functioning of the Single Market. However, it should be noted that the analysis under ESQ 2 concludes that there is no clear evidence that the Regulation has had an impact on intra-EU trade patterns (although some adjustments to specific trade flows appear to have occurred). In other words, there is no clear evidence that the Regulation has stimulated or hindered the smooth functioning of the Single Market.

#### **6.1.2 COHERENCE OF DEFINITIONS/SPECIFICATIONS IN THE REGULATION WITH THOSE IN OTHER RELEVANT EU LEGISLATION**

##### **6.1.2.1 Coherence between the definitions/specifications of the Regulation and those of other relevant EU legislation**

In addition to the definitions of "*trimmings*" and "*batch*" provided under Article 2, Regulation (EU) No 1337/2013 also establishes a number of definitions/specifications concerning:

- the concept of "*group of animals*", used in Article 3 concerning traceability;
- the origin indications "*Reared in...*", "*Slaughtered in...*" and "*Origin...*" to be used on labels pursuant to Article 5;
- the rearing periods to be used in conjunction with the origin indications (Article 5).

In addition, Article 2 of the Regulation refers to a number of definitions provided by other EU legislation, i.e.: "*food business operator*" (point (3) of Article 3 of Regulation (EC) No 178/2002); "*establishment*" (point (c) of Article 2(1) of Regulation (EC) No 852/2004); "*minced meat*", "*slaughterhouse*" and "*cutting plant*" (as laid down respectively in points 1.13, 1.16 and 1.17 of Annex I to Regulation (EC) No 853/2004).

The use of definitions already established under other EU legislation ensures coherence.

Regulation (EC) No 1760/2000 (country of origin in the beef sector), as amended by Regulation (EU) No 653/2014, provides the following definitions at Article 12 for the

purposes of labelling of beef and beef products: “beef”, “labelling”, “organisation”, “minced meat”, “trimmings” and “cut meat”.

The definition of “minced meat” under the amended Regulation (EC) No 1760/2000<sup>67</sup> is consistent with the (more general) one referred to under Article 2 of Regulation (EU) No 1337/2013, which is provided by Regulation (EC) No 853/2004<sup>68</sup>.

The definitions of “trimmings” provided in the amended Regulation (EC) No 1760/2000<sup>69</sup> and by Regulation (EU) No 1337/2013<sup>70</sup> are also consistent.

In terms of rearing periods, Article 3 of Regulation (EC) No 1825/2000 (as amended by Commission Regulation (EC) No 275/2007), dealing with simplification of the indication of origin for beef, establishes that in application of Article 13(5)(a) of Regulation (EC) No 1760/2000, for beef derived from animals which have been reared for 30 days or less: (i) in the Member State or third country of birth; or, (ii) in the Member State or third country where slaughter took place, the indication of those Member States or third countries as a Member State or third country where rearing took place is not required, provided that those animals were reared in another Member State or third country for a period longer than 30 days.

An exact comparison between: (i) the provisions at Article 3 of the amended Regulation (EC) No 1825/2000; and, (ii) the provisions on rearing periods at Article 5(1) of Regulation (EU) No 1337/2013 is not possible because the specificities in terms of life cycles, rearing cycles and techniques, and ages at slaughter of each species, are not comparable. However, focusing on the *cases where the rearing phase takes place in multiple Member States and/or third countries*, the provisions for beef vis-à-vis pig, poultry and sheep/goat meat are as follows:

- The full list of Member States and/or third countries involved has to be reported for beef, with the only simplification provided by Article 3 of the amended Regulation (EC) No 1825/2000 explained above.
- In contrast, there is no such obligation under Regulation (EU) No 1337/2013. The last two paragraphs of Article 5(1) establish that:
  - where the relevant rearing period for the different species is not attained in any of the Member States or third countries where the animal was reared, the indication “Reared in: (name of the Member State or third country)” is replaced by “Reared in: several Member States of the EU” or, where, the meat or the animals have been imported into the Union, by “Reared in: several non-EU countries” or “Reared in: several EU and non-EU countries”;
  - in the above situation, the indication “Reared in: (name of the Member State or third country)” may be (voluntarily) replaced by “Reared in: (list of the Member States or third countries where the animal was reared)” if the food business operator proves to the satisfaction of the Competent Authority that the animal was reared in those Member States or third countries.

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<sup>67</sup> “‘Minced meat’ means any boned meat that has been minced into fragments and contains less than 1% salt and that falls within CN codes 0201, 0202, 0206 10 95 and 0206 29 91.”

<sup>68</sup> “‘Minced meat’ means boned meat that has been minced into fragments and contains less than 1% salt”.

<sup>69</sup> “‘Trimming’ means small pieces of meat recognised as fit for human consumption produced exclusively during trimming operations during the boning of carcasses and/or the cutting up of meat.”

<sup>70</sup> “‘Trimming’ means small pieces of meat, falling within the Combined Nomenclature codes listed in Annex XI to Regulation (EU) No 1169/2011, recognised as fit for human consumption and produced exclusively during trimming operations, when boning of carcasses or when cutting up of meat.”



It can therefore be concluded that the definitions of “*trimmings*” and “*minced meat*” in Regulation (EU) No 1337/2013 are consistent with those in the amended Regulation (EC) No 1760/2000 (country of origin in the beef sector).

In general terms, the provisions on rearing periods under Regulation (EU) No 1337/2013 lead to simplified origin labelling for pig, poultry and sheep/goat meat vis-à-vis beef in terms of the indication of the Member States and/or third countries where rearing took place in the cases where the rearing phase takes place in multiple Member States and/or third countries.

Some 93% of respondents to the supply chain survey (n=61) identified no inconsistencies or conflicts between the definitions or specifications of the Regulation and those of other relevant EU legislation. The proportion of respondents expressing this view is above 85% for all types of respondent (consumer organisations were the group most likely to identify inconsistencies or conflicts). This reveals a very high degree of perceived consistency among supply chain actors.

Some 93% (n=15) of surveyed Competent Authorities identified no inconsistencies or conflicts between the definitions/specifications of Regulation (EU) No 1337/2013 and those of other relevant EU legislation. This reveals a very high degree of perceived consistency within this category of stakeholders who should be well qualified to make this judgement.

With a single exception (see section 6.1.2.2), the interviewed EU level organisations reported that the definitions/specifications of Regulation (EU) No 1337/2013 are fully consistent with those of other EU legislation. With specific reference to the definition of rearing periods, an EU level organisation representing the interests of traders of live animals and meat observed that it is consistent to tailor definitions to the different life cycles, and to the prevalent rearing practices and ages at slaughter of each species.

#### **6.1.2.2 Potential conflicts between the definitions/specifications of the Regulation and those of other relevant EU legislation**

As noted above, potential conflicts between the definitions/specifications of Regulation (EU) No 1337/2013 and those of other relevant EU legislation were identified by a small minority of surveyed supply chain stakeholders (7%, n=61). These respondents identified a potential inconsistency with Regulation (EC) No 1760/2000 (country of origin in the beef sector) relating to the different treatment of country of birth.

Only one surveyed Competent Authority (7%, n=15) identified a potential conflict between Regulation (EU) No 1337/2013 and Regulation (EC) No 1760/2000 (country of origin in the beef sector). Again, this related to the fact that Regulation (EU) No 1337/2013 foresees a different treatment for labelling the country of birth. This issue also affects the perceived relevance of the Regulation (see ESQ 12, section 7.1).

Only one interviewed EU-level organisation, representing the interests of consumers, identified a potential inconsistency with Regulation (EC) No 1760/2000 (country of origin in the beef sector), where “*Born in...*” is also included among the provenance indications required for labelling purposes. Country of birth is only covered implicitly under the “*Origin...*” designation under Regulation (EU) No 1337/2013.

### 6.1.3 COHERENCE OF TRACEABILITY REQUIREMENTS SET OUT BY THE REGULATION WITH THOSE IN OTHER RELEVANT EU LEGISLATION

#### 6.1.3.1 Coherence between traceability requirements of the Regulation and those of other relevant EU legislation

As explained in detail in section 3.2.1, Regulation (EU) No 1337/2013 establishes that Food Business Operators (FBOs) along the supply chain need to have in place and use an identification and registration system capable of:

- linking meat to the animal or group of animals (as defined under Article 4) from which it was obtained;
- transmitting information relating to Articles 5 (labelling), 6 (derogation for meat from third countries), or 7 (derogations for minced meat and trimmings) to the operators at the subsequent stage of the supply chain.

It should be noted that general traceability requirements for food (and feed) set out in Article 18 of the General Food Law (Regulation (EC) No 178/2002), which allow for “one step back” – “one step forward” traceability through the supply chain, were already in force at the time of drafting of Regulation (EU) No 1337/2013. The additional obligation imposed by the latter is only to make country of origin information derived from traceability systems available in such a way to allow labelling of final products (LEI, 2013).

The traceability of some species of live animals is established under separate pieces of legislation:

- **Live pigs:** Council Directive 2008/71/EC establishes that pigs must be identified and registered such that movements of animals and the farm of origin can be traced rapidly and accurately. The traceability system is based on batch rather than individual identification.
- **Live poultry:** there is no specific legislation covering traceability, which is dealt with under the general provisions of Regulation (EC) No 178/2002. Under this Regulation, information on the production holding must be known to the slaughterhouse.
- **Live sheep and goats:** Council Regulation (EC) No 21/2004 requires sheep and goats to be individually tracked via electronic identification. Member States may opt to use batch identification for animals intended to be slaughtered before 12 months and within the country of their birth.

The large majority of respondents to the supply chain survey (91%, n=64) identified no inconsistencies or conflicts between the traceability requirements of Regulation (EU) No 1337/2013 and those of other relevant EU legislation. The proportion of respondents expressing this view exceeds 75% for all respondent types, with the lowest level (i.e. more inconsistencies were identified) among consumers organisations. On balance though, this reveals a high degree of perceived consistency among supply chain actors.

A large majority (87%, n=15) of surveyed Competent Authorities identified no inconsistencies or conflicts between the traceability requirements of Regulation (EU) No 1337/2013 and those under other relevant EU legislation. This implies a very high

degree of perceived consistency within this category of stakeholders which ought to be well placed to make this judgement.

All the interviewed EU level organisations stated that the traceability requirements of Regulation (EU) No 1337/2013 are fully consistent with those of other EU legislation.

#### **6.1.3.2 Potential conflicts between traceability requirements of the Regulation and those of other relevant EU legislation**

As noted above, potential conflicts between the traceability requirements of Regulation (EU) No 1337/2013 and those of other relevant EU legislation were pointed out by only 9% of respondents to the survey of supply chain stakeholders (n=64). Consumer organisations were more likely to identify potential conflicts (22%, n=9). One consumer organisation pointed out that traceability in the beef and **sheep/goat sectors** requires the identification of individual animals, whereas traceability in the **pig** and **poultry sectors** is on a batch basis.

Only two surveyed Competent Authorities (13%, n=15) identified potential conflicts or inconsistencies between the traceability requirements of Regulation (EU) No 1337/2013 and those of other relevant EU legislation. Unfortunately, neither provided additional details to indicate what these conflicts or inconsistencies were.

No interviewed EU level organisation identified any potential conflicts between traceability requirements under Regulation (EU) No 1337/2013 and those of other relevant EU legislation.

#### **6.1.4 COHERENCE OF LABELLING REQUIREMENTS SET OUT BY THE REGULATION WITH THOSE IN OTHER RELEVANT EU LEGISLATION (TO BE IDENTIFIED)**

##### **6.1.4.1 Coherence between labelling requirements of the Regulation and those of other relevant EU legislation**

As explained in section 3.2.3, Article 5 of Regulation (EU) No 1337/2013 defines the information items that need to be provided on the label according to the full range of possible circumstances.<sup>71</sup> Article 5(1) establishes that the label of meat intended for supplying to the final consumer or to mass caterers must indicate:

- The Member State or third country in which rearing took place, indicated as **"Reared in: (name of the Member State or third country)"**. The rearing periods differ by species (see section 3.2.3).
- The Member State or third country in which slaughter took place, indicated as **"Slaughtered in: (name of the Member State or third country)"**; and,
- The batch code identifying the meat supplied to the consumer or mass caterer.

Article 5(2) establishes that the indications referred to at points 1 and 2 above may be replaced by the indication **"Origin: (name of Member State or third country)"** if the food business operator proves to the satisfaction of the Competent Authority that the meat has been obtained from animals born, reared and slaughtered in one single Member State or third country.

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<sup>71</sup> However, see ESQ 5, section 4.5.3.2, where a potential issue with coverage of specific types of lamb in one Member State is discussed.

Finally, Article 5(3) establishes that where several pieces of meat, of the same or of different species, correspond to different labelling indications in accordance with paragraphs 1 and 2 of the same Article (see above), and are presented in the same pack to the consumer or mass caterer, the label shall indicate: (a) the list of the relevant Member States or third countries in accordance with paragraphs 1 or 2, for each species; (b) the batch code identifying the meat supplied to the consumer or mass caterer.

Comparison of the above provisions with analogous provisions in Regulation (EC) No 1760/2000 (country of origin in the beef sector), as amended by Regulation (EU) No 653/2014, reveals that:

- The provisions under Article 5(1) of Regulation (EU) No 1337/2013 are not fully consistent with those at Article 13(5)(a) of the amended Regulation (EC) No 1760/2000, since the latter require also the indication of the Member State or third country of birth of animals, an information item not required for **pig, poultry or sheep/goat meat**.
- The provisions under Article 5(2) of Regulation (EU) No 1337/2013 are fully consistent with those at Article 13(5)(b) of the amended Regulation (EC) No 1760/2000, concerning use of the "*Origin ...*" indication.
- In terms of the provisions under Article 5(3) of Regulation (EU) No 1337/2013, the part concerning different species cannot clearly be compared with the amended Regulation (EC) No 1760/2000, since it covers a single species (beef). As for the part concerning pieces of meat of the same species, but corresponding to different labelling indications (country/ies of rearing and slaughtering; "*Origin...*"), the requirement to list (all) the relevant Member States or third countries appears to be consistent with the requirements at Article 13(5)(a) and (b) of the amended Regulation (EC) No 1760/2000 (with the exception noted at point 1 above, i.e. the indication concerning the country/ies of birth, or lack thereof).

The majority of respondents to the supply chain survey (86%, n=64) identified no inconsistencies or conflicts between the labelling requirements of the Regulation and those of other relevant EU legislation. The proportion of respondents expressing this view exceeds 75% for all types of respondent. As was the case with respect to traceability (see section 6.1.3.1), consumers organisations were more likely to identify inconsistencies or conflicts than any other group. Overall though, the survey results reveal a high degree of perceived consistency among supply chain actors.

The majority (81%) of surveyed Competent Authorities (n=16) identified no inconsistencies or conflicts between the labelling requirements established by Regulation (EU) No 1337/2013 and those of other relevant EU legislation. This implies a high degree of perceived consistency within this category of stakeholders which is well placed to comment on this issue.

With a single exception, see section 6.1.4.2, EU level organisations stated that the labelling requirements set out by Regulation (EU) No 1337/2013 are fully consistent with those of other EU legislation.

#### **6.1.4.2 Potential conflicts between labelling requirements of the Regulation and those of other relevant EU legislation**

As noted above, potential conflicts between the labelling requirements of Regulation (EU) No 1337/2013 and those of other relevant EU legislation were pointed out by a small minority of respondents to the survey of supply chain stakeholders (14%, n=64).

Consumer organisations were more likely to identify potential conflicts than other groups (22%, n=9). One consumer organisation drew attention to the fact that country of birth does not have to be labelled under Regulation (EU) No 1337/2013 (except where it is implicit in the designation "*Origin...*"), whereas country of birth is labelled under the equivalent legislation in the beef sector.

A minority of surveyed Competent Authorities (19%, n=16) identified potential conflicts or inconsistencies between the labelling requirements of Regulation (EU) No 1337/2013 and those under other relevant EU legislation. One Competent Authority observed that the scope of Regulation (EC) No 1760/2000 (country of origin rules in the beef sector) covers loose retail sales in bulk (non-prepacked meat), whereas this meat is out of scope of Regulation (EU) No 1337/2013 (see also ESQ 12, section 7.1).

The analysis of definitions/specifications above (section 6.1.2) explained that an interviewed EU level consumer organisation identified a potential inconsistency between Regulation (EU) No 1337/2013 and Regulation (EC) No 1760/2000 (country of origin rules in the beef sector) relating to the different treatment of country of birth. This organisation observed that, based on the rules in the beef sector, consumers could have an expectation that country of birth should be explicitly labelled on **pig, poultry** and **sheep/goat meat**.

#### **6.1.5 COHERENCE OF DEROGATIONS PROVIDED IN THE REGULATION WITH THOSE IN OTHER RELEVANT EU LEGISLATION**

##### **6.1.5.1 Coherence between derogations provided in the Regulation and those in other relevant EU legislation**

Regulation (EU) No 1337/2013 provides for derogations concerning:

- **Meat imported from third countries.** Article 6 establishes that in a situation where the third country place of rearing for imported meat is not available, the label shall contain the indications "*Reared in: non-EU*" and "*Slaughtered in: (Name of the third country where the animal was slaughtered)*".
- **Minced meat and trimmings.** Article 7 provides a derogation from the labelling requirements set out in Articles 5 and 6. For these products, the following indications may be applied:
  - "*Origin EU*", where minced meat or trimmings are produced exclusively from meat obtained from animals born, reared and slaughtered in different Member States;
  - "*Reared and slaughtered in EU*", where minced meat or trimmings are produced exclusively from meat obtained from animals reared and slaughtered in different Member States;
  - "*Reared and slaughtered in non-EU*", where minced meat or trimmings are produced exclusively from meat imported into the Union;
  - "*Reared in non-EU*" and "*Slaughtered in EU*", where minced meat or trimmings are produced exclusively from meat obtained from animals imported into the Union as animals for slaughter, and slaughtered in one or different Member States;
  - "*Reared and slaughtered in EU and non-EU*", where minced meat or trimmings are produced from:
    - o meat obtained from animals reared and slaughtered in one or different Member States and from meat imported into the Union; or,
    - o meat obtained from animals imported into the Union and slaughtered in one or different Member States.

The most significant similar derogations provided in other relevant EU legislation appear in the following:

**Beef: Regulation (EC) No 1760/2000:**

- Article 14 establishes derogations from the compulsory labelling system for **minced beef**. An operator or organisation preparing this product shall indicate on the label the words "*Prepared (name of the Member State or third country)*", depending on where the meat was prepared, and "*Origin...*" where the Member State or Member States involved are not the Member State of preparation.
- Article 15 establishes derogations for **beef imported from third countries**. Where not all the information provided for in Article 13 of Regulation (EC) No 1760/2000 is available, imported beef shall be labelled with the indication "*Origin: non-EU*" and "*Slaughtered in (name of the third country)*". In other words, no information on the country of birth and on the country/ies of rearing shall be provided.

**Honey: Directive 2001/110/EC, as amended by Directive 2014/63/EU:**

- Article 2(4) establishes that, if the honey originates in more than one Member State or third country, the indication of the countries of origin may be replaced with one of the following, as appropriate: (i) "*blend of EU honeys*"; (ii) "*blend of non-EU honeys*"; (iii) "*blend of EU and non-EU honeys*". The derogation hence allows for a simplified origin indication ("*EU/non-EU*"), similar to that established by Regulation (EU) No 1337/2013 for minced meat and trimmings where honey originates in multiple Member States and/or third countries.

**Fresh fruit and vegetables: Regulation (EU) No 543/2011:**

- Article 7(3) establishes that where mixed fruit and vegetables originate in more than one Member State or third country, the full names of the countries of origin may be replaced with one of the following indications as appropriate: (i) "*mix of EU fruit and vegetables*"; (ii) "*mix of non-EU fruit and vegetables*"; (iii) "*mix of EU and non-EU fruit and vegetables*". The simplified origin indication ("*EU/non-EU*") is similar to that for blends of honeys, and similar to that established by Regulation (EU) No 1337/2013 for minced meat and trimmings.

**Olive oils / Regulation (EU) No 29/2012 in combination with Regulation (EU) No 1308/2013:**

- Article 4(1) of Regulation (EU) No 29/2012 exempts from origin indication two categories of olive oils defined by Annex VII part VIII of Regulation (EU) No 1308/2013: (i) "olive oils composed of refined olive oils and virgin olive oils" (i.e. olive oil obtained by blending refined olive oil and virgin olive oil other than lampante olive oil); (ii) "olive-pomace oil" (i.e. olive oil obtained by blending refined olive-pomace oil and virgin olive oil other than lampante olive oil).
- Furthermore, Article 4(2)(b) of Regulation (EU) No 29/2012 establishes that, in case of blends of olive oils originating from more than one Member State or third country, one of the following indications is allowed as appropriate: (i) "*blend of olive oils of European Union origin*" or a reference to the Union; (ii) "*blend of olive oils not of European Union origin*" or a reference to origin outside the Union; (iii) "*blend of olive oils of European Union origin and not of European Union origin*" or a reference to origin within the Union and outside the Union. Therefore, in the case of blends of olive oils, and coherent with blends of honeys and mixes of fruits and

vegetables, the derogation consists of a simplified origin indication ("EU/non-EU"), similar to that established by Regulation (EU) No 1337/2013 for minced meat and trimmings.

**Rules for indicating the country of origin or place of provenance of the primary ingredient of a food / Regulation (EU) 2018/775:**

- Article 2 establishes that the country of origin or the place of provenance of a primary ingredient which is not the same as the given country of origin or the given place of provenance of the food shall be given, among other options, with reference to such geographical areas as "EU", "non-EU" or "EU and non-EU".

It is also important to consider that **Article 26 of Regulation (EU) No 1169/2011** (FIC Regulation) establishes (under para 2(a)) that the indication of the country of origin or place of provenance is mandatory:

*"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".*

Furthermore, Article 26(3) establishes that:

*"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".*

A comparison between the derogations in Regulation (EU) No 1337/2013 and the most significant derogations concerning origin indications in other EU legislation resulted in the following key findings:

- Mandatory country of origin labelling for beef (Regulation (EC) No 1760/2000) provides derogations for minced beef and for beef imported from third countries. However, the simplified options allowed by those derogations 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.
- Systematic use of the "EU/non-EU" simplified origin indication is established by derogations for specific product typologies concerning honey, fresh fruit and vegetables, and olive oils. Similarly to the derogation for minced meat and trimmings under Regulation (EU) No 1337/2013, this simplified origin indication is allowed for specific products (blends of honeys and olive oils, mixes of fresh fruit and vegetables) 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.
- 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.

As explained below in section 6.1.5.2, and discussed further under ESQ 11 (section 0), four-fifths of respondents to the supply chain survey (81%, n=67) identified no inconsistencies or conflicts between the derogation under Article 7, permitting "EU/non-EU" origin indication on minced meat and trimmings, and similar articles in other EU

legislation. The proportion of respondents expressing this view is above 85% for industry organisations and individual operators. However, only a minority of consumer organisations (36%, n=11) shared this positive view. With the exception of consumer organisations, survey results reveal a high degree of perceived consistency among supply chain actors, even though it cannot be excluded that their favourable views might have been influenced by the significant contribution that the derogations provide in terms of simplifying compliance and in reducing burden (see ESQ 1 in section 4.1.3).

All the Competent Authorities that replied to this specific question in the survey stated that the derogations provided in the Regulation are fully consistent with those in other relevant EU legislation (n=14).

Some of the interviewed EU level organisations stated that the derogations provided in the Regulation are fully consistent with those in other relevant EU legislation. However, this positive view was not shared by EU level organisations representing the interests of consumers and farmers, as explained in section 6.1.5.2 and under ESQ 11 (section 0). Furthermore, one EU level organisation representing the interests of trade in live animals and meat observed that the use of the simplified "EU/non-EU" origin indication, rather than of the indication of specific Member States or third countries, would: (i) be more coherent with the objective of ensuring the smooth functioning of the Single Market; (ii) be more in line with WTO rules; and, (iii) prevent diplomatic frictions with third countries that are important suppliers to the EU market.

#### **6.1.5.2 Potential conflicts between derogations provided in the Regulation and those in other relevant EU legislation**

A fifth of respondents to the supply chain survey (19%, n=67) identified potential conflicts between the derogations provided in Regulation (EU) No 1337/2013 and those in other relevant EU legislation. The highest proportion of respondents identifying potential conflicts was recorded among consumer organisations (64%, n=11). Most of the potential conflicts identified concern the derogation for minced meat and trimmings, and have implications for both: (i) the overall relevance of Regulation (EU) No 1337/2013 in addressing the information needs of consumers; and, (ii) a hypothetical extension of mandatory origin indication for meat used as an ingredient. For these reasons, they are discussed under ESQ 11 in section 6.2.

None of the Competent Authorities that replied to this specific question in the national Competent Authority survey identified any potential conflict between derogations provided in the Regulation and those in other relevant EU legislation (n=14).

With reference to the derogation provided by Article 6 of Regulation (EU) No 1337/2013 for meat imported from third countries, an interviewed EU-level consumer organisation observed that consumers might want to know exactly which third country non-EU meat comes from, especially when there are issues with animal welfare, environmental impact or food safety in specific countries. However, this argument has more to do with the relevance of the derogation than with its consistency with similar derogations established by other relevant EU legislation.



#### **6.1.6 EXTENT TO WHICH RELEVANT LEGISLATION EXISTS AT EU MEMBER STATE LEVEL AND THE COHERENCE OF THIS LEGISLATION WITH THE REGULATION**

##### **6.1.6.1 Identification of other relevant national legislation on indication of the country of origin for meat and meat products**

An inventory of national legislation covering country of origin for meat and meat products, as well as of voluntary schemes covering origin, is provided under ESQ 15 in section 8.2.1. Only the key findings of interest for the assessment of coherence are drawn on here.

As illustrated in detail in section 8.2.1, 80% of surveyed Competent Authorities (n=15) have not introduced national measures. Three Member States (20%) indicated that they have mandatory rules in place at the national level (FI, FR, PL); one Member State (6%) has voluntary national rules (CZ).

Besides providing information on the legislation in place at the national level, the case studies also identified:

- two cases where pre-existing national provisions covering aspects within the scope of Regulation (EU) No 1337/2013 were amended to ensure full consistency with the Regulation itself: in one Member State for all the types of meat covered by the Regulation (EL) and in another for **pig meat** and **poultry meat** (ES); and,
- one case where pre-existing national legislation covering aspects within the scope of Regulation (EU) No 1337/2013 was repealed to avoid conflicts with the Regulation itself in the **sheep meat** sector (ES).

Case studies also revealed that, in addition to national rules, there are various voluntary schemes with origin as the key focus, as well as various voluntary quality schemes which implicitly signal origin, even if this is not the main expressed intention of the scheme (see ESQ 15, section 1.1 for full details).

Interviews with EU level organisations confirmed the key findings from desk research and case studies illustrated above.

##### **6.1.6.2 Comparison of the content of the identified relevant national legislation with the Regulation**

As discussed under ESQ 2 in section 4.2 only two Member States (FI, FR) have additional national rules which go beyond the scope of Regulation (EU) No 1337/2013, in terms of their coverage of meat used as an ingredient in processed products and meat provided via mass caterers. Two Member States (EL, PL) extended the scope of the Regulation in their national implementing legislation to also encompass meat sold loose, because this forms an important market segment and there was otherwise the risk of consumers not being sufficiently informed.

According to the survey of national Competent Authorities, with the exception of rules on origin labelling in catering premises (FR),<sup>72</sup> all national rules have been introduced under

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<sup>72</sup> This was introduced under Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services.

Article 45 of Regulation (EU) No 1169/2011. The key elements of the national mandatory and voluntary rules are summarised below.

**Finland (mandatory):** national legislation was developed in the framework of a pilot project. The scope includes foods intended for consumers or mass caterers and manufactured in Finland;<sup>73</sup> it foresees mandatory origin labelling of:

- meat used as an ingredient in food: beef, **pig, poultry** and **sheep/goat meat** (including meat used as an ingredient in meat products and meat preparations); the label must state "*Country of rearing*" and "*Country of slaughter*";
- milk and milk used as an ingredient in dairy products (as defined in the legislation); the label must state "*Country of milking*".

**France (mandatory):** national legislation was developed in the framework of two pilot projects. It requires:

- labelling of the origin of **pig, poultry, sheep/goat meat** in out-of-home catering;
- labelling of the origin of **pig, poultry, sheep/goat meat** used as ingredients in processed products.

**Poland (mandatory):** national legislation introduced a requirement to provide country of origin information for unpacked (loose) fresh, chilled and frozen meat of **pigs, poultry, sheep/goats** referred to in Annex XI to Regulation (EU) No 1169/2011. Information must be provided to consumers via signs placed in a visible place in close proximity to the meat. Products can be labelled "*Polish Product*", if analogous to "*Origin Poland*", under Regulation (EU) No 1337/2013.

**Czech Republic (voluntary):** the voluntary scheme introduced by national legislation applies to all food, not just meat, and allows the identification of food of Czech origin via a Czech food logo.

Besides confirming the already discussed cases where national legislation extended the scope of Regulation (EU) No 1337/2013,<sup>74</sup> case studies revealed no conflicts or inconsistencies between national legislation and the Regulation. In one Member State, pre-existing national legislation on **sheep meat**, which included requirements on rearing periods that were not consistent with those in the Regulation, was repealed to avoid any conflict with the Regulation (ES). The use of "*Polish Product*" is analogous to "*Origin Poland*" under the Regulation (PL).

Only two interviewed EU level organisations commented on this issue (generally referring instead to published sources). An EU level consumer organisation observed that no national provisions dealing with origin indication would remain in force if they were in evident conflict with Regulation (EU) No 1337/2013 or with Regulation (EU) No 1169/2011. However, some national provisions can extend the scope of Regulation (EU) No 1337/2013 (the examples provided have been discussed above, meat served in the catering sector (FI, FR)). An EU level organisation representing the interests of the slaughtering/processing stages of the supply chain observed that national rules covering origin labelling can have a different scope to Regulation (EU) No 1337/2013. It also

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<sup>73</sup> The scope of the scheme described here covers the origin indication of prepacked foods. It is noted that on 11 October 2019, Finland also notified a pilot project which covers the origin indication of non-prepacked meats.

<sup>74</sup> Coverage of meat used as an ingredient in processed products and meat provided via mass caterers in the French legislation; inclusion of loose meat sales to final consumers in the scope of the Greek and Polish legislation.

reported that a previous attempt at introducing national legislation in one Member State was contested by the European Commission: the legislation was therefore amended and reintroduced (FI).

#### **6.1.7 UNINTENDED SIDE EFFECTS OF THE REGULATION**

##### **6.1.7.1 Notable cases of unintended side effects of the Regulation**

Literature reviewed under section 3.5 suggested that the renationalisation of the EU Single Market was a concern when introducing Regulation (EU) No 1337/2013. However, the analysis under ESQ 2 (section 4.2) concluded that there is no evidence that the Regulation has had this impact at the EU level, although some changes to specific trade flows appear to have occurred. In short, there is no evidence that the Regulation has stimulated or hindered the smooth operation of the Single Market. No notable cases of unintended side effects were discovered.

One interviewed EU level organisation representing the interests of trade in live animals and meat stated that some of the changes in sourcing and operating practices that followed the entry into force of the Regulation are unintended side effects, albeit without providing further details (analysis under ESQ 2 and ESQ 3 found that these changes were anticipated, minor and restricted to certain types of operator, see sections 4.2.1.3 and 4.3.1). One EU level organisation representing the interests of retailers observed that origin labelling may induce consumers to make country-specific assumptions about meat quality and possibly food safety, thus reinforcing consumer perceptions that meat from some Member States is somehow better than meat from others. However, those organisations did not back their suggestions with specific concrete evidence.

#### **6.1.8 "DEADWEIGHT" WHICH CAN BE RELATED TO THE REGULATION**

##### **6.1.8.1 Notable cases of "deadweight" which can be related to the Regulation (EU) No 1337/2013**

Section 3.4 reports about notable current and past examples of: (i) national legislation; and, (ii) voluntary schemes covering, often among other attributes, origin indications for fresh, chilled, frozen pig, poultry and sheep/goat meat. However, as also discussed under ESQ 15 (section 1.1), many Member States had no national legislation on origin labelling for the products of interest in force before the implementation of Regulation (EU) No 1337/2013. This leads to the conclusion that the EU-wide effects achieved by the Regulation could not have been achieved by the previous combination of national provisions. The same conclusion applies for voluntary schemes covering origin indication, considering that: (i) there are no international schemes covering origin indication for the products of interest; (ii) these schemes are present in some Member States only, and often have a regional/local dimension; and, (iii) the uptake of those schemes may be limited.

In conclusion, neither national provisions nor voluntary schemes could have achieved the same EU-wide objectives of Regulation (EU) No 1337/2013. In this sense there is no policy deadweight.

Interviews with EU level organisations confirmed the findings presented above. An organisation representing the interests of retailers pointed out that a proliferation of (different) voluntary schemes covering origin indication, that would have been likely in the absence of harmonised EU legislation, could create barriers to trade and confusion among consumers.

### 6.1.9 ESQ 10 CONCLUSIONS

The policymaking process leading to the development of Regulation (EU) No 1337/2013 pursued “by design” its consistency with the objectives of previous EU legislation establishing mandatory country of origin labelling in the beef sector. Very few stakeholders identified potential conflicts between the objectives of the Regulation and those of other relevant EU legislation. It can therefore be concluded that the **objectives** of the Regulation are **fully consistent with the objectives of other EU legislation**, with particular respect to Regulation (EC) No 1760/2000 (equivalent rules in the beef sector) and Regulation (EU) No 1169/2011 (food information to consumers).

The **definitions** used in Regulation (EU) No 1337/2013 are the **same as, or consistent with, those used in other relevant EU legislation**. Very few of the consulted stakeholders identified potential conflicts or inconsistencies between the **specifications** of Regulation (EU) No 1337/2013 and those of other relevant EU legislation. All the **perceived conflicts/inconsistencies relate to Regulation (EC) No 1760/2000** (country of origin in the beef sector) and are: (i) the lack of the obligation to, in all cases, indicate the **country of birth of animals** (this is mandatory for beef, but only done implicitly via the “*Origin...*” designation for the species covered by Regulation (EU) No 1337/2013); (ii) the fact that Regulation (EU) No 1337/2013 does not cover **loose retail sales in bulk (non-prepacked meat)**. It can therefore be concluded that, with these two notable exceptions, the specifications used are largely coherent with the equivalent legislation in the beef sector.

In general terms, the provisions on **rearing periods** under Regulation (EU) No 1337/2013 leads to simplified origin labelling for pig, poultry and sheep/goat meat vis-à-vis beef (amended Regulation (EC) No 1760/2000; amended Regulation (EC) No 1825/2000) in terms of the indication of the Member States and/or third countries where rearing took place in the cases where the rearing phase takes place in multiple Member States and/or third countries.

Very few consulted stakeholders, mainly those representing consumers, identified potential conflicts or inconsistencies between the **traceability requirements** set out under Regulation (EU) No 1337/2013 and those under other relevant EU legislation. One consumer organisation pointed out that traceability in the pig and poultry sectors is on a batch, rather than an individual basis, as is the case in the beef and sheep/goat sectors. Other perceived inconsistencies related to the two areas where the specifications of the Regulation differ from those in Regulation (EC) No 1760/2000: (i) the treatment of country of birth; and, (ii) coverage of loose retail sales in bulk. It can therefore be concluded that traceability requirements are generally non-conflicting and coherent with those in other relevant EU legislation.

The high proportion of positive views among both supply chain stakeholders and Competent Authorities leads to the conclusion that, in general, the labelling requirements set out by Regulation (EU) No 1337/2013 are consistent with those in other relevant EU legislation. However, the exceptions relating to country of birth and meat sold loose, pointed out by all groups of stakeholders, should be noted.

In terms of the **derogations**, the evidence from stakeholders showed that, with the exception of organisations representing consumers, few supply chain stakeholders (organisations or individual operators), and no Competent Authorities, identified potential conflicts or inconsistencies between the derogations provided by Regulation (EU) No 1337/2013 and derogations in other relevant EU legislation. However, it cannot be excluded that the favourable views of industry operators and representative organisations

might have been influenced by the significant contribution provided by the derogations in terms of simplifying compliance and reducing burden (see ESQ 1).

Potential conflicts and inconsistencies identified by consumer organisations focused on perceived gaps in information to consumers concerning the derogations for minced meat and trimmings, and those for meat imported from third countries. On the latter issue, consumer organisations argue that consumers might want to know exactly which third country non-EU meat comes from, especially in case of country-specific issues or concerns. However, this argument has more to do with the relevance of the derogation than its coherence.

The above findings lead to a conclusion that consistency between the derogations provided in Regulation (EU) No 1337/2013 and derogations in other relevant EU legislation has been pursued “by design” in the development of the Regulation itself. The only potential inconsistencies have been identified vis-à-vis the derogations for beef, since they do not allow systematic use of the “EU/non-EU” simplified origin indication (an issue discussed further under ESQ 11). Even with the above exceptions, the high prevalence of positive views among both supply chain stakeholders and Competent Authorities allows the conclusion that the derogations provided by Regulation (EU) No 1337/2013 are generally consistent and coherent with those in other relevant EU legislation.

In terms of **national legislation**, two Member States identified in the desk research<sup>75</sup> have additional national rules, introduced on a temporary pilot basis, which go beyond the scope of Regulation (EU) No 1337/2013 in terms of their coverage of meat used as an ingredient in processed products and meat provided via mass caterers. Two other Member States extended the scope of the Regulation in their national implementing legislation to also encompass meat sold loose to final consumers.

Leaving aside the aforementioned extensions of the scope of Regulation (EU) No 1337/2013 in national legislation, which have not been challenged at the EU level,<sup>76</sup> case studies and stakeholder consultation did not identify any conflicts or inconsistencies between national legislation and Regulation (EU) No 1337/2013. Case studies also revealed: (i) two cases where pre-existing national legislation covering aspects within the scope of the Regulation was amended to ensure full consistency with the Regulation; and, (ii) one case, concerning sheep meat, where pre-existing national legislation covering aspects within the scope of the Regulation was repealed to avoid conflicts with the Regulation.

In light of the above findings, it can therefore be concluded that **the relevant legislation identified at Member State level is consistent with Regulation (EU) No 1337/2013.**

Some supply chain stakeholders hinted at potential **unintended side effects** of the Regulation (changes in sourcing and operating practices; reinforcing country-specific assumptions by consumers on the quality and safety of meat), albeit without providing evidence to support this; these changes were in any case minor and restricted to certain types of operator. The impact of the Regulation on **trade** within the EU’s Single Market is

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<sup>75</sup> This does not preclude other Member States not assessed having additional rules.. A wide majority of the 15 Member States covered by the survey (75%) have not introduced national measures; three of those Member States (20%) indicated that they have mandatory rules in place at national level, and one Member State (6%) has voluntary national rules.

<sup>76</sup> The first attempt at introducing national legislation in one Member State was contested by the European Commission: the legislation was therefore amended and reintroduced, on a pilot basis.

not clear. Therefore, the analysis under ESQ 2 (section 4.2) cannot conclude that the renationalisation of the Single Market has been an unintended effect of Regulation (EU) No 1337/2013, despite *ex-ante* concerns. The absence of significant clear impacts of the Regulation on intra-EU trade does not support the perception of some stakeholders that the Regulation itself is, in practice, in conflict with the objective of ensuring the smooth functioning of the Single Market. In conclusion, there is no evidence that Regulation (EU) No 1337/2013 has had significant unintended side effects.

Finally, findings from desk research and stakeholder consultation lead to the conclusion that the EU-wide effects achieved by Regulation (EU) No 1337/2013 could not have been achieved through a combination of national provisions (since they were/are in force in some Member States only) and/or voluntary schemes (since they are present in some Member States only, often have a regional/local dimension, and their uptake may be limited). This leads to the conclusion that **no significant “deadweight” can be related to Regulation (EU) No 1337/2013.**

6.2 ESQ 11: To what extent is it coherent that the derogation introduced by Article 7 of Regulation 1337/2013 to label meats as “EU/non-EU” only applies to minced meat and trimmings and not to the meats covered by the Regulation in general?

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**6.2.1 COHERENCE OF THE ARTICLE 7 DEROGATION WITH SIMILAR ARTICLES IN OTHER EU LEGISLATION (REGULATION (EC) NO 1760/2000 ON THE LABELLING OF BEEF AND BEEF PRODUCTS; OTHER LEGISLATION TO BE IDENTIFIED)**

**6.2.1.1 Coherence of the Article 7 derogation with similar articles in other EU legislation**

As reported in section 6.1.5.1, similar derogations to that under Article 7 of Regulation (EU) No 1337/2013 are included in other EU legislation dealing with mandatory origin indication for a number of products. However, in no cases is the simplified “EU/non-EU” origin indication extended to the entire range of products covered by each piece of legislation. “EU/non-EU” origin indication is allowed only for specific product typologies and in the specific conditions covered by the derogations explained in section 6.1.5.1. Mandatory origin indication refers to individual Member States or third countries for the following products (reference to specific provisions is provided in brackets):

- **Beef:** other than minced beef (Article 13(5) of Regulation (EC) No 1760/2000, as amended by Regulation (EU) No 653/2014).
- **Honey:** other than blends of honeys originating from more than one Member State or third country (Article 2(4) of Directive 2001/110/EC, as amended by Directive 2014/63/EU).
- **Fresh fruit and vegetables:** other than mixes where fresh fruit and vegetables originate in more than one Member State or third country (Articles 5 and 6 of Regulation (EU) No 543/2011).
- **Extra virgin olive oils and virgin olive oils:** other than blends of olive oils originating from more than one Member State or third country (Article 4(2)(a) of Regulation (EU) No 29/2012).

In conclusion, the fact that the simplified “EU/non-EU” origin indication under Article 7 of Regulation (EU) No 1337/2013 only applies to minced meat and trimmings, and not to the meats covered by the Regulation in general, is consistent “by design” with other pieces of EU legislation introducing mandatory origin labelling, since these do not apply the simplified “EU/non-EU” origin indication to the entire range of products they cover.

As already noted under ESQ 10 in section 6.1.5.1, and discussed further in section 6.2.1.2, 81% of respondents to the supply chain survey (n=67) reported no inconsistencies or conflicts between the derogation under Article 7 and similar articles in other EU legislation.

One respondent representing the interests of supply chain operators stated that the simplified “EU/non-EU” origin indication allowed under the derogation is a pragmatic and economically viable solution for “mixed origin” situations; this organisation drew attention to the similarities in approach in the honey sector. However, it cannot be excluded that the favourable views of many supply chain organisations and individual operators on the consistency of the derogation under Article 7 with similar articles in other EU legislation might have been influenced by the fact that the derogation has significantly contributed to simplifying compliance and to reducing burden (see analysis under ESQ 1, section 4.1.3).

Four-fifths (80%, n=15) of surveyed Competent Authorities reported that the derogation under Article 7 of Regulation (EU) No 1337/2013 is fully consistent with similar articles in other EU legislation. This implies a very high degree of perceived consistency within this category of stakeholder, which is well placed to comment authoritatively on this matter. The arguments of the three Competent Authorities that did not share this positive view are discussed in section 6.2.1.2.

With a single exception (see section 6.2.1.2) interviewed EU level organisations said that the derogation under Article 7 of Regulation (EU) No 1337/2013 is fully consistent with similar articles in other EU legislation. An organisation representing the interests of the **poultry meat sector** clarified that the derogation has no practical relevance for the sector, since there is no minced meat equivalent for poultry. One EU level organisation representing the interests of the slaughtering/processing stages of the supply chain observed that the derogation under Article 7 is the provision of the Regulation that is most appreciated by the operators it represents in terms of reducing the burden.

#### **6.2.1.2 Potential conflicts between the Article 7 derogation and similar articles in other EU legislation**

Four organisations representing consumers responding to the supply chain survey highlighted what they perceive as a potential conflict between the derogation under Article 7 and Article 26 of Regulation (EU) No 1169/2011 in the case that mandatory origin labelling is extended to meat used as an ingredient. The organisations explained that there is concern that the derogation implies that any expansion of scope in mandatory origin labelling would probably have to use the simplified “EU/non-EU” indication, given the use of minced meat and trimmings as a raw material for meat preparations and meat products. This would mean that it would not be possible to label products such as sausages, lasagne and other meat-based ready-meals with a specific country of origin. However, it should be noted that currently there is no legal basis to extend the origin indication to processed foods<sup>77</sup>; for such an extension, the basic legislation (Regulation (EU) No 1169/2011) would need to be changed.

Two other respondents identified a partial inconsistency of the Article 7 derogation with the derogation for minced beef under Article 14 of Regulation (EC) No 1760/2000, which requires minced beef to be labelled with respect to the specific Member State or third country of origin, rather than simply as “EU/non-EU”.

In contrast, one respondent said that the Article 7 derogation should also apply to fresh meat other than minced meat and trimmings, at least for Member States that are sourcing fresh meat from multiple Member States and/or third countries.

Three respondents to the survey of national Competent Authorities identified the previously discussed inconsistency between the derogation under Article 7 and the derogation for minced beef under Article 14 of Regulation (EC) No 1760/2000 (indication of the specific Member State or third country of origin vs. simplified “EU/non-EU” indication). One of these also identified a conflict with the provisions on origin indication

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<sup>77</sup> With the exception of origin labelling under Commission Implementing Regulation (EU) 2018/775, where meat is the primary ingredient and where its provenance differs from the advertised provenance of the product.



of the main food ingredient under Commission Implementing Regulation (EU) No 2018/775, albeit without providing further clarifications.<sup>78</sup>

In line with the positions expressed by some consumer organisations in the supply chain survey, an interviewed EU level consumer organisation stated its concern that the derogation under Article 7 of Regulation (EU) No 1337/2013 would prove an obstacle to extending mandatory country of origin labelling to processed products on anything other than an "EU/non-EU" basis (see full argument above). This organisation suggested that a compromise alternative solution might be to impose the identification of up to a certain number of Member States or third countries of origin, above which the simplified "EU/non-EU" indication could be allowed. Although the arguments made by consumer organisations on the matter concern a hypothetical regulatory framework (as there is no harmonised EU legislation on mandatory origin labelling for processed food products), this conflict between specificities of identification could preclude the use of anything other than an "EU/non-EU" designation under Commission Implementing Regulation (EU) No 2018/775.

## **6.2.2 COHERENCE OF ARTICLE 7 DEROGATION WITH OTHER REQUIREMENTS OF REGULATION (EU) NO 1337/2013**

### **6.2.2.1 Coherence of the Article 7 derogation with other requirements of Regulation (EU) No 1337/2013**

The analysis of Regulation (EU) No 1337/2013 has identified an element of interest in the provision under Article 5(3), which establishes that "where several pieces of meat, of the same or of different species, correspond to different labelling indications in accordance with paragraphs 1 and 2" (of Article 5) "and are presented in the same pack to the consumer or mass caterer, the label shall indicate: (a) the list of the relevant Member States or third countries in accordance with paragraphs 1 or 2" (of Article 5) "for each species".

In this specific case, even though origin from multiple Member States or third countries is concerned, the use of the simplified "EU/non-EU" origin indication (see section 6.2.1.1) is not allowed. This is clearly different from the derogation under Article 7, which applies to minced meat and trimmings only. These different approaches may lead to a potential lack of internal consistency in the Regulation.

The large majority of respondents to the supply chain survey (89%, n=62) identified no inconsistencies or conflicts between the derogation under Article 7 and other requirements of Regulation (EU) No 1337/2013. Overall, survey results reveal a very high degree of perceived consistency among supply chain actors, even though it cannot be excluded that their favourable views might have been influenced by the significant contribution of the derogation to simplifying compliance and to reducing burden (see ESQ 1, section 4.1.3). In contrast, the majority of consumer organisations (60%, n=10) said that the derogation was not consistent with other requirements of the Regulation. As discussed below in section 6.2.2.2, the issues identified by some consumer organisations are related to a perceived lack of consistency between the derogation under Article 7 and the provisions of Article 5(3), as explained above.

The vast majority (86%, n=14) of surveyed Competent Authorities reported that the derogation under Article 7 is fully consistent with the other requirements of Regulation

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<sup>78</sup> Although not stated, this conflict may refer to the ability under Commission Implementing Regulation (EU) No 2018/775 to use Member State or even regional provenance indications which could be at odds with the labelling on the meat used to produce products where the simplified "EU/non-EU" designation can be used.

(EU) No 1337/2013. This implies a very high degree of perceived consistency within this category of stakeholders.

With a single exception (see section 6.2.2.2), interviewed EU level organisations either stated that the derogation under Article 7 is fully consistent with other requirements of Regulation (EU) No 1337/2013, or did not comment on the matter.

#### **6.2.2.2 Potential conflicts between the Article 7 derogation and other requirements of Regulation (EU) No 1337/2013**

As noted above, four consumer organisations responding to the supply chain survey identified a potential conflict between the derogation under Article 7 and the provision under Article 5(3). As explained above, Article 7 allows the use of the simplified “*EU/non-EU*” origin indication for minced meat and trimmings originating from multiple Member States or third countries, whereas Article 5(3) establishes that where several pieces of meat of different origins are presented in the same pack to the consumer, the detailed list of the relevant Member States or third countries must be provided on labels.

Unfortunately, the two respondents to the national Competent Authority survey that identified potential conflicts did not provide further explanations.

An interviewed EU level consumer organisation highlighted the same potential conflict highlighted by consumer organisations in the supply chain survey, i.e. the lack of consistency between the derogation under Article 7 and the provisions under Article 5(3).

It is also worth noting that in a position paper issued by an EU level organisation representing the interests of farmers, the derogation to label minced meat and trimmings only as “*EU/non-EU*” is not deemed to be justified and consistent in the framework of the Regulation.

#### **6.2.3 ESQ 11 CONCLUSIONS**

Based on the evidence presented, it can be concluded that the use of the simplified “*EU/non-EU*” origin indication for minced meat and trimmings only (derogation under Article 7 of Regulation (EU) No 1337/2013), and not for the meats covered by the Regulation in general, is consistent “by design” with other pieces of EU legislation introducing mandatory origin labelling for beef, honey, fresh fruit and vegetables, and olive oils. Indeed, the relevant pieces of EU legislation do not contemplate the extension of the simplified “*EU/non-EU*” origin indication to the entire range of products that they cover.

Stakeholder consultation revealed wide consensus on the coherence between the derogation under Article 7 and similar articles in other EU legislation, including: Regulation (EC) No 1760/2000, as amended by Regulation (EU) No 653/2014 (beef); Directive 2001/110/EC, as amended by Directive 2014/63/EU (honey); Regulation (EU) No 543/2011 (fresh fruit and vegetables); and, Regulation (EU) No 29/2012 (extra virgin olive oils and virgin olive oils).

Consumer organisations expressed the most significant diverging views, voicing their concern that the use of a simplified “*EU/non-EU*” origin indication would prove an obstacle to a (hypothetical, to date) extension of mandatory country of origin labelling to processed products using minced meat and trimmings of the species covered by Regulation (EU) No 1337/2013 as an ingredient. The derogation may also preclude operators from using

anything other than an “*EU/non-EU*” designation on food products containing minced meat and trimmings under Commission Implementing Regulation (EU) No 2018/775.

Some business stakeholders and Competent Authorities also identified a partial inconsistency between the Article 7 derogation and the analogous derogation under Article 14 of Regulation (EC) No 1760/2000, since the latter requires minced beef to be labelled with respect to the specific Member State or third country of origin, rather than simply “*EU/non-EU*”.

Considering the fact that the arguments put forward by consumer organisations largely concern a hypothetical regulatory framework (no harmonised EU legislation on mandatory origin labelling for processed food products has been introduced to date), it can be concluded that the derogation under Article 7 of Regulation (EU) No 1337/2013 is generally consistent with similar derogations in other EU legislation, with the partial exception of the derogation for minced beef (Article 14 of Regulation (EC) No 1760/2000). The Article 7 derogation is also consistent with the “*EU/non-EU*” designation under Commission Implementing Regulation (EU) No 2018/775. Nonetheless, it should be noted that it may preclude operators from using anything other than an “*EU/non-EU*” designation on food products containing minced meat and trimmings labelled in this manner under Commission Implementing Regulation (EU) No 2018/775.

The analysis of Regulation (EU) No 1337/2013 identified a potential internal inconsistency in the different approaches to origin indication applied by: (i) the derogation under Article 7 applying to minced meat and trimmings; and, (ii) the provision at Article 5(3) applying to cases where several pieces of meat of different origins are presented in the same pack to the consumer. The simplified “*EU/non-EU*” origin indication is allowed for minced meat and trimmings, whereas in the latter case the detailed list of the relevant Member States or third countries must be provided on labels.

Stakeholder consultation revealed two diverging positions on the consistency between the derogation under Article 7 and other requirements of the Regulation. Mostly positive views were expressed by the consulted supply chain organisations, by individual operators and by Competent Authorities (although it cannot be excluded that their favourable views might have been influenced by the significant contribution of the derogation to simplifying compliance and to reducing burden, see ESQ 1).

In contrast, several consulted consumer organisations reported that the derogation under Article 7 was inconsistent with the provisions of Article 5(3), due to the aforementioned diverging approaches to origin indication (simplified “*EU/non-EU*” vs. detailed list of the relevant Member States or third countries).

In conclusion, leaving aside any consideration on the relevance and convenience of the derogation at Article 7 for operators, and on its effective contribution to simplifying compliance and to reducing burden, from a purely logical standpoint, the consistency between the derogation itself and the provision at Article 5(3) appears to be questionable.

## 7. RELEVANCE OF THE REGULATION

The theme of relevance is addressed through two Evaluation Study Questions (ESQs) as set out below.

ESQ	Judgement criteria	Key data sources
ESQ 12: To what extent do the objectives and scope of the rules and condition of the mandatory origin labelling as stated in the Regulation correspond to the current needs and the current context? To what extent are they relevant and fit the purpose?	JC12.1: Extent to which the original objectives of the Regulation are relevant	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC12.2: Emergence of new needs for the Regulation	<ul style="list-style-type: none"> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
	JC12.3: Extent to which rules themselves are still relevant for the current context / the current context has evolved	<ul style="list-style-type: none"> <li>• Consumer survey</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• In-depth interviews</li> </ul>
ESQ 13: To what extent are the traceability systems in all circumstances relevant for all meat products? For example, is it relevant to identify and trace meats for which origin labelling is not compulsory (not sold as fresh or frozen) as being further processed and/or exported?	JC13.1: Extent to which the supply chains, for meat which must bear origin labelling for the end consumer under the Regulation and those which must not, are fully segregated	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>
	JC13.2: Benefits, if any, of traceability requirements set out in the Regulation for meats that do not require origin labelling	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Supply chain survey</li> <li>• Member State Competent Authority survey</li> <li>• Case studies</li> <li>• In-depth interviews</li> </ul>

### 7.1 ESQ 12: To what extent do the objectives and scope of the rules and condition of the mandatory origin labelling as stated in the Regulation correspond to the current needs and the current context? To what extent are they relevant and fit for purpose?

#### 7.1.1 EXTENT TO WHICH THE ORIGINAL OBJECTIVES OF THE REGULATION ARE RELEVANT

##### 7.1.1.1 Extent to which the objective to provide consumers with clear, accurate and meaningful information on origin is still relevant

ESQ 1 investigated consumer use of country of origin labelling (section 4.1.1.2).

Respondents to the supply chain survey were asked to comment on the continuing relevance of the original objectives of Regulation (EU) No 1337/2013. Providing clear, accurate and meaningful information to consumers remains highly relevant. Analysis of the responses by type of respondent reveals some interesting nuances. As might be expected, consumer organisations are more likely to find this objective “fully” relevant than the other types of respondent.

Two-thirds (65%, n=17) of surveyed Competent Authorities stated that the objective to provide consumers with clear, accurate and meaningful information on origin remains “fully” relevant. A further 29% stated that this objective is still relevant to a “great extent”

and 6% stated that this objective remains relevant to a “moderate extent”; no Competent Authorities felt that this objective is no longer relevant.

All interviewed EU level organisations stated that origin information is increasing in importance for consumers across all meat species. One added that the issue has been used politically and this has strengthened consumer interest. One organisation representing operators in the supply chain pointed out that the industry may need to provide origin information more widely than at present, i.e. in relation to processed meat and in the catering sector. No differences in view were reported by species.

Country of origin labelling is an important, though second order, consideration for EU consumers. The majority of consumers (83%) stated that they use origin labelling to some extent to inform their meat purchase decision. EU level organisations explained that origin information is increasing in importance for consumers across all meat species. Respondents to the supply chain stakeholder survey reported that the objective of providing clear, accurate and meaningful information to consumers remains highly relevant.

However, there is concern that consumer understanding of the definitions behind the labelling terms used is low. This means that it is not clear whether this objective is actually being met (see the conclusion to ESQ 1, section 9.1).

#### **7.1.1.2 Extent to which the objective to ensure information provided is reliable and can be checked by enforcement authorities is still relevant**

Respondents to the supply chain survey generally found the objective to ensure information provided is reliable and can be checked by enforcement authorities to remain relevant. Consumer organisations were most likely to find this objective to still be “fully” relevant.

More than two-thirds (69%) of respondents to the survey of national Competent Authorities stated that the objective to ensure information provided is reliable and can be checked by enforcement authorities remains “fully” relevant. A quarter (25%) stated that this objective is still relevant to a “great extent” and 6% stated that this objective remains relevant to a “moderate extent”; no Competent Authorities felt that this objective is no longer relevant (n=16).

All interviewed EU organisations agreed that it remains relevant that the information provided is reliable and can be checked. No differences in view were reported by species.

#### **7.1.1.3 Extent to which the objective to avoid unnecessary burden on operators, trade, administration and the environment is still relevant**

Of all three objectives, that to avoid unnecessary burden on operators, trade, administration and the environment is considered to be the least relevant by respondents to the supply chain survey. A fifth of respondents (19%) stated that this objective is “not at all” relevant.

Analysis of the responses by type of respondent reveals that consumer organisations are more likely to find that the objective of avoiding unnecessary burdens remains “fully” relevant where the expectation would be that operators would be more likely to find this highly relevant; it is possible that this question was not answered as intended and

respondents instead interpreted it as asking how well the Regulation meets these objectives. Alternatively, this finding might reflect a view that the burden on operators is not significant and is outweighed by the importance of a system that is considered to be reliable.

Six percent of surveyed national Competent Authorities stated that it is no longer necessary to avoid unnecessary burdens on operators, trade, administration and the environment. However, the majority felt that this objective is still relevant to some degree, although less so than the first two objectives. Almost half (44%) stated that this objective remains “fully” relevant and a quarter (25%) stated that this objective remains relevant to a “moderate extent”; another 25% stated that this objective remains relevant to a “low extent”.

Two Competent Authorities explained that new legislative requirements always result in burdens for operators, i.e. this cannot be avoided.

All interviewed EU organisations agreed that it remains relevant that unnecessary burdens are avoided. One pointed out that while additional costs incurred in premium markets, such as those bearing Geographical Indications, can be recovered from the market, extra costs resulting from Regulation (EU) No 1337/2013, while minimal, cannot be. No differences were reported by species.

#### **7.1.2 EMERGENCE OF NEW NEEDS FOR THE REGULATION (JC12.2)**

##### **7.1.2.1 Identification of any new needs which have emerged since the drafting of the Regulation**

When asked about the emergence of new needs, almost three-quarters of respondents to the supply chain survey (71%) said that none had emerged. Analysis by type of respondent shows that consumer organisations were more likely to identify new needs than operators in the supply chain or their representative organisations.

Five of the eleven consumer organisations identified new needs, as did nine of the 31 supply chain organisations and ten of the 42 operators. These were asked to explain what these new needs are. Up to five new needs could be listed and each could be scored to say to what extent the need is fulfilled by Regulation (EU) No 1337/2013. It is not always clear from the responses exactly what the new need is. The needs are presented below, as identified by type of respondent.

Three of the **organisations representing consumer interests** identified origin information in the food service and catering sectors as a new need which is not at all met by the current Regulation. Another added that origin information should be added to meat used as an ingredient for processed foods; this need was said to be met to a “low extent”, but as this is out of scope of the Regulation it is not in fact currently met at all. A different organisation representing consumers made the point that origin information should follow the meat to the final consumer; again, it was suggested that this need is currently met to a “low extent”. It should be noted that there is no legal basis in the Regulation to extend the origin indication to processed foods; for such an extension, the basic legislation (Regulation (EU) No 1169/2011) would need to be changed.

Three **operators** stated that labelling ought to be extended to cover processed products, a need which is not currently met by Regulation (EU) No 1337/2013 as it is not currently foreseen in the legal basis. Two different operators felt that labelling should be extended to the food service and catering sectors, a need not currently met at all. One operator raised a concern that in France, origin is generally understood to refer to place of birth,

rearing, slaughtering and transformation. As a result, this operator felt that the Regulation should not define rearing periods and weights as this means that the final label is misleading for consumers.

There was greater diversity in the identification of new needs amongst **supply chain organisations**, although some common themes emerged. Although one interviewed EU level organisation representing operators stated that no new needs had emerged since Regulation (EU) No 1337/2013 was implemented, the other organisations felt that there is a need to extend the scope of the Regulation.

In particular, one common theme was a perceived need to extend origin labelling to processed products/products in which meat is a primary ingredient, which was cited by five organisations as a need which is not currently met at all; however, as explained above, this is not foreseen under the current legal basis.

Three organisations felt that the obligation to label with country of origin should also apply to meat sold loose, again a need not currently met by the Regulation and considered to be a loophole that should be closed.

Some organisations stated that origin labelling should also apply to the food service and catering sectors. One organisation representing operators explained that the rationale for extending scope to include the catering sector is that this is the sector where fresh meat is more likely to come from third countries and to be produced to lower standards than in the EU; consumers are currently not informed. However, another organisation representing retailers, while agreeing that the scope of the Regulation should be extended to cover the catering sector, pointed out that such an extension would be quite burdensome. It is considered relatively easy for a catering establishment to verbally inform consumers about origin if they ask about it, but rather restrictive to have to convey this information on a menu. It was stated that a thorough impact assessment would need to be carried out before any extension of scope took place. Another organisation highlighted the national pilot schemes trialling labelling in the catering sector (see ESQ 15, section 1.1) and suggested that a voluntary approach would allow Member States, or market segments within Member State, to adopt such labelling if considered relevant.

An organisation representing operators explained that there is a desire in the **poultry** industry to extend labelling to all market segments so that, given the prevalence of third country imports, consumers can make an informed purchase decision based on production standards. It was noted that an extension of scope would be relatively easy in the poultry sector, as long as it is on the basis of an “EU/non-EU” designation with specific third countries specified. The underpinning rationale behind this approach would be that the food safety and animal welfare regulations are the same across the EU and there is therefore no added value in specifying specific Member States. Such an approach would also avoid any risk of affecting the smooth operation of the Single Market.

Five organisations made comments in favour of using an “EU/non-EU” designation system rather than naming specific Member States. Generally, this need is viewed as being met to a “low extent” currently, probably because of the derogation in Article 7. One of these five stated that not being able to use this approach (outside the Article 7 derogation) created difficulties for small Member States with a lot of trade in meat. Another added that the derogation in Article 7 should apply universally because it is costly to separate product in slaughterhouses and cutting plants according to place of rearing. A supporting comment was provided by a different organisation which felt that the use of specific country of origin information should be avoided within the Single Market. However, another organisation

suggested that it should be possible to indicate region, not just country of origin showing that there is also some pressure to increase the level of detail of the information provided.

Also, one organisation stated that there is a need to indicate origin also in point of sale advertising materials and another felt that there ought to be a consumer information campaign on origin labelling; neither of these needs are currently met by the Regulation.

Finally, an organisation representing farmers felt that the scope needed to be extended to include the rabbit meat and egg sectors; another organisation representing rabbit producers contacted the evaluators to make the case that rabbit meat should be included in the scope.

Surveyed ***national Competent Authorities*** were asked whether new needs have emerged since the Regulation was implemented: two-thirds did not think so.

The six national Competent Authorities which did think that new needs had emerged were asked to explain what these new needs are. Up to five new needs could be listed and each could be scored to say to what extent the need is fulfilled by Regulation (EU) No 1337/2013. It is not always clear from the response exactly what the new need is. The following new needs were considered not to be fulfilled by the Regulation:

- A simple definition of batch code
- Labelling of the origin of rabbit meat
- The need for internal traceability in companies (batches can be followed within and throughout the production process)
- To enlarge the scope for all marketing stages
- A ban on mixing of batches of meat (with different origin or date of slaughter)
- Labelling of the origin of poultry offal
- To enlarge the scope for all customers (assumed to mean to cover processed meat and meat sold through food service and catering sectors)

In conclusion, in terms of new needs which are currently not met, there is a perception amongst all groups of stakeholders that the scope of the Regulation could be increased to encompass meat sold loose at retail (i.e. not pre-packed), processed meat/meat used in processed products, meat sold in food service and catering outlets, as well as meat of other species. However, these perceptions are not broadly shared; and, as noted above, labelling of meat as an ingredient is not foreseen under the current legal basis (Regulation (EU) No 1169/2011).

#### **7.1.2.2 Extent to which any new needs identified are fulfilled by the Regulation in its current form**

The extent to which new needs are fulfilled by the Regulation in its current form is assessed above under section 7.1.2.1. A perceived need to identify the country of birth was listed by surveyed national Competent Authorities as being currently fulfilled to a low extent (as this is covered in the designation "*Origin...*"). A perceived need to decrease the administrative burden on Food Business Operators was listed as being fulfilled to a "moderate extent".

Other new needs are thought to be fulfilled either "fully" or to a "great extent" by the current Regulation:

- Consistency with the Custom Code/Determination of origin for mixtures of meat



- Transparency to consumers, in presentation before the sale, in withdrawal and information after the sale
- Transparency in business relations, by sharing information with the other operators along the food chain
- Determine at what stages of the chain the information is mandatory
- Determine which species of animals are covered by the Regulation (e.g. wild boar)
- Transparency in companies' internal organisation, with the adoption of traceability procedures
- Transparency and protection of EU consumers' interests also when purchasing third country products
- Making inspection/control activities more effective

The presentation of new needs suggests that the Regulation has in many cases been sufficient to cope. The key point to note is that there is no clear need mentioned by several respondents which appears to be unfulfilled.

### **7.1.3 EXTENT TO WHICH RULES THEMSELVES ARE STILL RELEVANT FOR THE CURRENT CONTEXT / THE CURRENT CONTEXT HAS EVOLVED**

#### **7.1.3.1 Identification of the evolution of the current context compared to that at the time of drafting of the Regulation**

The presence of temporary national measures, which are predicated on there being consumer demand for origin labelling, could be considered to reflect consumer demand for origin labelling beyond the scope of Regulation (EU) No 1337/2013 in the sectors and market segments covered (see ESQ 15, section 1.1).

Respondents to the supply chain survey were asked to what extent they believe the broader context has changed since the Regulation was originally drafted. Only 12% (n=84) felt that there had been no change with around half (49%) stating that the context has changed to a "moderate extent" and a further 17% saying it had changed to a "great extent"; 23% thought it had changed to a "low extent".

All those who thought the context had changed (88%, n=74) were asked to highlight the areas in which changes in the context have occurred. The most commonly cited change in context related to the discussion around labelling (mentioned by 70% of these respondents, 62% of all respondents). Consumer habits and interests are also widely thought to have developed.

Almost a fifth (18%) of surveyed Competent Authorities felt that the broader context in which Regulation (EU) No 1337/2013 operates has not changed since it was drafted. However, almost a quarter (23%) stated that the context has evolved to a "great extent". Almost a fifth (18%) stated that the context has changed to a "moderate extent" and 41% stated that the context has evolved to a "low extent".

The most significant area of change was reported to be with respect to consumer habits/interests (mentioned by 65% of respondents). Changes in the legislative situation were mentioned by 29% of respondents and changes in the supply chain by 24%.

The following "other" (i.e. not pre-listed) areas of change were mentioned by Competent Authorities:

- the increasing use of the internet for food shopping and the need for reliable information to be available online
- the fact that meat used as an ingredient and processed meat is not within scope

- increased consumer interest in origin labelling
- a greater need for traceability, especially with regard to (microbiological) recalls in poultry meat.

As noted in the sections above, interviewed EU level organisations feel that consumer interest in country of origin information has increased since the implementation of Regulation (EU) No 1337/2013. This increased interest lies behind the perception that the scope of the Regulation should be increased to encompass the food service and catering sector as well as processed meat.

#### **7.1.3.2 Relevance of the scope of rules for the current context**

When asked to what extent the scope of the Regulation remained relevant given the changes in context since it was drafted, 27% of respondents to the supply chain survey felt that it remained “fully” relevant, 38% relevant to a “great extent”, 19% to a “moderate extent” and 15% to a “low extent”. No respondents felt that the scope was no longer relevant (n=73).

There was one key difference by type of respondent with consumer organisations most likely to consider the scope “fully” relevant.

In view of the changes in the context identified, surveyed Competent Authorities were invited to comment on the extent to which they consider the scope of rules in Regulation (EU) No 1337/2013 to still be relevant. A fifth (21%) stated that the scope remains “fully” relevant and half (50%) that the scope remains relevant to a “great extent”; 29% stated that the scope remains relevant to a “moderate extent”. No respondents thought that the scope is relevant to a “low extent” or not relevant at all (n=14).

As noted above, a wide range of interviewed EU organisations explained that the scope of Regulation (EU) No 1337/2013 should be increased to encompass processed meat and the catering sector.

#### **7.1.3.3 Relevance of country of origin labelling for meat served in the food service and catering sector**

EU meat purchasers responding to the consumer survey were asked to indicate whether they think country of origin labelling should apply to pig, poultry and sheep/goat meat served in the food service and catering sector. A majority of respondents (79%) felt that country of origin labelling should be used in the food service and catering sector; 43% indicated that they “strongly agreed”. Only 2% disagreed with this, although 19% were neutral.

There is, as expected, more support to extend country of origin labelling to the food service and catering sectors among those who say they use country of origin information when purchasing fresh meat.

Respondents to the supply chain survey were asked to comment on the extent to which they consider it relevant to provide country of origin information in the food service and catering sectors. Only 16% (n=83) said that this would not be relevant with 41% saying that it would be “fully” relevant. Consumer organisations are most likely to hold this view, but it is also interesting to note that operators in the supply chain are more likely to hold this view than the organisations representing them; this might suggest that the industry would be relatively open to such an extension of scope.

Surveyed Competent Authorities were asked to what extent they think country of origin labelling is relevant for meat served in the food service and catering sector. While 13% said that this is “not at all” relevant,<sup>79</sup> 19% said it is “fully” relevant, 25% relevant to a “great extent”, 12% relevant to a “moderate extent” and 31% relevant to a “low extent” (n=14).

One of the two Competent Authorities who said that country of origin labelling in the food service and catering sector is “fully relevant” explained that there could be difficulties in verifying information if such an extension of scope were to take place. The other noted that there is great consumer demand for such an extension. Consumer interest was cited by three other Competent Authorities, although one of these noted that staff can usually provide information on country of origin labelling if asked by customers.

One Competent Authority stated that any extension of scope to the food service and catering sector, or to meat sold loose, should be regulated at the Member State level. This respondent explained that their Member State would not choose to implement such measures.

As noted above, a wide range of interviewed EU organisations explained that the scope of Regulation (EU) No 1337/2013 should be increased to encompass meat sold through the catering sector. One organisation drew attention to a 2018 survey undertaken in Sweden which shows that consumers want to have information on the origin of meat eaten out of the home.<sup>80</sup>

#### **7.1.4 ESQ 12 CONCLUSIONS**

Respondents to the surveys reported that the objective of ensuring that information is reliable and can be checked by enforcement authorities remains highly relevant.

The objective to avoid unnecessary burdens on operators, trade, administration and the environment is considered by survey respondents to be less relevant than the other two objectives, although interviewed EU organisations pointed out that unnecessary burdens should be avoided.

In terms of new needs which are currently not met, although almost three-quarters of respondents to the supply chain stakeholder survey did not identify new needs, those that did consistently identified a need to extend the scope of Regulation (EU) No 1337/2013; and, EU level organisations were more likely to state that new needs have emerged. A minority of national Competent Authorities also identified new needs and a similar extension of scope was suggested. There is a perception amongst all groups of stakeholders (supply chain representatives, national Competent Authorities, consumer organisations) that the scope of Regulation (EU) No 1337/2013 could be extended to encompass meat sold loose at retail (i.e. not pre-packed), meat used in processed products, meat sold in food service and catering outlets, and meat of other species. However, these perceptions are not broadly shared; and, as noted above, labelling of meat as an ingredient is not foreseen under the current legal basis (Regulation (EU) No 1169/2011).

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<sup>79</sup> When invited to justify their answer, one of the two Competent Authorities to say that origin labelling in the food service and catering sector would not be relevant merely stated that this is not within scope suggesting that the question had been misunderstood.

<sup>80</sup> Sveriges Konsumenter, 2018.

Although a minority view, it should be noted that some supply chain organisations suggested the need to allow “EU/non-EU” labelling beyond the derogation provided under Article 7.

In conclusion, most of the new needs identified are not met by the Regulation in its current form, although some, for example, the need to identify country of birth, are partially met, in this case through the designation “Origin...”.

A majority of both stakeholders in the supply chain and national Competent Authorities felt that the context in which Regulation (EU) No 1337/2013 operates has evolved since implementation. The main changes in context were said to be to the discussion around labelling and consumer habits/interests. EU level organisations supported these views by noting the increase in consumer interest in origin labelling. This is also evidenced by the use of temporary national measures on origin under Article 39(2) of Regulation (EU) No 1169/2011.

Despite an identified change in context, the majority of respondents to the supply chain stakeholder survey and the survey of national Competent Authorities felt that the Regulation remains either “fully” relevant or relevant to a “great extent”.

The general relevance of the Regulation does not preclude a desire to see an expansion of scope. The majority of consumers feel that country of origin labelling should also apply in the food service and catering sector. The strength of feeling differs by Member State, but in those with a lower proportion of consumers supporting an extension of scope, it is notable that there are large proportions of consumers with neutral opinions, i.e. consumers are ambivalent, they are not against an extension of scope. There is also support for such an extension amongst respondents to the supply chain stakeholder survey and amongst a range of EU level organisations. For example, the **poultry meat sector** would welcome such an extension in scope, as long as the designation used was “EU/non-EU” rather than specific Member State. National Competent Authorities also felt that an extension of scope would be relevant, but to a much lower extent.

7.2 ESQ 13: To what extent are the traceability systems in all circumstances relevant for all meat products? For example, is it relevant to identify and trace meats for which origin labelling is not compulsory (not sold as fresh or frozen) as being further processed and/or exported?

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**7.2.1 EXTENT TO WHICH THE SUPPLY CHAINS, FOR MEAT WHICH MUST BEAR ORIGIN LABELLING FOR THE END CONSUMER UNDER THE REGULATION AND THOSE WHICH MUST NOT, ARE FULLY SEGREGATED**

**7.2.1.1 Identification of any changes to the legislative situation following the introduction of Regulation (EU) No 1337/2013 which may impact the relevance of the traceability requirements for certain products**

Commission Implementing Regulation (EU) 2018/775 took effect from 1 April 2020 and requires the labelling of country of origin or place of provenance of the primary ingredient of a food where this differs from the advertised place of provenance of the product (see section 4.6.1.1). Because this Regulation allows the use of “EU/non-EU” designation (in addition to Member State and even regional designations), there may be supply chains where detailed country of origin information is passed through the supply chain even though the product will be labelled only as “EU”. The relevance of Member State traceability for these supply chains would therefore be questionable.

As was noted in section 4.6.1.1, only one interviewed EU level Member State identified any changes in the legislative situation following the implementation of Regulation (EU) No 1337/2013 and cited Commission Implementing Regulation (EU) 2018/775 (see above). The other organisations stated that there have been no relevant legislative changes.

**7.2.1.2 Identification of any supply chains for further processing or export which are entirely segregated from the supply chains for fresh and frozen meat in the EU; general overlap of supply chain for fresh/frozen and supply chain for further processed and/or exported**

European Commission (2015) reports on a market investigation into **sow meat** as part of a merger procedure between a Danish and a German processor. The market investigation indicated that there might be a relevant product market for fresh sow meat for further processing, separated from the market for fresh pig meat for further processing. According to this source, Germany imports sow carcasses for de-boning from Belgium, Denmark, the Netherlands, Poland, Spain and the UK.

This source goes on to explain that after the sow carcasses have been de-boned at de-boning facilities, the resulting fresh sow meat is sold to industrial processors, primarily for sausage production, rather than for sale on the fresh meat market.

However, this analysis needs to be placed in the context of the merger procedure. In this context, while sow meat can be seen as forming a separate market, it does not follow that this market is entirely segregated. According to Bundeskartellamt (2011), adjudicating on the proposed acquisition of one German slaughterhouse by another, sow meat is used “almost exclusively” for sausage manufacture. In short, the fact that sow meat is largely

used in processed product implies that some is used in other markets and does not mean that the supply chains which deliver it are kept separate from other supply chains.

Half of the respondents to the supply chain survey (53%) said that they or their members are involved in supply chains for meat that is not sold as frozen or fresh in the EU (n=73). None of the operators processing all three species are involved in non-fresh or frozen EU supply chains (n=8). Two-thirds (68%) of operators processing only **poultry meat** are also not involved in these supply chains (n=19). However, Two-thirds (67%) of operators processing only **pig meat** are involved in supply chains beyond the EU fresh and frozen market (n=9).

There is considerable overlap in the markets in which operators are involved with 85% of those involved in supplying fresh/frozen meat for export outside the EU, 90% involved in supplying meat for the EU or non-EU processing industry and 77% involved in other supply chains (although these are less important than the first two).<sup>81</sup>

A large majority of respondents to the survey of national Competent Authorities (88%, n=17) indicated that they are not aware of supply chains in their Member State being entirely separate from meat to be sold as fresh or frozen in the EU.

One of the two respondents who indicated that there are separate supply chains explained that some sausage producers in the **pig meat sector** operate segregated supply chains (but see above). The other explained that there are separate supply chains where meat is exported to third countries. The example of the **pig meat sector** was provided where there are important exports to a range of third countries.

There is no evidence in the case studies in the **pig meat sector** that certain supply chains are entirely segregated from supply chains serving the EU's fresh/frozen pig meat market. However, where processing plants are serving different markets, this may be facilitated by dedicating specific processing lines to the end use market in order to ensure that the customers' requirements are respected. Where processing plants do not have multiple processing lines, any separation is done by running different batches. In some Member States, national legislation requires processed meat, which is out of scope of Regulation (EU) No 1337/2013, to carry origin labelling in any case (FR).

Sows are slaughtered in specialist facilities for technical reasons to do with their size, but in some Member States, these facilities can and do also slaughter standard finisher pigs (DE, DK). Although sow meat is typically used in processed products, mainly in the German market, it is also used in the fresh meat market. Slaughterhouses deal with sows in the same way as finisher pigs in terms of batch processing and traceability; in some cases, origin labelling is used in the processed product market on a voluntary basis (DE). Where carcasses are exported for further processing, the exporting slaughterhouse will not necessarily be aware of which market the meat is destined for (DK).

Segregated supply chains were only identified in one Member State in the **poultry meat sector** (FR). In this case one operator supplies whole birds to markets in the Middle East. The supply chain was originally established in the 1970s to take advantage of EU export refunds, but the market has largely declined since 2013 as these export refunds have been withdrawn. The presence of national legislation covering country of origin labelling, and

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<sup>81</sup> Only one respondent explained what this other supply chain was (export to developing countries) and it is difficult to conceive of a major market not covered by the export and processing designations, which would encompass exports to developing countries in any case.

which encompasses processed meat in some Member States, means that there is no possible rationale with respect to Regulation (EU) No 1337/2013 for segregating supply chains (FR). Exports to third countries, for example the USA, require that Regulation (EU) No 1337/2013 is followed in any case (NL).

The case studies in the **sheep/goat meat sector** did not reveal any segregated supply chains. There is generally less further processing in the sheep/goat meat sector which reduces the variety of end market uses (ES).

One interviewed EU level organisation explained that generally **pig meat** and **sheep/goat meat** slaughterhouses are not involved in segregated supply chains serving specific markets. Large slaughterhouses often have dedicated processing lines for different customers/end markets, but they will follow the same general procedures on traceability under Regulation (EC) No 182/2002 in any case. Smaller slaughterhouses will follow a batching programme on one processing line.

Another organisation explained that there are very few **poultry** processors who operate in segregated supply chains which do not also engage with the EU's fresh meat market.

#### **7.2.1.3 Reasons for entire segregation (if it exists); and for the extent of general overlap**

According to the supply chain survey, just over half of the supply chains mentioned in section 7.1.1.2 (51%, n=39) are "fully" mixed with supply chains serving the EU fresh/frozen market and a further third (31%) are "partially" mixed. Some 15% are said to be "separate" and 3% do not serve the EU fresh/frozen market at all. None of the operators processing only **pigs** operate segregated supply chains (n=6), whereas a third (33%) of those processing only **poultry** operate what are said to be segregated supply chains (n=6).

Only one respondent explained why their supply chain is partially mixed. In this case the same deboning batch is used except where there are additional requirements, in this case, to indicate that the meat is from an animal born in Germany. In other words, markets which have lower requirements for origin labelling follow the provisions of the Regulation and those with more stringent requirements are separated to allow further distinctions to be made.

The reasons given for the limited segregation of supply chains by surveyed national Competent Authorities were related to meeting the requirements of the end market rather than anything related to Regulation (EU) No 1337/2013. For example, there is Chinese demand for **piglets** up to seven months old, so those must be separated during slaughter.

The case studies in all three meat sectors found that the lack of entirely segregated supply chains results from a lack of economic justification. The requirements to be followed are the same for operators until the further processing stage. By serving multiple end markets, operators can maintain flexibility when demand changes in specific market segments; processors may also not be aware of the final market for which their supply is destined. It is also the case in some Member States that specific markets are not of sufficient scale to warrant dedicated attention (IE).

There is though segregation by batch in the **pig meat sector** (or sometimes processing line in operators with multiple lines) in order to ensure that end user requirements are met in terms of fat content, etc. (PL). In the **poultry meat sector** there is batch segregation to meet specific market demands for certain breeds or size (FR).

No segregated supply chains were identified by interviewed EU level organisations. Two organisations explained that it would not be economically efficient to segregate supply chains because it would reduce flexibility in terms of markets.

**7.2.1.4 Extent to which any entirely segregated supply chains follow the provisions of Regulation (EU) No 1337/2013; and any reasons for this**

Respondents to the supply chain survey were asked directly to what extent supply chains dedicated to meat that is not sold as fresh or frozen in the EU follow the provisions of the Regulation. Traceability rules are “fully” followed by more than half of respondents (56%) and rules relating to batching/groups of animals by 44% of respondents. The rules on labelling/rearing periods and derogations for minced meat/trimmings are not followed so completely, but only the rules on derogations for third countries are not followed at all by more than a fifth (23%) of respondents.

The reasons provided for following these provisions included (i) that it is Standard Operating Procedure (SOP) and/or (ii) the information is used for voluntary labelling in markets where it is not a legislative requirement (60% in both cases), the information is either (iii) requested (40%) or (iv) required (13%) by purchasers or the end market.

One respondent explained that it simply does not make economic sense to have more than one Standard Operating Procedure (SOP) and, as there is an approach prescribed in law, this is the approach that must be followed universally.

Some 36% of respondents explained that there are costs as a result of following the provisions (n=14) where there is no requirement to do so. There was no difference in response by species processed.

One of the two respondents to the survey of national Competent Authorities which identified segregated supply chains explained that the requirements of Regulation (EU) No 1337/2013 are not at all followed with respect to traceability; batching/groups of animals; labelling/rearing periods; derogations for third countries; and, derogations for minced meat/trimmings.

The other respondent indicated that the requirements are fully followed in all these respects. The explanation provided for following the requirements was that companies comply with the legislative requirements of the exporting country, including, where appropriate, EU and national legislation.

Only one truly segregated supply chain was reported in the **poultry meat sector** case study. In this case, whole birds are produced for export to the Middle East (see section 7.2.1.2). However, it is considered a marketing benefit to state country of origin in this market, so the provisions of Regulation (EU) No 1337/2013 are followed in any case (FR).

Exports of **pig meat** to third countries frequently required the provision of origin information before Regulation (EU) No 1337/2013 was implemented (DE).

No segregated supply chains were identified by interviewed EU level organisations.



## **7.2.2 BENEFITS, IF ANY, OF TRACEABILITY REQUIREMENTS SET OUT IN THE REGULATION FOR MEATS THAT DO NOT REQUIRE ORIGIN LABELLING**

### **7.2.2.1 Uses of origin labelling information by meats which do not require origin labelling (whether mandatory under other schemes or voluntary)**

As noted in section 7.2.1.4, origin labelling is used where it is not required under Regulation (EU) No 1337/2013 in conjunction with voluntary labelling schemes; there are also mandatory national schemes (see ESQ 15, section 1.1).

The evidence on whether the requirements of Regulation (EU) No 1337/2013 are followed, including the use of origin information, in segregated supply chains (or at least different market channels) was mixed in the national Competent Authority survey with one respondent indicating that the requirements are followed and one indicating that they are not (see section 7.2.1.4). Most Competent Authorities are simply not aware of this level of detail (see section 7.2.1.2).

The **pig meat sector** case studies found that in one Member State, operators supplying imported processed pig meat products tend not to use origin labelling whereas those supplying domestic processed meat products often do (ES). The point was made in other Member States that if retailers want to add voluntary country of origin labelling then this is done (DK, IE); In some Member States, national legislation requires origin labelling for meat products not covered by Regulation (EU) No 1337/2013 (FR).

This is also the case in the **poultry meat sector** with examples mentioned of the use of origin labelling for processed products, either voluntarily (IE, NL) or under national legislation (EL, FR).

The same was found in the **sheep/goat meat sector** where national legislation requires origin labelling in processed products in some Member States (EL, FR). There are also examples of voluntary country of origin labelling which goes beyond the scope of Regulation (EU) No 1337/2013 to encompass processed products (IE).

An inventory of national schemes which require origin labelling is provided under ESQ 15, section 8.2.1.

One interviewed EU level organisation explained that it is simpler for slaughterhouses to follow one procedure where possible. It was noted that when processing for the retail chains there are many other requirements which go beyond the EU legislation and these are considered to be more significant than the requirements under Regulation (EU) No 1337/2013.

### **7.2.2.2 Economic benefit (if any) of this information**

Respondents to the supply chain survey did not think that following the provisions of the Regulation for meat which is not sold as fresh or frozen in the EU provides any economic benefits.

No surveyed Competent Authorities identified any economic benefits from using country of origin indications in supply chains where this is not required under Regulation (EU) No 1337/2013.

The case studies in the **pig meat sector** found that country of origin labelling is only used on meat where it is not required under Regulation (EU) No 1337/2013 where there is commercial advantage. This might be to allow consumers to identify, and then pay a premium for, products derived from domestic meat in a market where there is competition from imported products (ES, RO). However, in most Member States, no economic advantage was identified.

The **poultry meat sector** case studies generally found no economic benefit from using country of origin labelling where it is not required under Regulation (EU) No 1337/2013. In fact, in one Member State (DK), it was noted that consumers are not interested in information on the country of origin for processed products. Providing this information would add to operational complexity and cost and would result in a reduction in competitiveness.

While generally no economic benefits were identified in the **sheep/goat meat sector**, where consumers want to buy products which use domestic meat then country of origin labelling can help consumers identify these products which may be sold at a premium (RO).

As noted in section 4.6.1.4, no interviewed EU level organisations identified any benefits from following the requirements of Regulation (EU) No 1337/2013. The requirements are followed because they are not considered to be onerous and it is simpler to operate one set of procedures.

### **7.2.2.3 Other, non-economic benefits**

Almost a third (36%) of the 15 respondents to the supply chain survey which are involved in supply chains outside the scope of Regulation (EU) No 1337/2013 felt that there are non-economic benefits, mainly relating to marketing and information transparency. There was no difference by species processed.

One surveyed Competent Authority explained that there is a non-economic benefit in the marketplace from using country of origin indications where this is not required under Regulation (EU) No 1337/2013 because the provisions of the Regulation increase the reliability of the indication. In other words, the fact that the origin indication results from legislative requirements increases its perceived value.

The case studies in the **pig meat sector** identified country of origin information on meat where it is not required under Regulation (EU) No 1337/2013 as being helpful in third country export markets because some Member States have globally recognised high quality products (DK). This is an issue of market access, recognised food safety, traceability and reliability as a supplier (DK, PL).

In the **poultry meat sector**, country of origin labelling on products where it is not required can provide consumers with information which they want to know and therefore provide some marketing advantage (EL). However, generally, no non-economic benefits were identified. This was also the finding in the **sheep/goat meat sector**.

No non-economic benefits were identified by interviewed EU level organisations.

### 7.2.3 ESQ 13 CONCLUSIONS

The only legislative change identified which might impact the relevance of traceability requirements for certain products was Commission Implementing Regulation (EU) 2018/775 which took effect from 1 April 2020. While applying to meat used as an ingredient, operators will be able to use an “EU/non-EU” designation. Where this designation is used, knowing provenance to the Member State level will not be relevant.

Evidence on the extent to which there are fully segregated supply chains serving markets other than the EU’s fresh/frozen market is mixed. While some of the evidence suggests that there are some segregated supply chains, other evidence suggests that this is not the case. There may be an element of confusion. Whilst it is clear that there are different market channels, there is no compelling evidence that these are served by supply chains entirely segregated along their length.

There is a suggestion in the literature that the cull sow market is segregated from the general pig meat market, with sow meat used in the processing sector. However, some sow meat is used in the fresh meat market and sows are not slaughtered in facilities which do not also process standard finisher pigs. There is a segregated supply chain in the poultry sector where whole birds are exported to the Middle East, but this has declined in importance over time.

In summary, a triangulation of the evidence suggests that there are certainly no significant segregated supply chains in the EU with operators along the supply chain working across a range of markets in addition to those within scope of Regulation (EU) No 1337/2013. It is considered likely that there is some confusion between different market channels and segregated supply chains.

Where supply chains are said by survey respondents to be segregated, or at least serve specific markets, this results from a need to ensure that the requirements of the end market are met. In other words, different market channels have different specifications. It is considered important for operators to maintain flexibility so that, should market conditions change, they can redirect their focus.

Operators tend to follow a Standard Operating Procedure which underpins all their production. It was also noted that origin labelling is often required by end markets on a voluntary basis for products that are out of scope of Regulation (EU) No 1337/2013.

Origin labelling is used on products which fall outside the scope of Regulation (EU) No 1337/2013, both under mandatory national legislation and under voluntary schemes.

Where country of origin labelling is used on a voluntary basis, the presumption must be that perceived advantages outweigh any costs.

The main advantage of specifying origin where it is not required under the Regulation is to allow consumers to identify products from a specific origin. In some cases this provides an economic benefit if premiums are available, usually for meat from animals produced domestically (note that this may hinder the smooth operation of the Single Market), but also in third country export markets where a specific Member State, or the EU in general, has a good reputation for quality. In this context it is important to note that the costs of providing this information are not seen as being onerous.

Essentially, whether there is a benefit or not, and whether the benefit is economic or non-economic, depends on the Member State and the market segment.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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The main advantage of specifying origin where it is not required under the Regulation is to allow consumers to identify products from a specific origin. In some cases there is a non-economic benefit from providing consumers with this information so that they can make an informed purchase decision. Essentially, whether there is a benefit or not, and whether the benefit is economic or non-economic, depends on the Member State and the market segment.

## 8. EU ADDED VALUE OF THE REGULATION

The theme of EU-added value is addressed through two Evaluation Study Questions (ESQs) as set out below.

ESQ	Judgement criteria	Key data sources
ESQ 14: What is the EU added value of the rules and conditions of the origin labelling of certain meats?	JC14.1: Extent to which Member States would have acted to introduce rules if Regulation (EU) No 1337/2013 did not exist	<ul style="list-style-type: none"> <li>Member State Competent Authority survey</li> <li>Case studies</li> <li>In-depth interviews</li> </ul>
	JC14.2: Potential impact of the non-harmonised system resulting from the above	<ul style="list-style-type: none"> <li>Member State Competent Authority survey</li> <li>Case studies</li> <li>In-depth interviews</li> </ul>
	JC14.3: Internal market benefits resulting from Regulation (EU) No 1337/2013	<ul style="list-style-type: none"> <li>Data analysis</li> <li>Desk research</li> </ul>
ESQ 15: To what extent have Member States issued national rules on origin labelling that go beyond the EU rules and conditions?	JC15.1: Inventory of existing national rules issued by Member States beyond those of EU rules (Article 39 and 45 of the Food Information to Consumers Regulation (EU) No 1169/2011; Article 8 of Regulation 1337/2013)	<ul style="list-style-type: none"> <li>Desk research</li> <li>Member State Competent Authority survey</li> <li>Case studies</li> <li>In-depth interviews</li> </ul>
	JC15.2: Reasons for the issuance of such rules	<ul style="list-style-type: none"> <li>Member State Competent Authority survey</li> <li>Case studies</li> <li>In-depth interviews</li> </ul>

### 8.1 ESQ 14: What is the EU added value of the rules and conditions of the origin labelling of certain meats?

#### 8.1.1 EXTENT TO WHICH MEMBER STATE WOULD HAVE ACTED TO INTRODUCE RULES IF REGULATION (EU) NO 1337/2013 DID NOT EXIST

##### 8.1.1.1 Percentage of National Competent Authorities which consider it likely they would have tried to introduce rules if the Regulation had not existed

The survey of national Competent Authorities shows that opinions of national Competent Authorities regarding the possibility of introducing rules in the absence of Regulation (EU) No 1337/2013 are well balanced. On the one hand, 41% considered this eventuality to be “unlikely”, (29% considered it to be “quite unlikely” and 12% to be “extremely unlikely”. On the other hand, the same proportion (41%) of national Competent Authorities thought that the introduction of national rules would be “likely” (29% “quite likely” and 29% “extremely likely”). A fifth (18%) of the Member States had a “neutral” opinion on this eventuality (n=17).

##### 8.1.1.2 Opinion of national authorities and national professional organisations on feasibility of introducing rules in such a situation

The general reason offered by surveyed national Competent Authorities for the probable introduction of national rules was consumer demand for this information. However, one Competent Authority explained that it would not be easy to implement national rules because labelling is an EU competence and any national legislation would need to fall under Article 39 of Regulation (EU) No 1169/2011 which requires the demonstration of a proven link between certain qualities of the food and its origin.

Even though some Member States did introduce national rules before 2015, Competent Authorities were asked to assess the feasibility of introducing national rules on country of origin labelling in the absence of Regulation (EU) No 1337/2013. None thought introducing such rules would be “entirely feasible”, but 35% felt it would be “quite feasible”; the same proportion had a “neutral” opinion and a quarter (24%) felt the introduction of such rules would be “quite unfeasible”.

The findings from the case studies are in line with the results of the national Competent Authority survey. Four categories of situations could be identified among the ten Member States analysed (which group the 21 meat supply chain case studies) according to the pre-existence of national rules before the entry into force of Regulation (EU) No 1337/2013; the demand of consumer organisation; and, the exporting position of its meat supply chain.

Member States for which national rules were already implemented before 2015 and which would have pursued them in the absence of Regulation (EU) No 1337/2013

This category includes five meat supply chains among the 21 analysed: **pig** and **poultry meat** supply chain in Poland; **pig meat** supply chain in Italy; and, **poultry** and **sheep/goat meat** supply chain in Greece. In these countries, Competent Authorities and meat supply chain organisations and consumer organisations agreed on the objective to label the origin of meat. While for the Greek meat industry, the main objective was the development of national production over imported products, the development of national rules in Italy and Poland was aimed at providing better information to consumers and to control the supply chain.

Member States which did not implement national rules before 2015 and which would not have done so in the absence of Regulation (EU) No 1337/2013

This category includes five meat supply chains amongst the 21 analysed: **poultry meat** supply chain in the Netherlands; and, **pig** and **poultry meat** supply chains in Denmark and Germany. Those countries are net meat exporters for most of their meat supply chains with self-sufficiency rates that generally exceed 100% over the 2013-2018 period. For some Member States (DE, DK, NL), the risk of extra-cost, the fragmentation of the EU Single Market and the expected low willingness of consumers to pay for such labelling were the main reasons mentioned to not foresee the implementation of national legislation. In others, national authorities did not express an opinion on this matter, but meat industry organisations considered the eventuality of having national rules in the absence of EU Regulation as very unlikely (ES, RO). In addition, the case studies found that neither meat industry organisations of those countries, nor consumer organisations, were interested in adding national rules regarding country origin of labelling. While industry organisations considered country of origin labelling legislation harmful for their business (DE, NL), consumer organisations are mainly focused on food quality, food safety, and animal welfare rather than origin (DE). Consumer organisations in one Member State said that consumers would find it rather confusing to have meat from different origins labelled on one processed product (DK).

Member States which did not implement national rules before 2015 and which would not have done so in the absence of Regulation (EU) No 1337/2013, but in which interbranch organisations have implemented widely used voluntary schemes

This category includes six meat supply chains amongst the 21 analysed: **pig** and **poultry** and **sheep/goat meat** in Ireland and in France. In both Member States, national authorities would have been unlikely to have implemented national rules, despite the

willingness of meat supply chain organisations and consumer organisations to do so. Indeed, interbranch organisations have developed voluntary schemes since the 2000s that cover almost all **pig** and **poultry meat** production and a large part of **sheep/goat meat** production. Those voluntary schemes ("*Viandes de France*" and "*Bord Bia Quality Mark*") aim at promoting and labelling the domestic origin of meat sold at retail.

Member States which did not express an opinion on the feasibility of introducing national rules in the absence of Regulation (EU) No 1337/2013, but where their introduction seems unlikely

This category includes five meat supply chain amongst the 21 analysed: **pig**, **poultry** and **sheep/goat meat** in Spain; and, **pig** and **poultry meat** supply chains in Romania. While no national rules existed in either Member State for labelling the origin of pig and poultry meat, Spain had national rules for **sheep/goat meat**. While national Competent Authorities did not comment on this point, meat supply chain organisations agreed that it was unlikely that their Member States would have developed national rules. According to **sheep/goat meat** industry organisations, the implementation of Regulation (EU) No 1337/2013 resulted in the removal of some information provided to consumers under the previous national legislation which was repealed. This covered the traditional classification of **lamb meat** (ES) (see ESQ 5, section 4.5.3.2 for further details). However, **pig** and **poultry meat** organisations considered that national rules would be a backward step which would obstruct intra-EU trade (ES, RO).

Most of the interviewed EU level organisations interviewed considered that the Member States that already implemented national rules would have pursued them in the absence of Regulation (EU) No 1337/2013.

### **8.1.2 POTENTIAL IMPACT OF THE NON-HARMONISED SYSTEM RESULTING FROM THE ABOVE**

#### **8.1.2.1 Opinion of national authorities and national professional organisations on the extent to which national rules could meet the same objectives as those pursued by EU rules**

Surveyed Competent Authorities did not generally think that a system of national rules could completely fulfil the objectives of Regulation (EU) No 1337/2013. Almost half (46%) said that national rules could fulfil the objectives of the Regulation only to a "moderate extent". More than one third (34%) of Competent Authorities considered that national rules would have not met the same objectives (27% to a low extent and 7% not at all). One fifth (20%) of Competent Authorities considered that national rules would have met the same objectives (13% fully and 7% not at all).

The main reason given to explain the answers provided was related to the lack of harmonisation that a system of national rules implies. For example, one Competent Authority raised the issue of barriers to trade within the Single Market. Others explained that such systems could only apply to domestic products, so consumers would not be presented with full information. Two Competent Authorities explicitly mentioned the advantages of operating a system harmonised at the EU level.

The findings from the case studies confirm the results of the national Competent Authority survey. The opinion of the different stakeholders regarding the potential impact of introducing national rules seems to depend to a certain extent on the exporting position of its supply chain, and the experience of existing national rules addressing country of origin labelling. Three categories of situations among the ten Member States analysed in the case studies (grouping 21 meat supply chains) could be identified.

Member States in which national rules would not fulfil EU objectives in the absence of Regulation (EU) No 1337/2013

This category includes Germany, Netherlands, Romania and Spain. In most of these Member States, certain meat supply chains rely on intra-EU export to a large extent and their self-sufficiency rate is close to or higher than 100% (**pig** and **poultry** in Germany; **poultry** in Netherlands and **pig** in Spain). Romania can also be included in this category, but for reasons other than its exporting position: stakeholders did not have a common position and they have low confidence in the capacity of authorities to correctly implement such rules. Besides, these Member States did not introduce national rules to address country of origin labelling for certain meat. In two Member States, both Competent Authorities and national professional organisations consider that national rules would limit the principle of free movement of goods and would hamper the smooth operation of the EU Single Market (DE, ES).

Member States in which national rules would fulfil EU objectives to a moderate extent in the absence of Regulation (EU) No 1337/2013

This category includes Denmark, France and Ireland for which certain meat supply chains rely on intra-EU export to a large extent (**pig** in Denmark and Ireland, **sheep** in Ireland) and/or for which the self-sufficiency rate is close to 100% (**pig** and **poultry** in France; **poultry** in Denmark and **poultry** in Ireland). In two Member States, the opinions of national professional organisations were diverse: while some would have supported the introduction of national rules, others mention the risk for exporting supply chains in having to navigate different rules (FR, IE). In one of these Member States, Competent Authorities considered that introducing national rules would not meet the EU objectives pursued by Regulation (EU) No 1337/2013; national voluntary schemes, which are widely used, address EU objectives concerning consumer information (FR). However, Competent Authorities in one Member State said that Regulation (EU) No 1337/2013 provided a legislative base from which to introduce the national decree that makes the identification of the origin of meat used as an ingredient in processed products compulsory (FR). In another Member State, national rules would partially have addressed EU objectives and would have eventually covered other aspects to better inform consumers regarding animal welfare, production conditions, food safety and environmental aspects (DK). In another, the introduction of national rules would depend on the political will to do so, but would eventually address issues raised by national professional organisations such as the labelling of origin for loose chicken fillets sold in butchers (IE). Nevertheless, these Member States agreed on the high probability that national rules would hamper the smooth operation of the EU Single Market.

Member States in which national rules would fulfil EU objectives to a large extent in the absence of Regulation (EU) No 1337/2013

This category includes Italy (**pig**), Poland (**pig, poultry**) and Greece (**poultry** and **sheep/goat**). These Member States consider that national rules would meet the objectives of Regulation (EU) No 1337/2013 to a large extent, especially regarding consumer protection and information. In one, the introduction of national rules would be an opportunity to cover new market segments (loose meat for catering and meat used as an ingredient in EL, for example). In another, Competent Authorities stated that it would help to improve the control system in case of food alerts (IT, indication of the location of the plant where the last substantial processing took place). In another Member State, based on their past legislative experience, it is considered that national rules would meet EU objectives at a national level (PL). Nevertheless, stakeholders consider that national rules would hamper the smooth operation of the EU Single Market and remove the level



playing field for operators across the EU (EL, IT). They also consider that a lack of EU harmonisation regarding country of origin labelling would be harmful in terms of providing information to consumers as they would not benefit from the same level of information on all meat supplies.

All interviews with EU level organisations concluded that, in the absence of Regulation (EU) No 1337/2013, the national rules that could be implemented would have resulted in a lack of harmonisation of rules and requirements within European meat supply chains. This would have hampered the smooth functioning of the EU Single Market. One interviewee stated that such a situation could lead to a fragmentation of the EU meat market. In addition, a system of national rules would have generated differential information and protection for consumers. One EU organisation representing farmers noted with respect to the **poultry** and **sheep/goat meat sectors** that the Regulation had had a positive effect on the internal market by increasing the trust and confidence of consumers in the food chain.<sup>82</sup>

### **8.1.3 INTERNAL MARKET BENEFITS RESULTING FROM REGULATION (EU) NO 1337/2013**

#### **8.1.3.1 Trend in trade (intra and EU trade) for products covered by the Regulation**

The impact of Regulation (EU) No 1337/2013 on intra-EU trade in live animals and in fresh meat was analysed under ESQ 2 (section 4.2.1.1 and section 4.2.1.2 respectively) and is not repeated here.

Changes to sourcing practices were examined under ESQ 2 (section 4.2.1.3).

None of the EU organisations interviewed felt that there had been any substantial change in the pattern of trade in live animals or meat for any of the species within the scope of Regulation (EU) No 1337/2013 as a result of its implementation.

One EU level organisation explained that the implementation of Regulation (EU) No 1337/2013 carried a risk that trade in **pig meat** would be renationalised, but no evidence that this has taken place has been identified. The risk of future renationalisation does though remain. Two other organisations confirmed that there had been no systemic change in **pig meat** or **sheep/goat meat** trading patterns since the Regulation was implemented.

An EU organisation mentioned trade issues in **poultry meat** between Belgium and the Netherlands and France as a result of Regulation (EU) No 1337/2013 and the French experimental decree on country of origin labelling in processed products containing meat. However, the impact at the retail level has not been significant because retailers have been promoting national production for some time, and before the implementation of Regulation (EU) No 1337/2013. As a general observation, there is increasing trade in live poultry for slaughter because it is becoming increasingly difficult to set up poultry farms as a result of environmental restrictions in some Member States (particularly Denmark and the Netherlands, but also Germany to some extent) and Regulation (EU) No 1337/2013 has not been considered an impediment to this trade.

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<sup>82</sup> They did not comment on the pig meat sector; it should not be inferred that this sector did not benefit in the same way.

### 8.1.3.2 Impact of information on consumer behavior

The Commission Impact Assessment (European Commission, 2013a) states that consumers are ethnocentric, i.e. express a preference for meat produced in their own country (see ESQ 2, section 4.2.2.2, and ESQ 3, section 4.3.2.2). The consumer survey performed by European Commission (2012) found that 8% of consumers stated that buying meat produced in their own country is their most important purchase criterion. This national preference varies by Member State and ranges between 12% (Greece and Lithuania) and 2% (Netherlands). Regarding costs, it was anticipated that, on average across the sectors and Member States, around 90% of any increase in costs would be passed to consumers (the remaining 10% being passed to producers).<sup>83</sup> The impact assessment also stated that the split of any actual cost increases will be determined by market forces. The expected increases in consumer prices due to country of origin labelling rules were low at +0.5% for **pig meat**, +0.3% for **poultry meat** and +0.3% for **sheep/goat meat**.

The use of origin labelling information by consumers during their purchasing decision is analysed under ESQ 2 (section 4.2.2.1). The main motivations for the use of origin labelling by consumers are analysed under ESQ 2 (section 4.2.3.1). European meat purchasers responding to the consumer survey use country of origin as a proxy for a range of other credence attributes. As all Member States operate under the same EU law with regard to food safety it is therefore not the case that meat from any specific country is safer than meat from any other EU Member State. Neither is it the case that country of origin is a meaningful proxy for quality, for example.

### 8.1.4 ESQ 14 CONCLUSIONS

In summary, the positions of the Member States are balanced between those which would have wished to legislate and those that would not.

The findings from the case studies and the in-depth interviews are in line with the results of the national Competent Authority survey. Most of the Member States which introduced national rules before the implementation of Regulation (EU) No 1337/2013 would have pursued them in the absence of the Regulation. Conversely, most of the Member States which did not introduce national rules would not have introduced any regarding specifically country of origin labelling if the Regulation had not been implemented. Those Member states are net exporting countries for some of their meat supply chains and/or have developed national voluntary schemes that have addressed country of origin labelling for a large part of the meat sold at retail. In other Member States Competent Authorities did not express an opinion on this topic, but national professional organisations felt that the introduction of such rules would be unlikely in the absence of Regulation (EU) No 1337/2013.

In conclusion, a significant proportion of Member States would have acted to introduce and/or pursue national rules to address country origin labelling for certain meats in the absence of Regulation (EU) No 1337/2013. For other Member states which did not develop such rules, and which have net meat exporting positions among their supply chain, and/or which have developed voluntary national schemes, it is unlikely that national rules would have been introduced.

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<sup>83</sup> This has not been corroborated by this evaluation which has found very little evidence that costs have been passed to consumers (see ESQ 3, section 4.3.2).

The national Competent Authority survey found that Member States did not generally think that national rules could completely fulfil the objectives of Regulation (EU) No 1337/2013 in its absence. Only one fifth of Member States would have eventually introduced national rules that could pursue the objectives of the Regulation to an important extent (13% to great extent and 7% fully).

According to the case studies, the extent to which national rules could meet the same objectives as those pursued by EU rules appears to depend on the exporting position of the supply chain and the experience of former national rules addressing country of origin labelling. From a general point of view, national professional organisations in Member States where national rules were introduced consider that the pursuing of these would fulfil the objectives of the Regulation, especially in terms of consumer information, but would also address market segments outside the scope of the Regulation (loose meat, catering sector, meat used as an ingredient in processed products). In the other Member States, both national professional organisations and Competent Authorities stated that national rules would not fulfil EU objectives. However, almost all stakeholders considered that the absence of Regulation (EU) No 1337/2013 would hamper the smooth operation of the EU Single Market, would generate difficulties for operators in terms of navigating different national rules, and would lower the level and consistency of consumer information provided.

In conclusion, 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 Regulation (EU) No 1337/2013. While some Competent Authorities consider that the introduction, or continuation, of existing national rules would address consumer demand regarding information on the origin of meat, almost all stakeholders consider the absence of Regulation (EU) No 1337/2013 would have hampered the smooth operation of the EU Single Market, raised difficulties for companies to navigate rules and would have decreased consumer information.

In conclusion, the entry into force of Regulation (EU) No 1337/2013 did not hamper the evolution of intra-EU trade in live animals or fresh meat, and it did not disrupt the operation of the EU Single Market. No substantial renationalisation of intra-EU trade occurred as a result of implementation of the Regulation. However, some sourcing consolidation took place for a limited number of operators and this could have led to a reduction in sourcing from other Member States for the operators concerned.

Consumer survey results found that country of origin is an important, though second order, consideration for EU meat consumers when making a purchase decision and consumers tend to prefer meat from their own country. A quarter of consumers (25%) said that they always look at the country of origin information and a quarter look at it most of the time; 23% look at it sometimes. The motivations of European consumers to purchase the meat of the country they look for are diverse. European meat consumers have attached credence attributes including higher safety, quality, taste and better production methods to national meat production that are not in line with reality and which could in theory be considered as an indirect barrier to the smooth operation of the Single Market.

## 8.2 ESQ 15: To what extent have Member States issued national rules on origin labelling that go beyond the EU rules and conditions?

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### 8.2.1 INVENTORY OF EXISTING NATIONAL RULES ISSUED BY MEMBER STATES BEYOND THOSE OF EU RULES (ARTICLE 39 AND 45 OF THE FIC REGULATION (EU) NO 1169/2011; ARTICLE 8 OF REGULATION 1337/2013)

#### 8.2.1.1 Extent to which additional national rules have been issued across the EU

Legal references and national specificities are summarised in section 3.4. A review of additional national rules that have been issued across the EU (i.e. extending beyond the case study countries) is available in presentations and a summary report following a seminar on origin labelling and temporary national measures held in Brussels on 8 July 2019 (European Commission, 2019).

Regulation (EU) No 1337/2013 applied directly in law across the EU. Some Member States enacted no associated national legislation (for example, DK, FR, IT). However, 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).

Finland and France are the only two Member States that have issued additional national rules across the EU (European Commission, 2019):

- **Finland** attempted to introduce national rules requiring the identification of country of origin for fresh, chilled and frozen meat (and fish) used as an ingredient in non-pre-packed food delivered by mass caterers, but this was rejected by the European Commission. The measures were subsequently amended and introduced under a pilot project which ran from 1 June 2017 to 31 May 2019, subsequently extended to 31 March 2020 (Ministry of Agriculture and Forestry of Finland, 2019).<sup>84</sup> So far there is little evidence of negative impact.
- **France**: The Commission did not oppose the implementation of a pilot scheme to label the origin of meat (as well as milk) used as an ingredient in further processed products in France (French Decree n° 2016-1137; 19 August 2016);<sup>85</sup> this has been extended until the end of March 2020. Furthermore, there is a recent draft decree in France covering meat served in the catering sector. The purpose of this draft decree is to inform restaurant and catering consumers of the origin of **pig, poultry and sheep/goat meat**. It requires restaurant operators to transmit the provenance information received within the framework of Regulation (EU) No 1337/2013 to customers. This amends a 2002 Decree which already obliged restaurants to provide origin information for bovine meat.<sup>86</sup>

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<sup>84</sup> Decree of the Ministry of Agriculture and Forestry 218/2017 on indicating the origin (country of rearing) of meat used as an ingredient in prepacked foods intended for a final consumer or mass caterers and manufactured in Finland.

<sup>85</sup> However, the indication of origin will not be required: if meat represents a percentage (expressed as the total weight of ingredients used in the pre-packaged food) below a threshold of 8% for meat used as an ingredient in a processed product; if pre-packaged food has a designation of origin or is derived from organic production; if the products are manufactured or marketed in another Member State of the European Union or in a third country.

<sup>86</sup> <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000411003>

Despite the few additional national mandatory rules, many national voluntary schemes concerning origin (often as part of wider quality schemes) have been developed in at least eight Member States:

- **Czech Republic** developed a voluntary scheme applying to all food to identify Czech origin via a Czech food logo.
- **Denmark** developed additional voluntary labelling of meat using a Danish flag for meat with Danish origin (Statutory Order); the largest Danish company in the pork sector uses a "100% Dansk svinekoed" logo (**pig meat**); a new label "Dansk Kylling" (Danish Chicken) was introduced in 2019 by five **poultry** companies.
- In **France**, a coordination body (APAF - *Association des produits agricoles français* – French agricultural products association) manages the interbranch initiatives for labelling French origin of many products, including all types of meat.<sup>87</sup>
- In **Germany**, there are more than 300 origin and quality schemes for meat. Some of them are developed at the regional scale, for example, "Regionalfenster", or by federal state.
- In **Ireland**, the "Bord Bia Quality Mark" ensures quality and origin of food products.
- In **Italy**, there are different regional initiatives on **pig meat** products, including *Gran Suino Italiano*, *Consorzio di Garanzia del Suino Italiano* or *Italoico*.
- In **Poland**, the "Polish product" mark may be placed on a label to inform consumers about the Polish origin of foodstuffs, including meat and meat products. The mark suggests that the product, and more than 25% of raw materials used in the production process, originated in Poland.
- In **Spain**, a national label "*Alimentos de España*" was established, and ten labels were introduced by autonomous communities to identify products coming from specific regions. Furthermore, Royal Decree 505/2013 provides for the use of the label "*Indigenous Race*" which can be used on a voluntary basis on meat products made from indigenous animals.

It is worth noting that most of these initiatives have been developed after the implementation of Regulation (EU) No 1337/2013 and therefore might be considered to address perceived shortcomings/gaps in the coverage provided by the Regulation in some Member States, although often they are aimed at supporting domestic production.

Some national initiatives linked with quality or higher animal welfare, but without specific mention of origin, have also been developed. This is especially the case in Northern European countries. Examples include IKB and Beter Leven in the Netherlands; QS in Germany; and, Label Rouge in France. These schemes can be considered to provide information on origin by default as they are mainly used nationally.<sup>88</sup>

One organisation interviewed also stated that eight Member States (France, Italy, Lithuania, Portugal, Greece, Finland and Spain) have national rules applying to other products, mainly milk; Italy has national rules covering the broadest range of products.

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<sup>87</sup> <http://www.produitsagricolesdefrance.fr>

<sup>88</sup> It is possible for producers in other Member States to use some of these schemes, but in the majority of cases they are used by domestic producers.

The survey of national Competent Authorities found that three-quarters (75%) have not introduced national measures. Almost a fifth (19%) have mandatory rules in place at the national level (FI, FR, PL to some extent) and 6% have voluntary national rules (CZ).

The **Finnish** system was a pilot project (see above for further details). The scope includes pre-packed food intended for consumers or mass caterers and manufactured in Finland. There is mandatory origin labelling of:

- Meat used as an ingredient in food: beef, **pig, poultry, sheep/goat meat** (including meat used as an ingredient of meat products and meat preparations); the label must state "*country of rearing*" and "*country of slaughter*".
- Milk and milk used as an ingredient in dairy products: dairy products within the scope listed in the Annex to the Decree; the label must state "*country of milking*".

Two regulations have been or will be implemented in **France**, both within the framework of time-limited pilot projects (see above for further details):

- labelling of the origin of **pig, poultry** and **sheep/goat meat** in out-of-home catering;
- labelling of the origin of **pig, poultry, sheep/goat meat** used as ingredients in processed products.

In **Poland**, Regulation of the Minister of Agriculture and Rural Development of 18 December 2017 amending Regulation on the labelling of individual types of foodstuffs (O.J. item 2461) introduced a requirement to provide country of origin information for fresh, chilled and frozen meat of **pigs, poultry** and **sheep/goats** referred to in Annex XI to the Regulation (EU) No 1169/2011 that is sold loose (i.e. not pre-packed). Information must be provided to consumers via signs placed in a visible place in close proximity to the meat.

The voluntary scheme in the **Czech Republic** (Act No 110/1997 and Act No 417/2016) applies to all food, not just meat, and allows the identification of food of Czech origin via a Czech food logo.

Except for the French rules on origin labelling in catering premises,<sup>89</sup> all national rules have been introduced under Article 45 of the FIC Regulation (EU) No 1169/2011.

#### **8.2.1.2 Identification of the main issues covered by national rules that are of relevance to the provisions of Regulation (EU) No 1337/2013**

According to the survey of national Competent Authorities, the main issue covered by **Finnish** and **French** additional rules was to inform consumers about the origin of meat used as an ingredient in food, including meals delivered by mass caterers.

In Poland, the specific requirement introduced by Regulation of the Minister of Agriculture and Rural Development of 18 December 2017 (O.J. item 2461) to provide country of origin information for unpacked (loose) fresh, chilled and frozen meat of **pigs, poultry** and **sheep/goats** was considered appropriate given the importance of meat sold in this manner in Poland.

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<sup>89</sup> This was introduced under Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services.

### ***Findings from the case studies***

The case study in **France** revealed that the main issues covered by the national rules on meat used as an ingredient were to:

- enhance transparency about the origin of all meat and meat products in all market segments (after the horsemeat scandal); and,
- reduce imports (mainly from other EU Member States) destined for the processed meat industry in the **pig** and **poultry meat** sectors.

Another driver for the implementation of specific rules on the labelling of origin in out-of-home catering in France was the high level of imported **poultry meat** (and, to a lesser extent, of **pig meat**) used in the catering sector. The objectives were to promote national production in specific market sectors and thereby to increase domestic market share. Another objective was to provide transparent information to consumers in the only sector for which meat consumption is growing.

In **Greece**, the compulsory indication of origin for all meat sold at retail level, whether pre-packed or not, stemmed from an identified need to protect consumers from potentially being misled given the importance of meat sold loose (over 80% of fresh/chilled **sheep/goat meat** is sold to consumers by independent butchers at retail point).

In summary, the development of voluntary national schemes concerning the origin of **pig**, **poultry** and **sheep/goat meat** in at least seven Member States has been mainly driven by a desire to promote domestic production; country of origin is an important, though second order, consideration for EU consumers when making a purchase decision (see ESQ 1, section 0). In some Member States, the development of voluntary national schemes was also aimed at introducing a requirement to explicitly state country of birth, and thereby make information on provenance clearer to consumers.

Table 8.1 provides an overview of national regulations and voluntary national schemes concerned with origin in the meat sector in selected Member States.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

*Table 8.1 – Inventory of existing national rules concerning country of origin*

Member State	National Regulation ( <i>sources: case studies, NCA survey</i> )	National quality certification ( <i>sources: desk research, case studies</i> )	National origin certification ( <i>sources: desk research, case studies, NCA survey</i> )
Czech Republic (a)			Voluntary scheme applying to all food to identify Czech origin by a Czech food logo (state owned trademark), 2016
Denmark	Statutory Order on Food Labelling no. 1355 of November 27, 2015	Danish Agriculture & Food Council	Voluntary labelling of meat with Danish flag, for meat with Danish origin, 2014; Danish Crown "100% Dansk svinekoed" (pork-meat); "Dansk Kylling" (poultry-meat), 2019
France	Decree n°2016-1137 on labelling of the origin of meat used as ingredients in processed products <i>Upcoming regulation on labelling of the origin of meat in out-of-home catering (going beyond Regulation (EU) 1337/2013)</i>	Label Rouge	Interbranch labelling French origin of all types of meat " <i>Viande de France</i> " (Meat from France), 2014
Finland (a)	Decree of Ministry of Agriculture and Forestry 218/2017 on indicating the origin of meat used as an ingredient in non-pre-packed food delivered by mass caterers and prepacked foods intended for a final consumer or mass caterers and manufactured in Finland ( <i>going beyond Regulation (EU) 1337/2013</i> )		
Germany	Food Information Implementation Ordinance	QS	More than 300 origin and quality schemes for meat, e.g. " <i>Regionalfenster</i> ", 2014; or schemes of federal state
Greece	Joint Ministerial Decision No. 1384/41923/2018		
Ireland	Statutory Instrument No. 113 of 2015	Bord Bia Quality Mark	Bord Bia Quality Mark, 1994
Italy	Legislative Decree No 231 of 15 December 2017		Different regional initiatives on pork-meat: <i>Gran Suino Italiano</i> ; <i>Consorzio di Garanzia del Suino Italiano</i> ; <i>Italico</i>
Netherlands	Food Commodities Act Decree on food labelling	Beter Leven, IKB	
Poland	Rule of the Ministry of Agriculture and Rural Development of 1st April 2018		" <i>Polish product</i> " (state owned trademark), 2017
Romania	Law 150/2016 on Retail		



Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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Member State	National Regulation ( <i>sources: case studies, NCA survey</i> )	National quality certification ( <i>sources: desk research, case studies</i> )	National origin certification ( <i>sources: desk research, case studies, NCA survey</i> )
Spain			National label "Alimentos de España", 2015; 10 labels introduced by autonomous communities to identify products coming from the region; voluntary label "Indigenous race", 2013

(a) These Member States were not covered by case studies. The information presented here is based on their feedback to the surveys and on findings from desk research.

## 8.2.2 REASONS FOR THE ISSUANCE OF SUCH RULES

### 8.2.2.1 Rationale for the development of national rules beyond the EU rules

Surveyed Competent Authorities explained that national rules were developed in response to consumer demand for more comprehensive information on the origin of food.

One explained that this Member State has long called for the further development of EU rules on country of origin (FI). However, in the absence of this development, national legislation on origin labelling has been issued instead, although this is seen as sub-optimal compared to action at the EU level.

Another felt that extending country of origin labelling to meat sold loose was appropriate given the importance of meat sold in this manner in this Member State (PL).

The case studies found that in one Member State, the national decree establishing the indication of origin for processed products containing meat and milk was prepared after the "horse meat scandal" in 2013 (FR). According to the interbranch organisation, all operators from farmers to consumers wanted to reinforce the traceability of origin for processed products. This did not result in a notable change to processed meat industry practices, as the interbranch agreement signed in 2010 already made compulsory the indication of origin of the meat used.

For the **pig meat** supply chain, the decree was mainly aimed at reducing imports destined for the processed meat industry and, to a lesser extent, to the catering sector.

For the **poultry meat** supply chain, the objectives were to promote national production and to increase the market share of domestic poultry meat. This is against the background of high volumes of imported broiler meat for use in the catering sector and in further processing plants.

The **sheep/goat meat** sector is outside the scope of the national legislation because there are few processed products based on sheep/goat meat.

The rationale for developing national legislation in the catering sector was the high volume of imports used and the lack of transparency regarding meat origin. It also aimed at providing consumers with transparent information in a sector where little technical information is provided about food.

In another Member State, the compulsory indication of origin for all meat sold at retail level, whether pre-packed or not, stemmed from an identified need to protect consumers from potentially being misled given the importance of meat sold loose (EL). In this Member State, over 80% of fresh/chilled **sheep/goat meat** is sold to consumers by independent butchers at retail.

The rationale for developing voluntary national schemes also responded to a demand from consumers to make the origin of meat clearer.

The rationale for developing national voluntary schemes such as "*Viande ovine française*" / "*Viande d'agneau française*" was to help the domestic **sheep meat** sector maintain market share for mid-range products which are not covered by any premium label (Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), organic, and regional brands), and which compete with sheep meat from other Member States (FR).

The interviews with EU level organisations revealed that additional national rules tend to cover cases where there is strong consumer interest in origin. Under Article 39 of the Food Information to Consumers (FIC) Regulation (EU) No 1169/2011 there is a need to link these rules to quality as well, i.e. national rules must be about more than simply origin.

### 8.2.3 ESQ 15 CONCLUSIONS

The desk research, case studies, interviews with EU level stakeholders and survey of national Competent Authorities have revealed that only two Member States have issued additional temporary national rules concerning country of origin which go beyond the scope of Regulation (EU) No 1337/2013 (FI, FR). These rules were not opposed by the European Commission as time-limited pilot projects.

Two Member States have introduced national rules providing for the implementation of Regulation (EU) No 1337/2013 which specify requirements on the indication of the origin of meat sold loose (i.e. not pre-packed at retail level), given the importance of meat sold in this manner in both countries (EL, PL).

Voluntary schemes on national or regional origin of **pig, poultry** and **sheep/goat meat** have been developed in seven of the ten Member States where case studies took place, as a response to consumer demand for transparency. Most of these labels were developed after the publication of Regulation (EU) No 1337/2013. Many of these are state-owned trademarks, or state initiatives, thus showing the interest of Member States in developing national origin labelling. In one Member State, the development of the Interbranch initiative "*Viande de France*" was also supported by the national authority (FR). Therefore, implementation of Regulation (EU) No 1337/2013 served as the basis for the development of voluntary country of origin labelling initiatives which go beyond the Regulation's scope in various ways.

National schemes have also been developed concerning quality or higher animal welfare in at least five of the ten Member States in which case studies took place. Some of those schemes are a sanitary prerequisite in the business to business sector. Others are directly linked to national traditional practices (Label Rouge, FR), thus providing an indication of origin even if this is not the expressed main intention.

The rationale for Member States developing additional national rules was to inform consumers about the origin of meat used as an ingredient in food, including meals delivered by mass caterers, and to increase market share of national products in the catering sector and in the processed meat industry (FI, FR).

In addition, Member States implemented specific measures on the indication of the origin of meat sold loose at retail level did so to protect consumers from potentially being misled, given the importance of meat sold in this manner in these Member States (EL, PL).

Most Member States in which case studies took place developed national voluntary schemes on the origin of meat in order to respond to consumer demand to make the origin of meat clearer, and to promote national products. Given that the clear objective in some cases was to support domestic producers, it is likely that the intervention logic implied an impact on the renationalisation of meat markets, even if in practice this has not been sufficient to be noticed (see ESQ 2, section 4.2).

## 9. CONCLUSIONS AND RECOMMENDATIONS

### 9.1 Effectiveness in relation to the objectives of the Regulation (ESQ 1)

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The effectiveness of Regulation (EU) No 1337/2013 in meeting its objectives has been assessed through three judgement criteria: (i) the extent to which consumers are provided with clear, accurate and meaningful information on meat origin; (ii) the reliability of information provided and feasibility for Competent Authorities to check it; and, (iii) the avoidance of unnecessary burdens on operators, trade, administration and the environment.

Consumers consider country of origin to be an important, although second order, consideration when making a meat purchase decision and there is general satisfaction with the information provided. Around half (52%) of consumers who say they use country of origin indications to inform their meat purchases state that they are willing to pay more for meat from the origin they prefer; a quarter (25%) use origin indications to choose between similarly priced products. It is noted that these findings reflect stated preferences rather than revealed actual behaviour.

However, consumer understanding of the information provided is typically low; only 5% of consumers correctly understand all three terms and a fifth (22%) do not correctly understand any of the terms. There is particular concern that the definition of "*Reared in...*" is not understood and that the difference between "*Reared in X*", "*Slaughtered in X*"; and, "*Origin X*" is not appreciated.

Traceability systems are considered to be effective, underpinned as they are by Regulation (EU) No 178/2002, and the reliability of the information provided is considered to be generally high. No systemic difficulties with Regulation (EU) No 1337/2013 were identified in any of the three sectors, although the interpretation of Article 5(3) is not considered clear in the **poultry meat sector** in one Member State and this may lead to misleading labelling where poultry is from multiple EU origins.

Controls are facilitated when there are no live imports, and also where supply chains are vertically integrated. This is mainly in the **poultry meat sector** and least often in the **sheep/goat meat sector**.

Some non-systemic issues not directly related to Regulation (EU) No 1337/2013 were identified around the misleading sales setting of some loose **poultry** and **sheep/goat meat** in some Member States where consumers might assume it is of domestic origin when in fact it is imported.

The implementation of Regulation (EU) No 1337/2013 did not lead to widespread changes in sourcing and little change was required to traceability systems or internal operating systems where live imports were not a feature of the market; high degrees of vertical integration in the **poultry sector** in particular facilitated implementation.

Where changes were required, these were most often at the slaughterhouse/cutting plant stage where domestic and imported animals were processed.

While control of the Regulation does imply additional work for national Competent Authorities, this mainly involved set-up activities including training and was not generally considered to be onerous as the requirements were simply integrated into existing control

procedures. Articles 4-8 provide some simplifications that reduce the burden, although the relevance of these is higher where live trade is a feature of the market.

No clear and direct relationships between Regulation (EU) No 1337/2013 and the environment were identified in any of the three sectors.

In conclusion, consumers consider country of origin labelling to be important information at the point of purchase. There is no doubt in terms of accuracy of the information in line with the labelling definitions, but consumer understanding of these definitions is low and there are therefore doubts over consumer interpretation. As a result of the sometimes low understanding by consumers, it cannot be concluded that the information can be considered to be fully accurate, clear and useful as understood in practice by consumers.

**It is therefore recommended that consideration be given to either running or supporting information campaigns to improve consumer understanding of origin labelling.** Such a campaign may need to be focused on specific Member States and/or types of consumer to maximise its impact.

The information provided to consumers is considered to be reliable (although the interpretation of this by consumers is key) and no systemic issues have been reported in terms of the ability of Competent Authorities to check this, there are though isolated examples of erroneous labelling. There are also cases where the omission of loose (non-pre-packaged) meat and lightly processed meat from the scope may cause some consumers to be misled. In some Member States, initiatives have been taken to address perceived 'gaps'. This suggests that suitable mechanisms exist at the Member State level to address perceived 'gaps' and that these are taken up where considered appropriate.

It is noted that the provenance of lightly processed meat should now be covered under Regulation (EU) 2018/775 where this differs from the advertised provenance of the product. **It is therefore recommended that the situation is monitored under the implementation of this Regulation.**

The Regulation was implemented without unnecessary burdens on the meat supply chain, facilitated by the derogations; trade; administration; or, the environment. **It is therefore recommended that the derogations be retained.**

## 9.2 The extent to which mandatory origin labelling has stimulated the EU common market and the extent to which consumers perceive origin labelling as labelling of the "quality" of the product (ESQ 2)

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The extent to which mandatory origin labelling has stimulated the EU common market and the extent to which consumers perceive origin labelling as labelling of the "quality" of the product has been assessed through four judgement criteria: (i) changes in the movement of animals and fresh meat between Member States due to the mandatory origin rules; (ii) changes in consumer preferences for meat from their own country following implementation of the rules; (iii) consumer perception of origin labelling in relation to "quality"; and, (iv) the extent to which Member States have introduced additional rules and operators have made use of voluntary rules and the reasons for this.

*A priori* concerns were expressed in the Commission's Impact Assessment that the implementation of Regulation (EU) No 1337/2013 could lead to a partial renationalisation of trade within the EU, even though the voluntary use of country of origin labelling was already high. However, the quantitative analysis of trade data found no evidence that the

implementation of Regulation (EU) No 1337/2013 led to a renationalisation in trade at the EU-level with intra-EU imports of **pig**, **poultry** and **sheep/goat meat** increasing in absolute terms and remaining the same (*pig meat*), or increasing slightly (**poultry** and **sheep/goat meat**) as a proportion of total consumption after the implementation of the Regulation. However, the average unit value of intra-EU **pig meat** imports decreased in real terms, consistent with the hypothesis that any renationalisation of trade would be more evident at retail than in the catering and food manufacture sectors, but the unit value increased in the **poultry** and **sheep/goat meat sectors** providing a mixed conclusion overall.

Quantitative analysis of available trade data suggests some market adjustments in the trade in live pigs which is consistent with seeking to avoid labelling pig meat as "*Reared in X*", "*Slaughtered in Y*" in some Member States including Germany and Poland. However, neither the case studies, nor the interviews with EU level organisations found that these changes were driven by the implementation of Regulation (EU) No 1337/2013.

The quantitative analysis also found some evidence to suggest some renationalisation in the **sheep/goat meat sector** at the time of the implementation of the Regulation, but again, no evidence was provided in the interviews or case studies to support a causal relationship.

The quantitative analysis of trade in the **poultry sector** did not find evidence of a change in trade patterns associated with the implementation of the Regulation. Although the case studies and EU level interviews found some cases where live supply chains had been altered to avoid the need to include provenance from more than one Member State, these were not significant at the EU level.

The supply chain survey and case studies found no widespread change in sourcing practices following the implementation of the Regulation. However, where sourcing practices had changed, generally this was to consolidate supply from the main country sourced from; there was also some consolidation in terms of the number of suppliers engaged with, especially amongst the minority of **poultry** processors which changed their sourcing practices.

Country of origin is an important, though second order, consideration for EU consumers when making a purchase decision and consumers tend to prefer meat from their own country, although to varying degrees. Country of origin labelling is used as a proxy for credence attributes with consumers feeling that domestic meat has higher safety, quality, taste and better production methods. However, country of origin is not a good proxy for these attributes within the EU's single market.

Only two Member States have additional national rules which go beyond the scope of Regulation (EU) No 1337/2013 in terms of their coverage of meat used as an ingredient in processed products and meat provided via mass caterers. A further two Member States extended the scope of the Regulation in their national implementing legislation to also encompass meat sold loose.

There are various voluntary schemes with origin as the key focus and various voluntary quality schemes which implicitly signal origin. The reasons given for using these schemes was typically to meet consumer demand for information/transparency and to provide a competitive advantage by doing so.

Where information is available on the use of voluntary schemes, the take-up rate is almost universal in the **pig meat sector** and in the **poultry meat sector** in one Member State,

although is lower in another. Take-up rates in the **sheep/goat meat sector** are somewhat lower.

In conclusion, there is no clear evidence that Regulation (EU) No 1337/2013 has had an impact on trade within the EU's Single Market, although some changes to trade flows appears to have occurred in specific cases. Therefore, it is not clear whether the Regulation has either stimulated or hindered the smooth functioning of the Single Market.

However, it is relatively soon after implementation and **it is recommended that the situation should continue to be monitored.**

Consumers perceive origin labelling to communicate credence attributes such as safety and quality for which it is seen as a poor proxy within the EU's Single Market.

In order to avoid any potential negative impact on the EU Single Market, it is recommended that any information campaign, in line with the recommendation under ESQ 1, makes clear the EU level playing field in terms of food safety and quality.

The use of additional national rules is not widespread and can be perceived to meet specific national needs. Voluntary schemes which communicate origin either explicitly or implicitly are widespread and are widely used to meet consumer demand for information and extract a competitive advantage.

### 9.3 The extent to which the rules of the mandatory origin labelling for certain meats influenced the different actors in the food chain (ESQ 3)

The extent to which the rules of mandatory origin labelling for certain meat influenced the different actors in the food chain has been assessed through two judgement criteria: (i) impact of rules on the supply chain; and, (ii) impact of rules on consumers.

The processing stage of the supply chain (i.e. slaughtering and cutting plants) faced the greatest impact from the implementation of Regulation (EU) No 1337/2013, although this was still fairly minor. The main changes made were to the registration of arrivals, the segregation of product and the registration of departure of product to ensure forward traceability.

Changes were more necessary where slaughterhouses source from more than one Member State, although even in these cases batch processing was already widely used for general traceability; where there is no integration of live supply chains, few adaptations were necessary. The impact on the processing sector was greatest in the **pig sector** and least where national legislation on country of origin pre-dated Regulation (EU) No 1337/2013.

The impact of the implementation of Regulation (EU) No 1337/2013 on farmers, traders and retailers was not substantial. Consumers do use country of origin indications to inform their purchase. However, despite *ex-ante* concerns, there is no evidence that Regulation (EU) No 1337/2013 has had any impact on consumer prices.

In summary, the processing stage of the supply chain was the most affected by the implementation of Regulation (EU) No 1337/2013, even though this impact was fairly minimal. There has been little impact on farmers, retailers or consumers.

#### 9.4 The extent to which traceability systems are effective to ensure compliance and how and to what extent the relevant sectors cope with the traceability systems (ESQ 4)

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The effectiveness of traceability systems in ensuing compliance with Regulation (EU) No 1337/2013 and how and to what extent the relevant sectors cope with the traceability systems has been assessed through four judgement criteria: (i) the extent to which traceability systems of Food Business Operators (FBOs), at each stage of the chain, have changed; (ii) the extent to which these modified traceability systems ensure transmission of information along the chain and that the link is made between the meat and the animals; (iii) the extent to which these modified traceability systems facilitate compliance; and, (iv) difficulties resulting from traceability systems, for the different sectors.

The *ex-ante* expectation was that the existing traceability systems used by large operators would be sufficient to cope with the requirements under Regulation (EU) No 1337/2013 and that small-scale operators sourcing locally would also be able to cope with existing systems. The concern was that medium-scale operators sourcing from multiple Member States and lacking efficient logistics systems would be most likely to make changes.

On balance, and bearing in mind the different sources of evidence, it can be concluded that changes following the implementation of Regulation (EU) No 1337/2013 were not necessary for many operators (as reported by case studies and interviews where a more in-depth analysis can be provided than through the supply chain stakeholder survey). Where changes were necessary, these were not usually substantial and tended to amount to minor adaptations in internal traceability systems and the passing on of information. The case studies also made clear that operators dealing with animals of multiple species and/or sourced from multiple Member States would have been more likely to have had to adapt their systems. Some changes to sourcing practices took place with respect to live animals, but this was not widespread, and the Regulation was not the only driver of change. No changes to sourcing of meat products was identified; fresh meat markets tend to be national as far as is possible in any case.

The survey of supply chain stakeholders and the case studies found that changes were least likely to have been made in the **pig meat sector** followed by the **poultry meat sector**.

The place of rearing and of slaughter is communicated between each stage of the supply chain along with other pieces of information required under other pieces of legislation. This takes place as part of the one step forward – one step back traceability system required under the General Food Law (Regulation (EC) No 178/2002, Article 18) and the requirements of Regulation (EC) No 853/2004 on hygiene of food of animal origin. The transmission of information through the supply chain is made easier where the chain is integrated and there are fewer actors involved (most usually in the **poultry meat sector**, but also often in the **pig meat sector**).

This information is increasingly transmitted automatically, often using blockchain technology, and is available on request where this is not the case. In conclusion, traceability systems ensure that the information required under Regulation (EU) No 1337/2013 is passed on through the supply chain.

There is no evidence that specific information required under Regulation (EU) No 1337/2013 is systematically insufficient or missing, although there are isolated and non-systemic cases where information is missing, mostly in the **sheep/goat meat sector**



which is more fragmented than the **pig meat** and **poultry meat sectors** and which makes control and verification of information harder. There is also an issue in the **poultry meat sector** in one Member State (NL) where the industry practice of mixing batches from different slaughter dates and countries of origin is potentially non-compliant with Article 4 of the Regulation. However, this issue relates to industry interpretation of Article 4, rather than any inability of the traceability system to ensure compliance with the rules.

There is generally high confidence in the effectiveness of traceability systems to ensure compliance with Regulation (EU) No 1337/2013. As a general rule, the larger the operator and the more integrated the supply chain, the greater the effectiveness of traceability in ensuring compliance. Compliance tends therefore to be easiest and greatest in the **poultry meat sector**. There are some issues in the more fragmented **sheep/goat meat sector** and amongst small-scale operators in Member States with a high prevalence of subsistence farming/own consumption (although this does not apply to commercial supply chains).

Very few cases of difficulties resulting from traceability systems were identified in the supply chain for any of the three species, with the systematic transmission of information more widespread in the more integrated **poultry meat sector**.

In conclusion, the traceability system required under Regulation (EU) No 1337/2013 builds on that required and already operating under Regulation (EC) No 178/2002. Information is increasingly transmitted automatically, often using blockchain technology, and is available on request where this is not the case. There is no evidence that specific information is systematically insufficient or missing. There is high expressed confidence in the effectiveness of the traceability system and few reported difficulties. On this basis, it is concluded that the traceability systems are generally effective to ensure compliance with Regulation (EU) No 1337/2013 and that the sectors can cope with the requirements.

## 9.5 The extent to which the specifications regarding different rearing periods been effective; the impact/effect on prices, consumer information and administrative burden; consumer awareness and understanding of the differences; potential for consumers to be misled (ESQ 5)

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The extent to which the specifications regarding different rearing periods has been effective; the impact/effect on prices, consumer information and administrative burden; consumer awareness and understanding of the differences; and the potential for consumers to be misled has been assessed through five judgement criteria: (i) consumer awareness of rearing periods; (ii) consumer view as to whether the information provided on rearing periods could be misleading; (iii) the extent to which the information provided on rearing periods poses challenges to operators and the specific costs/burden stemming from this; (iv) the extent to which any additional costs for the supply chain are transferred to consumers; and, (v) the extent to which rearing periods pose challenges for Competent Authority controls.

There is clear and strong evidence (based on the robustness of the consumer survey) that three-quarters of consumers do not correctly understand the term "*Reared in...*" as defined under Article 5 of Regulation (EU) No 1337/2013. However, there is broad consumer acceptance of the definition used, although the extent of this varies by Member State.

It is difficult to draw a conclusion from these findings in relation to whether consumers could be misled by the definition of "*Reared in...*" on origin labels because the understanding of length of time spent in other countries is subjective. That said, at least

some consumers are likely to consider themselves (inadvertently) misled by the labelling with respect to rearing period. The extent to which consumers could be misled varies by Member State.

The case studies make clear that the information on rearing periods that is passed through the supply chain is sufficient to ensure correct labelling, even if information is sometimes simplified as it moves through the supply chain. Operators do not face problems in terms of receiving or passing it on; in fact, place of birth could easily be added. An issue was raised with respect to the definition of rearing for **sheep** in one Member State where national production specificities are not felt to be sufficiently taken account of.

The costs to operators of providing information on rearing periods is not considered to be significant. There is little evidence from the survey of supply chain stakeholders to suggest that costs resulting from passing on this information, usually incurred at the processing stage, are passed down through the supply chain. The evidence is clear that costs are not passed on to consumers.

The survey of Competent Authorities found that almost half (41%) never have problems verifying information provided on rearing periods; where issues are encountered these are infrequent and not systematic. The case studies confirmed that there are no specific and systematic difficulties. No difficulties were reported in the **poultry meat sector**, or where there is no live trade. Difficulties in the **pig meat** and **sheep/goat meat sector** tended to relate to very small-scale production and micro-enterprises, which are usually outside commercial supply chains, and where traceability systems are typically less sophisticated. In summary, checking rearing periods poses no problems where there is no live trade and where supply chains are commercially oriented, large-scale and integrated.

In conclusion, it is clear that there is low consumer understanding of the term "*Reared in...*" as defined under Article 5 of Regulation (EU) No 1337/2013, but broad acceptance of this definition itself. Despite these findings, it is difficult to draw a conclusion in terms of whether consumers are misled by the definition because consumer understanding of what constitutes a short period of time in the context of livestock rearing is subjective. However, it is likely that at least some consumers would consider themselves (inadvertently) misled based on their understanding of the term.

**Attention is drawn to the recommendation under ESQ 1 that consideration be given to either running or supporting information campaigns to improve consumer understanding of the origin labelling definitions.**

The information passed on concerning rearing periods is sufficient to ensure correct labelling and can be generally verified by Competent Authorities. This information is provided at minimal cost which is borne by the processing stage of the supply chain and is not passed on to consumers.

**It is recommended that exchanges of good practice in the verification of information on rearing periods be considered between Member States.**

## 9.6 The extent to which the obligation of having a single origin batch throughout the whole processing chain has had an effect on the market/sector (ESQ 6)

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The extent to which the obligation of having a single origin batch throughout the processing chain has had an effect on the market/sector has been assessed through four

judgement criteria: (i) the extent to which the batch requirement is relevant for all meat supply chains in view of subsequent changes in the legislative situation and the market situation; (ii) the extent to which the batch requirement required changes in traceability systems; (iii) the extent to which the batch requirement changed operator practices, including processing operations and sourcing; and, (iv) the impact (if any) of the batch requirement on prices.

The only identified change in the legislative situation which has any relevance for the batch requirement is Commission Implementing Regulation (EU) 2018/775, which introduced labelling indicating the country of origin or place of provenance of the primary ingredient of a food from 1 April 2020 where this differs from the advertised provenance of the product. This will increase the relevance of the batch requirement as provenance information will be required outside the fresh meat market. However, operators may choose to label provenance at the “EU/non-EU” level, which would allow the combining of batches from individual Member States in this case.

There is no evidence that there are any significant segregated supply chains in the EU meat sector serving specific markets, for example that the supply chain for further processing or export is segregated from the supply chain for fresh and frozen meat. While where a range of different market channels exist these may have different requirements, operators tend to follow a Standard Operating Procedure which underpins all their production and therefore operators follow the provisions of Regulation (EU) No 1337/2013, including those on batch provisions. Limited benefits, but also limited costs were identified from following the requirements of the Regulation in market channels which fall outside its scope.

*Ex-ante* expectations from the Commission’s Impact Assessment were that the batch requirement under Regulation (EU) No 1337/2013 would not require changes to current practice; the only change required would be to the transmission of already available information. This expectation was confirmed by the survey of supply chain stakeholders which found that less than a quarter of respondents (22%) made moderate or substantial changes to **traceability systems** where the batch requirements in Regulation (EU) No 1337/2013 had been an important or very important driver. The survey also found that changes were not widely made to **sourcing practices**; the changes that were made tended to be small or moderate, as was the role of the batch requirements in driving these. The survey also found that the majority of respondents did not change their **operating practices**. Where changes were made, the role of the batch requirements was no more or less important than any of the other requirements of the Regulation in prompting these changes. However, the clear implication is that in the minority of cases where changes to internal operating practices were required, the batch requirements were an important reason for the changes made. The biggest role that the batching requirements played was in prompting changes to the segregation of animals at slaughterhouses.

The cases studies in all three sectors supported this moderate impact from the batching requirements. Changes were only necessary in cases where slaughterhouses and cutting plants source animals from more than one Member State, most often in the **pig meat sector** and in certain Member States.

A fifth of respondents to the supply chain survey reported one-off and ongoing costs as a result of changes induced by the batch requirements. However, the survey found little evidence for anything other than small additional ongoing costs, in the region of 2-3%, limited to few operators. This was confirmed by the lack of evidence for cost increases uncovered in the case studies and interviews with EU level stakeholders which suggests that costs were not widely incurred.

Where (minimal) additional costs were identified, these were usually not passed down through the supply chain, or were only passed down in part. There is no evidence to suggest that the batch requirements resulted in any impact on prices for consumers.

In conclusion, the batch requirements were not generally expected to result in changes to sourcing, traceability or operational practices and this indeed appears to have been the case. There is some evidence to suggest that, as expected, changes, and associated costs, were more likely to be incurred in slaughterhouses and cutting plants sourcing from multiple Member States. The (minimal) costs incurred have been absorbed in the processing stage of the supply chain and have therefore not been passed on to consumers.

### 9.7 The extent to which the rules and conditions of the mandatory origin labelling have been efficient and contributed to an increase (or decrease) in all actual costs and administrative burden for different actors in the food chain (ESQ 7)

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The extent to which the rules and conditions of the mandatory origin labelling have been efficient and contributed to an increase (or decrease) in all actual costs and administrative burden for different actors in the food chain has been assessed through five judgement criteria: (i) the extent to which operators changed internal practices and the impact on costs; (ii) the extent to which operators changed sourcing practices and the impact on costs; (iii) the extent to which the cost changes of the adaptations identified above affected different operators at different stages of the chain; (iv) identification of any tangible benefits from mandatory Country of Origin Labelling (COOL); and, (v) identification of any intangible benefits from mandatory Country of Origin Labelling (COOL).

The selected implementation model was chosen to provide the best balance between the consumer desire for information on provenance and the desire on the part of the sectors to keep costs and burdens to a minimum. The evidence gathered suggests that this balance has been largely achieved. The majority of operators have not needed to make changes to traceability systems, and where changes did need to be made, these tended to be relatively minor. As a result, the cost implication has been small and in line with *a priori* expectations. However, it should be noted that meat processing is a low margin industry.

Sourcing practices did not change for the majority of respondents, and were relatively minor where they did change. Member States with substantial cross-border live trade may have experienced greater change in sourcing, but even in these cases no clear examples could be provided suggesting that there has been no substantial disruption. Even where changes in sourcing practices had changed, many respondents did not incur costs, either one-off or ongoing, as a result. Where one-off and ongoing costs were encountered the weight of evidence suggested that these were small. Any costs incurred would mainly have resided where they were/are incurred, usually with the processor who is unable to pass them on.

There is low evidence for tangible benefits from Regulation (EU) No 1337/2013 with the main benefit mentioned being easier consumer identification of domestic meat. While country of origin labelling can be used for marketing purposes in some cases, the advantage is in terms of market penetration rather than higher prices and usually comes at the expense of other EU producers in the fresh meat market.

There is a greater perception of intangible benefits, the most often mentioned being increased consumer confidence and trust. Some intangible benefits depend on perspective.

While a marketing advantage for domestic producers is seen as a benefit by some, for others this works against the smooth operation of the EU's Single Market. Some disbenefits were also mentioned, principally a loss in supply flexibility as pre-printed labels make it harder to change suppliers.

In conclusion, Regulation (EU) No 1337/2013 was designed to have a minimal impact on the sector while also providing consumers with appropriate information to better inform their purchase decision. The evidence suggests that this objective has been met. The Regulation is efficient in that cost increases and administrative burdens on operators have been successfully minimised. That said, the (minimal) cost increases do fall largely on the low margin meat processing sector which is unable to pass them along the supply chain.

#### 9.8 The extent to which (a) traceability systems are efficient and have imposed reasonable and affordable set-up costs; (b) what are the costs/administrative burden both for operators and administration; (c) cost transmission through the value chain and how these are transmitted (ESQ 8)

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The efficiency of traceability systems, additional costs of any changes generated by the rules and their transmission through the chain have been assessed through four judgement criteria: (i) the extent to which operators at each stage of the chain changed traceability systems; (ii) costs of changes to traceability systems identified above; contextualisation of these costs; (iii) the extent to which these costs are absorbed by the stage of the chain where they occur/transferred down the chain; (iv) changes to control practices/processes performed by competent authorities; costs of these.

Changes to IT systems associated with traceability systems necessary to implement Regulation (EU) No 1337/2013 were minimal. As traceability is largely based on existing requirements under Regulation (EC) No 178/2002, these are efficient; changes to existing systems were only required by 40% of respondents to the supply chain stakeholder survey. The case studies and interviews with EU level stakeholders, which provide more robust evidence, found that changes were not generally required in the highly integrated **poultry meat sector**. Beyond relatively minor changes to allow information to be passed along the supply chain, changes in the **pig meat sector** were only required where slaughterhouses deal with imported and domestic animals. Traceability systems in the **sheep/goat meat sector** were largely adequate to cope with the requirements of the Regulation.

In line with the minimal changes required, both set-up and ongoing costs can be considered to have been reasonable for operators slaughtering only domestic animals, and manageable for those processing domestic and imported animals. The cases studies revealed very little evidence on costs which could be quantified; this suggests that these were not generally considered to be significant. This is corroborated by the few examples provided which suggest total ongoing costs were less than 2%, with costs relating specifically to traceability systems a fraction of this total. Where additional costs have been incurred, this has been by processors. These costs cannot be passed through the supply chain.

The additional work for Competent Authorities to control Regulation (EU) No 1337/2013 has been minimal once adjustment had taken place. The case studies noted that the controls form a small part of the wider body of official controls performed under Regulation (EU) 2017/625. Costs associated with training requirements were found to be relatively small. The survey of Competent Authorities found quite a wide range of additional ongoing

costs from a few extra days work per year to a maximum of an additional 4 Full Time Equivalent (FTEs); most estimates were around 1 Full Time Equivalent (FTE) or less. It is therefore clear that total costs to Competent Authorities were not substantial.

In conclusion, traceability systems are considered to be efficient, based as they are on the availability of information under Regulation (EC) No 178/2002. The costs imposed on most operators are small, and those imposed on operators dealing with imported and domestic animals are affordable, in line with the expectations based on the implementation model selected. The **pig meat sector** is more likely to have experienced costs than the **poultry meat** and **sheep/goat meat sectors**. These costs cannot be passed through the supply chain and are largely incurred by the processing stage which operates on small margins. Control costs for Competent Authorities are small within the context of the official controls under Regulation (EU) 2017/625.

### 9.9 The extent to which the obligation of having a single origin batch throughout the whole processing chain has been efficient and contributed (or not) to an increase in all actual costs and administrative burden (ESQ 9)

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The extent to which the obligation of having a single origin batch throughout the whole processing chain has been efficient and contributed (or not) to an increase in all actual costs and administrative burden has been assessed through two judgement criteria: (i) the extent to which operators at each stage of the chain changed internal systems to implement the single origin batch requirement, and the impact on costs; and, (ii) the extent to which operators at each stage of the chain changed sourcing practices to implement the single origin batch requirement, and the impact on costs.

Regulation (EU) No 1337/2013 was designed to have manageable impacts on operators with the expectation being that impacts would be focused on specific operators, typically mid-sized and dealing with domestic and imported animals and therefore located in a few Member States. The batch requirement specifically was not expected to require changes to current practice with respect to traceability.

The survey of supply chain stakeholders found that most (60%) did not make changes to their internal systems or to sourcing practices (66%). Where changes were made to traceability systems and sourcing practices, the role of the batching requirement was relatively modest. The batching requirement played a more important role in changes made to internal operating systems.

In essence, and supported by evidence from the case studies and EU level interviews, which encompass a wider field of vision than the supply chain survey, the analysis shows that the batch requirements had an impact on operational practices in a minority of cases, but where it did have an impact, this tended to be moderately to very important in respect of prompting changes to sourcing practices, traceability and internal operating systems.

The majority of respondents to the survey of supply chain stakeholders did not make changes to their operational practices as a result of the batching requirements in Regulation (EU) No 1337/2013. The cost estimates provided by those that did make changes were low in respect of both changes to traceability systems, and changes to sourcing and operating systems at around 2%. Some caution is necessary. In only two cases did a respondent provide two costs (in one case both 1.5%, so 3% in total, and in the other 1.5% in relation to sourcing changes and 0.5% in relation to traceability and operational practices, 2% in total). It therefore seems appropriate to consider the total



additional ongoing cost resulting from the batch requirement to be in the region of 2-3% of overall production costs for the few operators that were required to make changes.

In conclusion, the batch requirements in Regulation (EU) No 1337/2013 have therefore been efficient, given the need to provide consumers with meaningful information on provenance. They have contributed to a modest and manageable increase in costs for a minority of operators.

#### 9.10 The extent to which the rules and conditions of the mandatory origin labelling have been coherent with other rules and regulations both at the EU as well as at the Member State levels (ESQ 10)

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The extent to which the rules and conditions of the mandatory origin labelling have been coherent with other rules and regulations, both at the EU as well as at the Member State level has been assessed through eight judgement criteria: (i) coherence of the objectives of the Regulation with those of other EU legislation; (ii) coherence of definitions/specifications in the Regulation with those in other relevant EU legislation; (iii) coherence of traceability requirements set out by the Regulation with those in other relevant EU legislation; (iv) coherence of labelling requirements set out by the Regulation with those in other relevant EU legislation; (v) coherence of derogations provided in the Regulation with those in other relevant EU legislation; (vi) the extent to which relevant legislation exists at EU Member State level and the coherence of this legislation with the Regulation; (vii) unintended side effects of the Regulation; and, (viii) "deadweight" which can be related to the Regulation.

The policymaking process leading to the development of Regulation (EU) No 1337/2013 pursued "by design" its consistency with the objectives of previous EU legislation establishing mandatory country of origin for meat. This consistency is perceived by most consulted stakeholders, especially by those that are best placed to make this judgement (Competent Authorities and EU representative organisations). Furthermore, the absence of significant clear impacts of the Regulation on intra-EU trade, revealed by analysis under ESQ 2 (section 4.2), does not support the perception of some stakeholders that the objectives of the Regulation are in conflict with the wider EU objective of ensuring the smooth functioning of the Single Market.

Only very few stakeholders identified potential conflicts or inconsistencies between the definitions/specifications under Regulation (EU) No 1337/2013 and those under other relevant EU legislation leading to the conclusion that there is general coherence. The inconsistencies identified related to the equivalent rules in the beef section (under Regulation (EC) No 1760/2000; it should be noted that these rules were introduced for public health and food safety reasons). These were: (i) the lack of an obligation to indicate the country of birth (although it is acknowledged that this is implicit in the designation "*Origin...*" under Regulation (EU) No 1337/2013); and, (ii) the fact that Regulation (EU) No 1337/2013 does not cover loose retail sales in bulk (non-prepacked meat).

Very few stakeholders, mainly consumer organisations, identified potential conflicts or inconsistencies<sup>90</sup> between the traceability requirements set out under Regulation (EU) No 1337/2013 and those of other relevant EU legislation.

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<sup>90</sup> One consumer organisation argued that traceability in the pig and poultry sectors is referred to batches rather than individual animals, differently from the beef and sheep/goat sectors.

In terms of labelling requirements, consumer organisations argued that the indication of the country of birth for labelling purposes is mandatory for beef, but it is not required for the meat types covered by Regulation (EU) No 1337/2013 (see above, it is implicit in the use of the designation "*Origin...*"). One Competent Authority observed that the labelling requirements for beef (Regulation (EC) No 1760/2000) apply also to meat sold loose (non-pre-packed meat), whereas this is not the case under Regulation (EU) No 1337/2013.

In terms of the assessment of coherence of derogations provided in Regulation (EU) No 1337/2013 with those in other relevant EU legislation, a comparative analysis of the relevant provisions revealed that:

- Derogations concerning minced meat and imports from third countries are also provided for beef (Regulation (EC) No 1760/2000). However, the simplified options allowed by those derogations 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. This results in a potential inconsistency between the two sets of derogations. This issue is discussed further under ESQ 11 in section 0.
- Systematic use of the "*EU/non-EU*" simplified origin indication is also established by derogations for blends of honeys and olive oils, and for mixes of fresh fruit and vegetables.<sup>91</sup> Derogations provided under Regulation (EU) No 1337/2013 are hence fully consistent "by design" with those derogations.
- 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 (Regulation (EU) 2018/775).

With the significant exception of consumer organisations, which drew attention to the potential inconsistencies with derogations for beef set out above, few business organisations or individual operators, and no Competent Authorities, identified potential conflicts or inconsistencies between the derogations provided under Regulation (EU) No 1337/2013 and derogations under other relevant EU legislation.<sup>92</sup>

In terms of coherence between Regulation (EU) No 1337/2013 and relevant national legislation, few Member States indicated that they have mandatory rules in place at national level.<sup>93</sup> Two Member States identified in the desk research<sup>94</sup> have additional national rules, introduced on a temporary pilot basis, which go beyond the scope of Regulation (EU) No 1337/2013 in terms of their coverage of meat used as an ingredient in processed products and meat provided via mass caterers. Two other Member States extended the scope of the Regulation in their national implementing legislation to also encompass meat sold loose to final consumers. Case studies and stakeholder consultation

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<sup>91</sup> Like minced meat and trimmings, those products often derive from more or less complex combinations of primary ingredients from multiple EU and non-EU origins, which may also change rather frequently.

<sup>92</sup> It cannot be excluded that the favourable views of the latter group of stakeholders might have been influenced by the significant contribution of the derogations provided by the Regulation to simplifying compliance and to reducing burden, as discussed under ESQ 1 at section 4.1.3.

<sup>93</sup> A wide majority of the 15 Member States covered by the survey (75%) have not introduced national measures. Three Member States (19%) have mandatory rules in place at national level, and one Member State (6%) has voluntary national rules.

<sup>94</sup> This does not preclude other Member States not assessed having additional rules. A wide majority of the 15 Member States covered by the survey (75%) have not introduced national measures; three of those Member States (20%) indicated that they have mandatory rules in place at national level, and one Member State (6%) has voluntary national rules.



did not identify any conflicts or inconsistencies between national legislation and Regulation (EU) No 1337/2013.<sup>95</sup>

The impact of the Regulation on intra-EU trade is not clear. Therefore, the analysis under ESQ 2 (section 4.2) cannot conclude that the Regulation has resulted in the unintended renationalisation of the Single Market, despite the perceptions of some stakeholders; no concrete evidence of other unintended side effects of the Regulation emerged from the assessment.

Finally, the evidence suggests that the EU-wide effects achieved by Regulation (EU) No 1337/2013 could not have been achieved by a combination of (not necessarily compatible) national provisions. This conclusion is reached on the basis that national provisions were/are in force in only a few Member States, and voluntary schemes (which are present in some, not all, Member States), often have a regional/local dimension, and may have limited uptake.

In conclusion, the objectives of Regulation (EU) No 1337/2013 are fully consistent with the objectives of other EU legislation, with particular respect to Regulation (EC) No 1760/2000 (mandatory country of origin labelling for beef) and Regulation (EU) No 1169/2011 (food information to consumers). Both the definitions/specifications in the Regulation, and traceability requirements, are generally non-conflicting with those in other relevant EU legislation.

Overall, the labelling requirements set out by Regulation (EU) No 1337/2013 are consistent with those in other relevant EU legislation, with the partial exception of the lack of mandatory explicit indication of the country of birth for labelling purposes, and the exclusion of loose retail sales in bulk (non-pre-packed meat) from the scope of the Regulation. Both these aspects are covered by mandatory rules in the beef sector.

The derogations provided by Regulation (EU) No 1337/2013 are generally consistent with those in other relevant EU legislation, with the exception of a potential inconsistency vis-à-vis the derogations for beef (minced meat and imports from third countries), which are not based on systematic use of the “EU/non-EU” simplified origin indication.

The relevant national legislation identified at Member State level is consistent with Regulation (EU) No 1337/2013.

There is no clear evidence that Regulation (EU) No 1337/2013 has had significant unintended side effects and no significant “deadweight” has been identified.

In conclusion, a few potential inconsistencies were identified with respect to mandatory country of origin labelling for beef (Regulation (EC) No 1760/2000) concerning: (i) lack of mandatory explicit indication of the country of birth for labelling purposes; (ii) exclusion of loose retail sales in bulk (non-pre-packed meat) from the scope of the Regulation; and, (iii) derogations for minced meat and imports from third countries, which are based on systematic use of the “EU/non-EU” simplified origin indication.

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<sup>95</sup> In some cases, pre-existing national provisions were amended, or even repealed, to avoid conflicts or inconsistencies with the Regulation.

Even with the above exceptions, it can nevertheless be concluded that the rules and conditions of mandatory origin labelling laid out by Regulation (EU) No 1337/2013 have generally been coherent with other legislation at both the EU and Member State level.

**Although Regulation (EU) No 1337/2013 and Regulation (EC) No 1760/2000 do not foresee the same approach with respect to country of birth, it is not recommended that country of birth be brought into Regulation (EU) No 1337/2013 at this stage; it is however, recommended that the need for this indication is monitored. Neither is it recommended that the derogation on minced meat and trimmings under Article 7 be removed at this stage due to the operational complexity that it would entail for the processing sector.**

### 9.11 Coherence between the derogation introduced by Article 7 of Regulation 1337/2013 to label meats as “EU/non-EU” only applying to minced meat and trimmings and not to the meats covered by the Regulation in general? (ESQ 11)

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The coherence between the derogation introduced by Article 7 of Regulation (EU) No 1337/2013 to label meats as “*EU/non-EU*” only applying to minced meat and trimmings, and not to the meats covered by the Regulation in general, was assessed through two judgement criteria: (i) coherence of the Article 7 derogation with similar articles in other EU legislation (Regulation (EC) No 1760/2000 on the labelling of beef and beef products); and, (ii) coherence of Article 7 derogation with other requirements of Regulation (EU) No 1337/2013.

The fact that the simplified “*EU/non-EU*” origin indication under Article 7 of Regulation (EU) No 1337/2013 only applies to minced meat and trimmings, and not to the meats covered by the Regulation in general, is consistent “by design” with other pieces of EU legislation introducing mandatory origin labelling,<sup>96</sup> since they also only use the simplified “*EU/non-EU*” designation for products of mixed origin.

Most of the consulted supply chain organisations, individual operators and Competent Authorities identified no conflicts between the derogation at Article 7 and similar articles in other EU legislation. It cannot, however, be excluded that their favourable views might have been influenced by the significant contribution of the derogation to simplifying compliance and to reducing burden, as discussed under ESQ 1 (section 4.1.3).

In contrast, several consumer organisations expressed concern that the use of a simplified “*EU/non-EU*” origin indication would prove an obstacle to a hypothetical (to date) extension of mandatory Country of Origin Labelling (COOL) to processed products using minced meat and trimmings of the species covered by the Regulation as an ingredient. The derogation also has implications for Commission Implementing Regulation (EU) No 2018/775 in that operators will not be able to use anything other than an “*EU/non-EU*” designation on products produced from trimmings and minced meat which themselves use this designation.

A few business stakeholders and Competent Authorities also identified a partial inconsistency between the Article 7 derogation and the derogation under Article 14 of Regulation (EC) No 1760/2000, since the latter requires minced beef to be labelled with respect to the specific Member State or third country of origin, rather than as “*EU/non-EU*”.

In terms of the internal consistency of the Regulation, a potential issue was identified in the different approaches to origin indication applied by: (i) the derogation under Article 7 applying to minced meat and trimmings; and, (ii) the provisions under Article 5(3) applying to cases where several pieces of meat of different origins are presented in the same pack to the consumer. The simplified “*EU/non-EU*” origin indication is allowed for minced meat and trimmings, whereas under Article 5(3), the detailed list of the relevant Member States or third countries must be provided on labels.

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<sup>96</sup> Regulation (EC) No 1760/2000, as amended by Regulation (EU) No 653/2014 (beef); Directive 2001/110/EC, as amended by Directive 2014/63/EU (honey); Regulation (EU) No 543/2011 (fresh fruit and vegetables); Regulation (EU) No 29/2012 (extra virgin olive oils and virgin olive oils).

Two diverging positions emerged on the consistency of the derogation at Article 7 with other requirements of the Regulation. Most of the consulted supply chain organisations, individual operators and Competent Authorities expressed positive views, which might though have been influenced by the significant contribution of the derogation to simplifying compliance and to reducing burden (see ESQ 1, section 4.1.3). In contrast, most of the consulted consumer organisations reported that the Article 7 derogation was inconsistent with the provisions of Article 5(3) for the reasons given above.

Given the above findings, and considering that no harmonised EU legislation on mandatory country of origin labelling for processed food products has been introduced to date, it can be concluded that it is coherent that the derogation under Article 7 of Regulation (EU) No 1337/2013 only applies to minced meat and trimmings, and not to the meats covered by the Regulation in general. It can also be concluded that the Article 7 derogation is fully consistent with similar derogations for blends of honeys and olive oils, and for mixes of fresh fruit and vegetables.

Although a partial inconsistency with the derogation for minced beef was identified (detailed list of relevant Member States or third countries vs. simplified “EU/non-EU” origin indication), the derogation was provided for reasons of practicality and feasibility.

The Article 7 derogation is consistent with the “EU/non-EU” designation under Commission Implementing Regulation (EU) No 2018/775. Nonetheless, it is noted that it may preclude operators from using anything other than the “EU/non-EU” designation on products containing meat where these are produced from trimmings and minced meat labelled in this manner.

#### 9.12 The extent to which the objectives and scope of the rules and condition of the mandatory origin labelling as stated in the Regulation correspond to the current needs and the current context and are relevant and fit for purpose (ESQ 12)

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The extent to which the objectives and scope of the rules and condition of the mandatory origin labelling as stated in the Regulation correspond to the current needs and the current context; and, the extent to which they are relevant and fit for purpose has been assessed through three judgement criteria: (i) the extent to which the original objectives of the regulation are relevant; (ii) the emergence of new needs for the regulation; and, (iii) the extent to which rules themselves are still relevant for the current context/the current context has evolved.

Country of origin labelling is an important consideration in the consumer purchase decision and the objectives of Regulation (EU) No 1337/2013 remain relevant, especially the objectives to provide clear, accurate and meaningful information to consumers and to ensure that information is reliable and can be checked by enforcement authorities. However, with respect to providing clear information to consumers, there is concern that a lack of understanding of the labelling definitions by consumers hampers the achievement of this objective.

There is widespread acceptance that the context in which the Regulation operates has evolved with the importance of country of origin information to consumers increasing since the Regulation was implemented; some temporary national measures are in place which go beyond the scope of the Regulation (although such initiatives remain relatively limited to date).

Against this background, many stakeholders and Competent Authorities could not identify new needs. Nonetheless, amongst those that did identify new needs, there was substantial interest in extending the scope of Regulation (EU) No 1337/2013 to encompass the food service and catering sector, as well as processed meat and, to a lesser extent, meat sold loose at retail, i.e. not pre-packed. A majority of consumers would like to see an extension of scope to include the food service and catering sectors. The poultry sector would welcome these extensions in scope, as long as the designation used was "EU/non-EU" rather than Member State.

In conclusion, the objectives of Regulation (EU) No 1337/2013 remain relevant, but there is a perceived increase in consumer interest in country of origin information since implementation across all meat products and market segments.

In some Member States, initiatives have been taken on a voluntary basis and, in a more limited number of cases, on a mandatory basis to address the labelling of meat sold loose i.e. non prepacked, and meat sold through the food service and catering sector. This suggests that suitable mechanisms exist at the Member State level to address perceived needs and that these are taken up where considered appropriate.

In the case of lightly processed meat, from 1 April 2020, the provenance is labelled under Commission Implementing Regulation (EU) 2018/775 where meat is the primary ingredient and where its provenance differs from the advertised provenance of the product<sup>97</sup>. It is therefore **recommended that experience gained from the implementation of Regulation (EU) 2018/775** be used to assess the extent to which this addresses the perceived needs in origin labelling provision for lightly processed meat.

### 9.13 The extent to which traceability systems are relevant in all circumstances for all meat products (ESQ 13)

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The extent to which traceability systems are relevant in all circumstances for all meat products has been assessed through two judgement criteria: (i) the extent to which the supply chains, for meat which must bear origin labelling for the end consumer under the Regulation and those which must not, are fully segregated; and, (ii) benefits, if any, of traceability requirements set out in the Regulation for meats that do not require origin labelling.

A triangulation of the evidence suggests that there are certainly no significant segregated supply chains in the EU, with operators along the supply chain working across a range of markets in addition to those within scope of Regulation (EU) No 1337/2013.

Where supply chains are said by survey respondents to be segregated, or at least serve specific markets, this results from a need to ensure that the requirements of the end market are met. It is considered important for operators to maintain flexibility in terms of the markets they supply so that, should market conditions change, they can redirect their focus.

The only legislative change identified which might impact the relevance of traceability requirements for certain products was Commission Implementing Regulation (EU) 2018/775 which took effect from 1 April 2020. While applying to meat used as an

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<sup>97</sup> See also: Commission Notice on the application of the provisions of Article 26(3) of Regulation (EU) No 1169/2011 (Official Journal of the European Union, 2020/C 32/01, 31.1.2020).

ingredient, operators will be able to use an “EU/non-EU” designation. Where this designation is used, knowing provenance to the Member State level will not be relevant.

It is logical to assume that voluntary origin labelling of products falling outside the scope of Regulation (EU) No 1337/2013 only takes place where there is a perceived benefit which outweighs costs. In this context it is important to note that the costs of providing this information are not seen as being onerous. This benefit can be economic if premiums are available, but can also be non-economic in terms of providing consumers with information they wish to have to inform a purchase decision. The extent to which there is a benefit or not, and whether the benefit is economic or non-economic, depends on the Member State and the market segment.

In conclusion, traceability systems which allow provenance to be communicated have relevance beyond the scope of Regulation (EU) No 1337/2013 due to the interconnectedness of supply chains which are outside scope with those within scope. There is additional relevance where information on provenance is used under voluntary schemes for products outside the scope of the Regulation. However, this relevance depends on the market, which in turn depends on consumer demand for such information. It is noted that while Regulation (EU) 2018/775 extends origin labelling to products in which meat is the primary ingredient from 1 April 2020, this only applies to the extent that provenance of the product itself is provided and operators can choose to use an “EU/non-EU” designation. Should this designation be widely used, information at the Member State level will not be relevant in this market channel.

#### 9.14 EU added value of the rules and conditions of the origin labelling of certain meats (ESQ 14)

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The EU added value of Regulation (EU) No 1337/2013 has been assessed through three judgement criteria: (i) the extent to which Member States would have acted to introduce national rules in the absence of EU regulation; (ii) the potential impact of introducing national rules; and, (iii) the internal market benefits provided by the Regulation.

If Regulation (EU) No 1337/2013 did not exist, the national Competent Authority Survey found that a significant proportion (41%) of Member States would have acted to introduce and/or pursue national rules to address country origin labelling for certain meats to meet consumer demand. However, the same proportion (41%) would have been unlikely to have introduced such rules. More than one third of Competent Authorities considered the introduction of national rules to be quite feasible, but 30% disagreed. These results are reinforced by analysis of the case studies. Member States which had introduced equivalent national rules before 2015 would have been likely to have pursued them in the absence of Regulation (EU) No 1337/2013 while the majority of Member States would have not introduced such rules. The countries that would not have introduced national rules are net exporting countries for some of their meat supply chains and/or have developed national voluntary schemes that provided country of origin labelling for a large part of the meat sold.

In the absence of Regulation (EU) No 1337/2013, the national Competent Authority survey found that a large majority of Member States considered that national rules would not completely fulfil the EU objectives pursued by the Regulation. Almost half (46%, n=17) considered that national rules would fulfil EU objectives to a moderate extent, 24% to low extent and 7% not all. One fifth of the respondents considered that national rules would fulfil to a large extent (greatly or fully) EU objectives; though these Member States introduced national rules before 2015. Nevertheless, almost all case studies agreed that

the lack of EU harmonisation would hamper the operation of the Single Market, raise difficulties for companies to navigate rules and would decrease the provision of information to consumers.

The entry into force of Regulation (EU) No 1337/2013 did not have an impact on trade in live animals or fresh meat. The quantitative analysis of trade data found no evidence that the implementation of the Regulation led to a renationalisation in trade at the EU level with intra-EU imports of all species within the Regulation's scope increasing in absolute terms and remaining the same (**pig** meat), or increasing slightly (**poultry** and **sheep/goat meat**) as a proportion of total consumption after the implementation of the Regulation.

The EU supply chain survey found that the majority of respondents (66%) did not change their sourcing practices, or the practices of their members. One third (34%) of the respondents declared that they changed their sourcing practices as a result of the implementation of the Regulation; though the changes made were limited as more than half reinforced their main country of sourcing and did not change their main suppliers. Regulation (EU) No 1337/2013 has consolidated the sourcing flows in place and so some companies may have sourced less from other Member States.

The consumer survey found that country of origin is an important, though second order, consideration for European meat consumers. A quarter of consumers (25%) always look at the country of origin information when purchasing meat, 25% look at it most of the time and 23% look at it sometimes. However, European meat consumers have attached credence attributes to national production regarding safety, quality, taste, and production conditions that are not accurate.

In conclusion, the EU added value of Regulation (EU) No 1337/2013 is considered to be good.

In the absence of Regulation (EU) No 1337/2013, equal proportions of Member States would have, or would not have, introduced (or pursued) national rules to address consumer demand for country of origin information, though the proportion of Member States that consider it feasible to effectively introduce national rules is lower. Thus, in the absence of an EU Regulation regarding country of origin labelling, it is likely that a significant number of Member States would have introduced national rules.

Regarding the national rules that might have been introduced, these would not have had the same scope as Regulation (EU) No 1337/2013. As raised by almost all national Competent Authorities, national professional organisations and consumer organisations, the absence of EU legislation concerning country of origin labelling would lead to potentially significant negative impacts. The presence of different national rules would hamper the smooth operation of the EU Single Market, increase difficulties for companies to navigate rules and would decrease consumer information.

In terms of market benefits, the entry into force of Regulation (EU) No 1337/2013 did not hamper the evolution of intra-EU trade in live animals or fresh meat, neither did it disrupt the operation of the EU Single Market. The consultation with supply chain stakeholders corroborated the finding of little impact on EU meat supply chains. Among the operators that did change their sourcing practices, the Regulation has induced operators to consolidate their sourcing flows. The Regulation addresses consumer demand for information on country of origin at a negligible cost and without causing any substantial changes to EU meat supply chains. However, the fact that consumers assign credence attributes to country of origin which are not accurate could, in theory, present a barrier to

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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the smooth operation of the EU Single Market. **The recommendation under ESQ 1 on an information campaign would improve consumer understanding on these aspects.**



### 9.15 The extent to which Member States have issued national rules on origin labelling that go beyond the EU rules and conditions (ESQ 15)

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The extent to which Member States have issued national rules on origin labelling that go beyond the EU rules and conditions has been assessed through two judgement criteria: (i) an inventory of national rules issued by Member States which go beyond EU rules; and, (ii) Reasons for the issuance of these rules.

Only two Member States have issued additional national rules concerning country of origin which go beyond the scope of Regulation (EU) No 1337/2013 (FI, FR). These rules were not opposed by the European Commission as time-limited pilot projects.

In two other Member States, rules providing for the implementation of Regulation (EU) No 1337/2013 specified requirements on the indication of the origin of meat sold loose (i.e. not pre-packed at retail level), given the importance of meat sold in this manner in these Member States (EL, PL).

Voluntary schemes on national or regional origin for all species have been widely introduced as a response to consumer demand for transparency on origin. Most of these schemes have been developed after the implementation of Regulation (EU) No 1337/2013 and many are state-owned trademarks, or state initiatives, thus showing the interest of Member States in developing national origin labelling. It can therefore be concluded that the implementation of the Regulation served as the basis for the development of voluntary country of origin labelling initiatives which go beyond the Regulation's scope in various ways.

There are also several national schemes concerning quality or higher animal welfare which provide an indication of origin, even if this is not the expressed main intention.

The rationale for developing additional national rules has been to inform consumers about the origin of meat used as an ingredient in food, including meals delivered by mass caterers, and to increase market share of national products in the catering sector and in the processed meat industry. Specific measures have been introduced to extend origin labelling to meat sold loose where this has an important market share.

Most national voluntary schemes concerned with origin were introduced to respond to consumer demand to make the origin of meat clearer, and to promote national products. Given that the clear objective in some cases was to support domestic producers, it is likely that such initiatives have had an impact on the renationalisation of meat markets, even if this has not been sufficient to be noticed (see ESQ 2, section 4.2).

In conclusion, national rules on country of origin which go beyond the scope of Regulation (EU) No 1337/2013 to date are rare and form time-limited pilot projects. In two cases national legislation extends the scope of Regulation (EU) No 1337/2013 to include meat sold loose to avoid consumers being potentially misled where this is an important market segment. Voluntary schemes concerned with country of origin are widespread and build on the Regulation to provide further information for consumers; some private quality schemes implicitly signal country of origin, even if this is not the main focus of these schemes.

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Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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## **11. ANNEX: ASSESSMENT OF THE POTENTIAL IMPACT OF MANDATORY COUNTRY OF ORIGIN LABELLING FOR CERTAIN MEATS ON INTRA-EU TRADE**

The potential impact of Regulation (EU) No 1337/2013 on intra-EU trade is the key concern of ESQ 2. This section provides a comprehensive quantitative analysis based on the literature and publicly available trade data.

One of the key concerns raised in the Commission's Impact Assessment (European Commission, 2013a) in introducing country of origin labelling for the pig, poultry and sheep/goat meat sectors was that it might lead to a renationalisation of trade. This can lead to less efficient and less competitive industries (Jacobs, 2018). There are two main reasons why country of origin labelling might lead to a degree of renationalisation in the EU meat market:

- consumers may prefer meat which they see as produced in their own country to meat produced elsewhere (consumer ethnocentrism);<sup>98</sup>
- retailers might seek to reduce risk of mislabeling by simplifying their supply chains, notably by limiting the suppliers of their meat.

Further disruptions might also be caused by consumers preferring meat from specific countries over meat from others (van Wijk *et al.*, 2010, cited in LEI, 2013)<sup>99</sup> and by preferring meat from the EU to meat labelled as having an origin outside the EU.<sup>100</sup> It is also possible that consumers prefer simple to complex products (Bienenfeld, *et al.*, 2016), i.e. meat from one country of origin to meat reared in one country and slaughtered in another.<sup>101</sup> Consumer surveys have also demonstrated preference for domestic products due to safety and quality perception being higher for meat nationally/locally sourced (FCEC, 2013), as well as to support the national/local supply chain (see analysis under ESQ 1).

While it is possible to examine consumer origin preference for meat separately, retailer response to the introduction of country of origin labelling can only be examined within the wider context. Section 11.1 therefore examines evidence for consumer preference while supply chain response is subsumed within the analysis of evidence from the introduction of country of origin labelling in the beef sector in section 11.2 and the Impact Assessment of Regulation (EU) No 1337/2013 in section 11.3. Both drivers of trade renationalisation are captured within section 11.4 which examines available trade data before and after the implementation of Regulation (EU) No 1337/2013.

### **11.1 Consumer preference**

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The Commission Impact Assessment (European Commission, 2013a) raises the fact that consumers express a preference for meat produced in their own country. European Commission (2012) reported on the basis of a comprehensive consumer survey that, at

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<sup>98</sup> See analysis under ESQ 1.

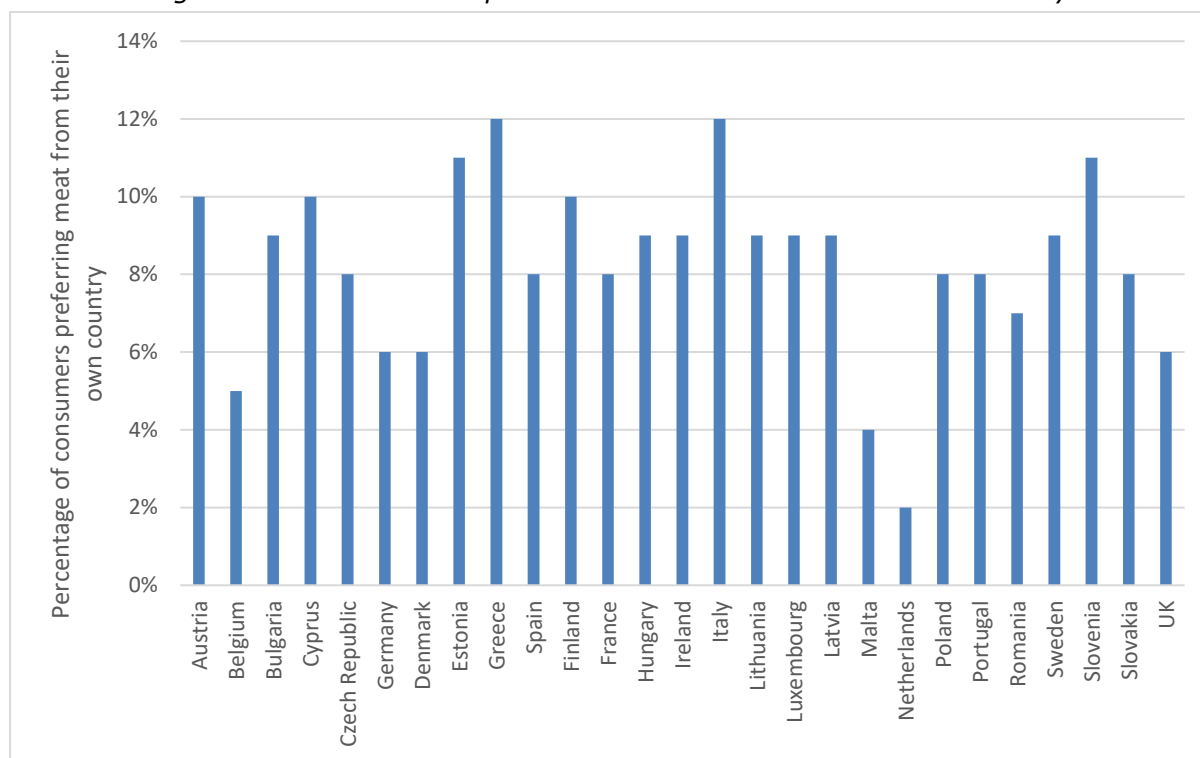
<sup>99</sup> Bienenfeld, *et al.* (2016) also found evidence that consumers differentiate between supplier countries, in this case in relation to packaged cereal products.

<sup>100</sup> This is demonstrated by Matsumoto (2011) whose research on bilateral trade data of beef meat cuts shows that market shares of Australia, Canada, France, and Netherlands expanded as a result of the implementation of beef origin labelling, while those of Germany and Ireland were negatively influenced.

<sup>101</sup> This was an a priori concern with respect to sheep exports from Ireland to third countries, but does not appear to have been borne out in practice (see the Ireland case study).

the EU level, 8% of consumers stated that buying meat produced in their own country is their most important purchase criterion, but that this preference varies by Member State. Figure 11.1 shows that this concern is especially notable in Greece, Italy, Estonia and Slovenia.

Figure 11.1 – Consumer preference for meat from their own country



Source: European Commission (2012).

Other evidence suggesting that EU consumers prefer meat product from their own country includes CEC (1999) in the EU beef sector; Hoffman (2000) in the Swedish fresh meat sector; Dransfield, *et al.* (2005) in the French, Danish, Swedish and UK pig sectors; Meuwissen, *et al.* (2007) in the Netherlands pig sector; Vukasović (2009) in the Slovenian poultry sector; Pouta, *et al.* (2010) in the Finnish poultry sector and Meas, *et al.* (2014) in the British beef sector.<sup>102</sup> European Commission (2018) found national differences in domestic preference in the fish and aquaculture sector. This research also supported the findings of European Commission (2012) in that domestic preference is higher in some Member States than in others (these Member States largely overlap with those identified in European Commission (2012)).

The evidence presented above suggests that, if consumers behave in accordance with their stated preferences, trade flows are likely to have been impacted by the implementation of Regulation (EU) No 1337/2013 **as long as the fresh meat market was previously open to non-domestic production.**

<sup>102</sup> A large body of literature suggests that this is also the case in the US (for example, Lim, *et al.*, 2011) and Australia (FSANZ, 2010) and is likely to be the case worldwide.

## 11.2 Evidence from country of origin labelling in the beef sector

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Indications as to the potential for the renationalisation of trade following the implementation of Regulation (EU) No 1337/2013 can be inferred from the introduction of country of origin labelling in the beef sector via Regulation (EC) No 1760/2000. The impact of country of origin labelling in the EU beef sector was examined by the Commission in its report to the Council and the European Parliament in 2004. As reported in the Commission's Impact Assessment, CEC (2004) found that the introduction of country of origin labelling in the beef sector did in fact result in a more generalised renationalisation of trade within the EU, at least initially. This renationalisation of the beef market was driven by both consumer preference for domestic product, seen mainly at the retail level, and by the distribution sector's tendency to restrict the range of origins of the meat that is marketed.

CEC (2004) goes on to note that commercial priorities around reducing the risk of errors in origin labelling can lead to problems finding outlets for animals of mixed origin. This was a particular problem for veal production, where a large portion of the animals are bought from dairy holdings in some Member States for rearing and slaughter in other Member States which specialise in veal production. Similar problems were also noted for beef producers in Northern Ireland (UK), who had difficulties marketing the meat they produced, a great deal of which is from cattle born and partially reared in Ireland.

AND International (2015) evaluated the EU beef labelling rules for DG AGRI and corroborated the findings of earlier work. In terms of the impact on the consumption of beef of national origin, stakeholders considered that there had been a renationalisation of retail markets which led to an increase in retail prices; this impact was not observed in the catering market (where consumers are less aware of country of origin and some internationalisation of the markets was observed). Furthermore, beef of national origin labelling was considered by all retailers to be an important consumer purchase criterion.

There is also international evidence to support the renationalisation of meat markets following the introduction of country of origin labelling. Concerns over trade distortions led to the 2009 Canadian and Mexican WTO action with respect to the introduction of country of origin labelling for beef in the USA. The WTO Panel found that the labelling accorded less favourable treatment to imported cattle and pigs than to equivalent domestic products (WTO, 2015). In addition, Jones, *et al.* (2009) concluded on the basis of a global static general equilibrium modelling exercise that the introduction of beef country of origin labelling in the US would result in a global reduction in agricultural trade.<sup>103</sup>

It should be noted that by not requiring labelling of country of birth under Regulation (EU) No 1337/2013, the magnitude of impact on intra-EU trade is likely to be smaller for pig, poultry and sheep/goat meat than it was in the beef sector. It should also be noted that the context is rather different; origin labelling in the beef sector was introduced as a measure to restore consumer confidence following the BSE crisis. However, the structure of the slaughter sector is such that pig meat is likely to frequently have different places of rearing and slaughter which could pose some marketing difficulties for that sector. The

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<sup>103</sup> However, it should also be noted that the New Zealand Meat rosette was introduced in 1923 to identify New Zealand meat in some export markets and is still in use today suggesting that country of origin labelling can be used positively in non-domestic markets (Clemons and Babcock, 2004), although the rosette is not used in France where it is felt that it would be perceived negatively by French farmers (Martin, 2003). It is therefore possible that country of origin labelling in the EU pig, poultry and sheep/goat sectors could affect production from different Member States in different ways on the internal market.



rearing period definitions in Article 5 of the Regulation were designed to mitigate this to some extent.

### 11.3 Commission Impact Assessment

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The Commission's Impact Assessment was largely based on an external study carried out for DG AGRI by LEI Wageningen University (European Commission, 2013c). This used the CAPRI partial equilibrium model to estimate the impact of the introduction of country of origin labelling to the pig, poultry and sheep/goat meat sectors.

In contrast to the Commission's Impact Assessment, European Commission (2013c) examined four scenarios, although the scenario that is analogous to the country of origin labelling ultimately introduced (the intermediate model, i.e. labelling of place of rearing and place of slaughter), was not examined quantitatively because it was considered very similar to another option (labelling the place of rearing only). The following cost shocks were used for these two options as shown below:

	Country of rearing	Country of rearing and slaughter
Pig meat:	1.50%	1.50%
Poultry meat:	0.92%	1.02%
Sheep/ goat meat:	0.28%	0.30%

The lack of analysis of the "rearing and slaughter" option makes no difference for pig meat as the cost shock is the same and the difference for sheep/goat meat is negligible. However, the difference for poultry meat is comparatively rather larger (although still small) which means that the impact on trade of the "rearing and slaughter" labelling option might be slightly underestimated in the Commission's Impact Assessment. That said, the trade impact is driven by predicted increases in consumer prices. The analysis does not support this expectation that price increases have been passed on to consumers (see ESQ 3) which implies that trade effects may have been exaggerated in the *ex-ante* analysis.

These methodological issues notwithstanding, the analysis showed the following expected impacts on net trade (it is not possible to disaggregate intra- from extra-EU trade) for the most important pig producing Member States (Table 11.1). Germany and Spain were expected to see increases in net exports while France and Denmark would see small decreases in their net export position. Polish and Italian net imports would decline, suggesting greater reliance on domestic production. EU net exports were estimated to increase by 1.1%. In summary, there is evidence for a limited impact on trade in pig meat.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:

Final Report

*Table 11.1 – Estimated impact of the introduction of country of origin labelling (place of rearing and place of slaughter) on trade in pig meat*

Member State (in order of production volume)	Reference (net trade)	Impact on net trade (imports shown as -)	
	'000 tonnes	'000 tonnes	% change
Germany	327	332	1.5%
Spain	571	573	0.3%
France	92	92	-0.9%
Poland	-113	-110	-2.1%
Denmark	1,648	1,646	-0.1%
Italy	-701	-697	-0.6%
Netherlands	491	491	0%
<b>EU-27<sup>104</sup></b>	<b>1,800</b>	<b>1,820</b>	<b>1.1%</b>

Source: European Commission (2013c): Table 18. Note: EU-27 – without Croatia.

Table 11.2 shows the estimated impact on poultry trade of the country of origin labelling option ultimately introduced (but see methodological note above). Poland and the Netherlands were expected to see slight increases in their net export position while France would see a small reduction. The UK, Italy and Spain would all see small increases in their net imports. Little change was expected in the German balance of trade. The EU-27 would see a small increase in net exports. As was the case for the pig meat sector, there is evidence for a limited impact on trade in poultry meat.

*Table 11.2 – Estimated impact of the introduction of country of origin labelling (place of rearing and place of slaughter) on trade in poultry meat*

Member State (in order of production volume)	Reference (net trade)	Impact on net trade (imports shown as -)	
	'000 tonnes	'000 tonnes	% change
France	223	222	-0.5%
Germany	-16	-16	0.5%
United Kingdom	-107	-108	0.7%
Italy	-13	-14	6.0%
Poland	372	375	0.7%
Spain	-39	-40	1.9%
Netherlands	296	297	0.4%
<b>EU-27</b>	<b>767</b>	<b>772</b>	<b>0.6%</b>

Source: European Commission (2013c): Table 19. Note: EU-27 – without Croatia.

The estimated impact of the introduction of country of origin labelling in the sheep/goat meat sector is shown in Table 11.3. No substantial change in net trade was estimated for any Member State, or for the EU-27 as a whole.

<sup>104</sup> Note: EU-27 refers to the European Union without Croatia. This Member State joined the Union on 1<sup>st</sup> July 2013. The LEI study was published in 2013, but its analytical work was done before, therefore it does not take into account Croatia.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

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*Table 11.3 – Estimated impact of the introduction of country of origin labelling (place of rearing and place of slaughter) on trade in sheep and goat meat*

Member State (in order of production volume)	Reference (net trade)	Impact on net trade (imports shown as -)	
	'000 tonnes	'000 tonnes	% change
United Kingdom	-20	-20	0.6%
Spain	17	17	-0.1%
Greece	-12	-12	-0.4%
France	-121	-120	-0.4%
Ireland	38	38	0%
Italy	-57	-57	-0.1%
<b>EU-27</b>	<b>-195</b>	<b>-195</b>	<b>-0.2%</b>

Source: European Commission (2013c): Table 20. Note: EU-27 – without Croatia.

However, all meat markets have different characteristics, and European Commission (2012) explains that in many cases origin was already labelled on poultry meat (90% of whole carcasses) and pig meat (84% of cutlets) meaning that any renationalisation of trade effect would be expected to be limited, especially once the methodological concerns are considered. ESQ 2 found little impact on sourcing practices as a result of the implementation of Regulation (EU) No 1337/2013, partly because in many cases retailers were already sourcing domestic fresh meat to the extent possible.

## 11.4 Assessment of trade data

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Both intra-EU trade in live animals and intra-EU trade in meat products could be affected by country of origin labelling for the reasons discussed above. Recent trends in both types of trade are reviewed below.

### 11.4.1 TRADE IN LIVE ANIMALS

The examination of trade data for live animals is especially useful in the context of Regulation (EU) No 1337/2013 because it can, in the case of pigs, distinguish between animals, the meat from which will ultimately need to be labelled as “*Reared in X*”, “*Slaughtered in X*” and those labelled as “*Reared in X*”, “*Slaughtered in Y*”.

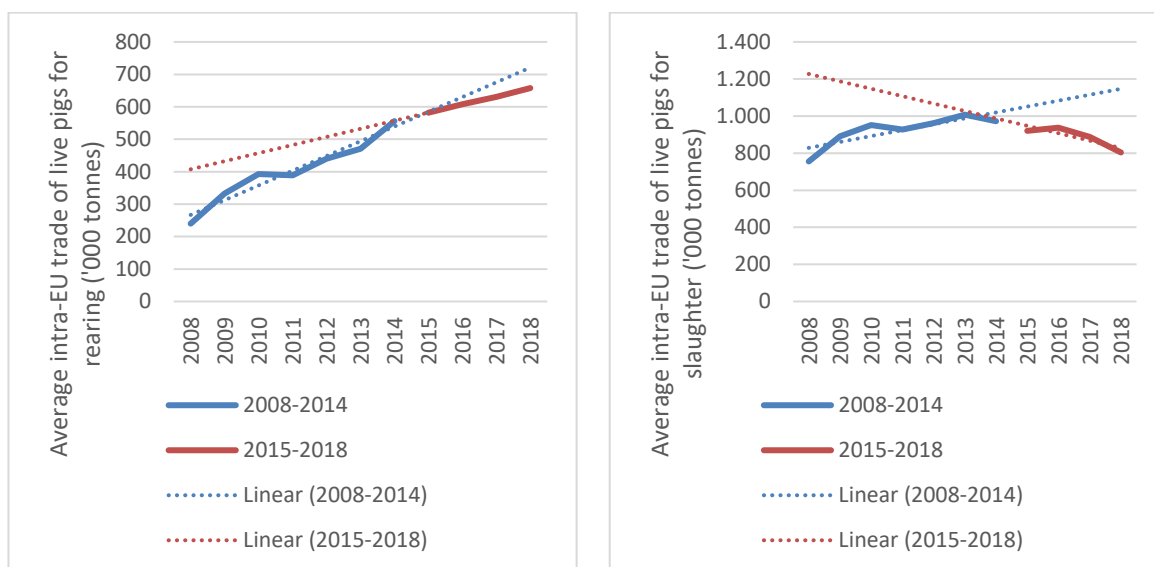
Eurostat distinguishes several categories of **live pigs**. In the analysis, the categories used can be grouped into:

- **piglets for further rearing:**
  - 01039110: Domestic swine, weighing <50kg (excluding pure-bred for breeding)
  - 01039190: Live non-domestic swine, weighing <50kg
- **pigs for slaughter:**
  - 01039290: Live non-domestic swine, weighing ≥50kg
  - 01039219: Live domestic swine, weighing ≥50kg (excluding sows having farrowed at least once, weighing ≥160kg, and those pure-bred for breeding)
- **cull sows for slaughter:**
  - 01039211: Live domestic sows, having farrowed at least once, weighing ≥160kg (excluding pure-bred for breeding)

Under the hypothesis that consumers are ethnocentric and that retailers might seek to simplify their supply chains following the introduction of country of origin labelling, it might be expected to find that intra-EU imports of live pigs will have declined where consumers will see on the label that the pigs have been reared and slaughtered in different countries. Because pig meat is only labelled to indicate country of rearing (subject to the definition of rearing periods in Article 5) and country of slaughter, it follows that the expectation is that the labelling will not have impacted on the trade in live piglets (because the consumer would not be aware of this from the label), but might have impacted on live pigs traded for slaughter.

The average volume of intra-EU imports of live pigs for further rearing increased at the EU-28 level between 2011-2014 and 2015-2018 by 33.5% from 463 950 tonnes to 619 603 tonnes (although the trend line is less steep in the second period). In contrast, the average volume of intra-EU imports of live pigs for slaughter decreased at the EU-28 level between 2011-2014 and 2015-2018 by -8.2% from 967 265 tonnes to 887 569 tonnes. This is illustrated in Figure 11.2 which includes linear trend lines to highlight the change in trend following the implementation of Regulation (EU) No 1337/2013. While this is indeed in line with *a priori* expectations, it is not possible to conclude that these changes were actually caused by the introduction of country of origin labelling from the analysis of the data alone. Causality is investigated qualitatively under ESQ 2, where it is noted that live animals are moved between Member States according to the needs of the further fattening and processing stages of the supply chain. There are also examples where environmental restrictions in some Member States limit livestock production in certain areas.

*Figure 11.2 – Intra-EU trade of live pigs for rearing and slaughter 2008-2018  
('000 tonnes)*



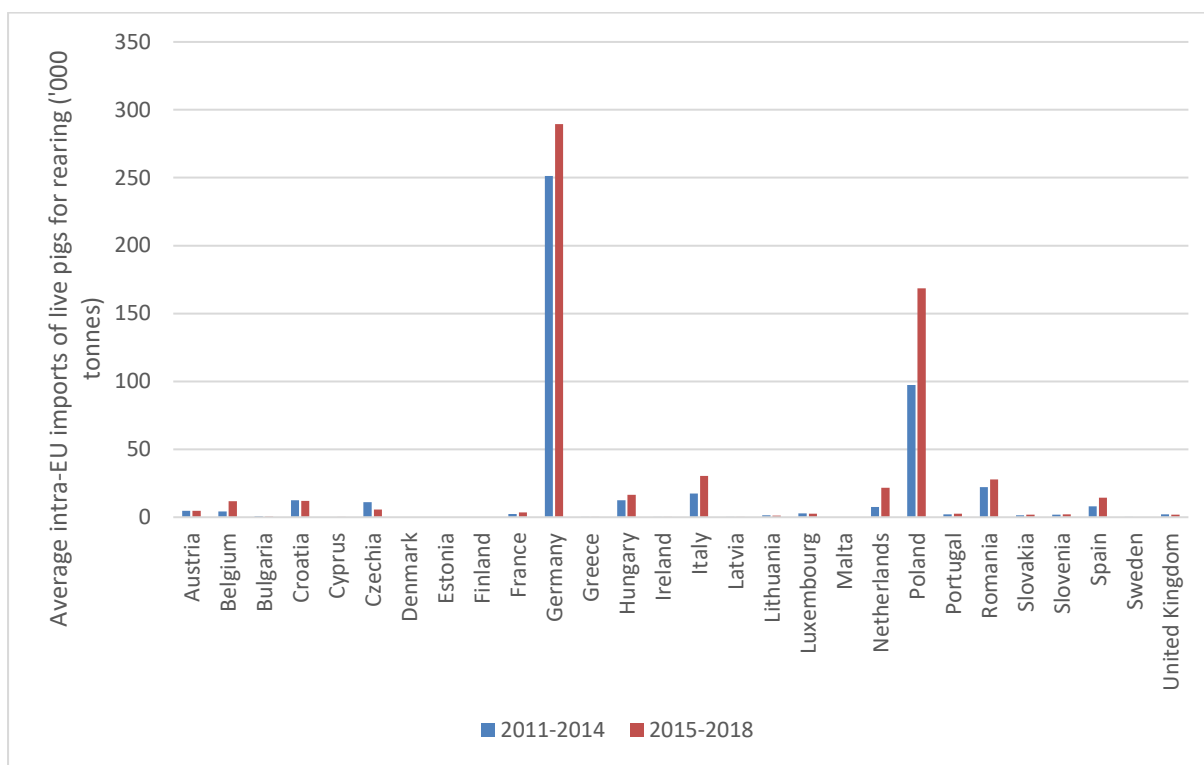
Source: Eurostat (DS-016890).

Figure 11.3 shows the changes in average intra-EU imports of live pigs for further rearing by Member State between 2011-2014 and 2015-2018. The main importing Member States are Germany, where imports increased by 15.2% between the two periods examined and Poland, where imports increased by 73.1%; imports increased in Italy by 73.7%. As meat from these animals can be labelled "*Reared in X*", "*Slaughtered in X*", this may indicate a shift in trading patterns to produce pigs which can be presented as produced domestically.<sup>105</sup>

<sup>105</sup> It is not thought likely that consumers can distinguish between the meaning of, on the one hand, "*Origin X*" and, on the other, "*Reared in X*", "*Slaughtered in X*", see ESQ 1 (section 4.1.1.1).

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

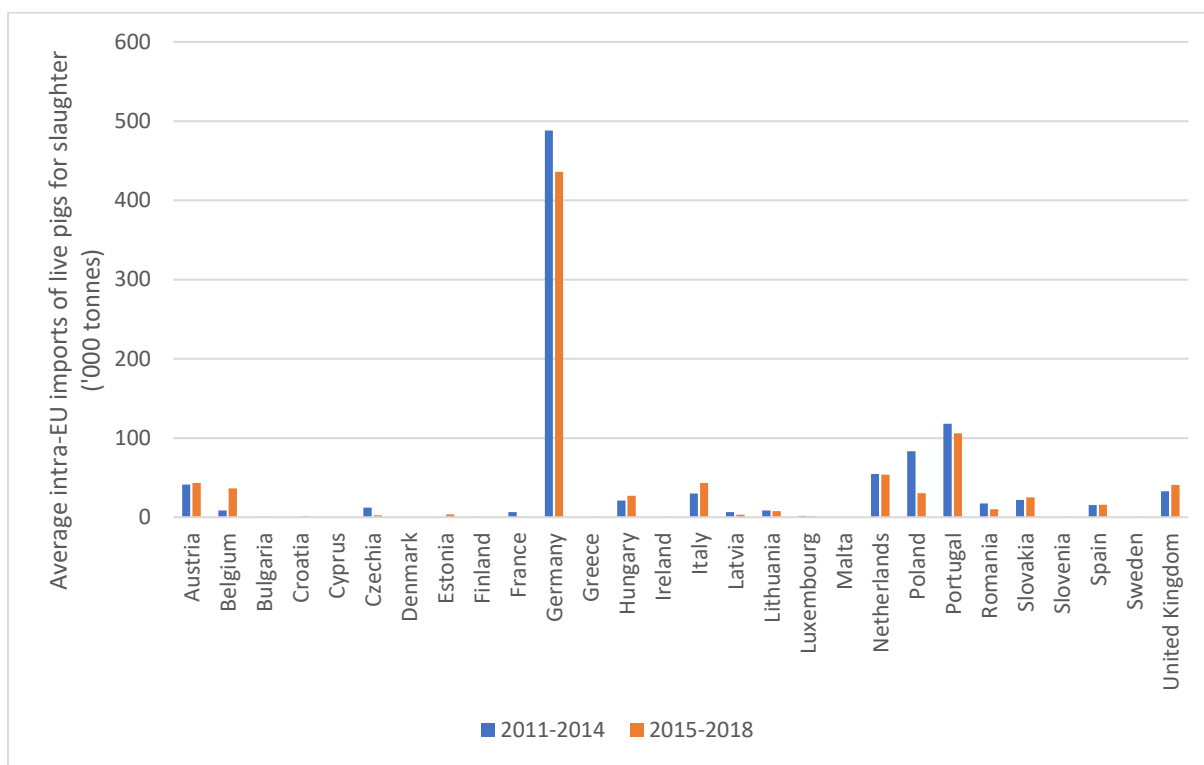
Figure 11.3 – Average intra-EU imports of live pigs for rearing 2011-14 and 2015-2018 by Member State ('000 tonnes)



Source: Eurostat (DS-016890) and Agra CEAS Consulting calculations.

Figure 11.4 shows the changes in average intra-EU imports of live pigs for slaughter by Member State between 2011-2014 and 2015-2018. Again, the main importing country is Germany, although in this case, the average volume of imports decreased by -10.7%. Imports to Poland decreased by -63.9% and imports to Portugal by -10.4%. This is consistent with *a priori* expectations in that it appears as though live imports of pigs for slaughtering and therefore labelled as “*Reared in X*”, “*Slaughtered in Y*” have decreased. In other cases, *a priori* expectations appear not to be met; Figure 11.1 showed that Italian consumers, for example, have a relatively high preference for domestic meat, and yet imports of live pigs for slaughter increased in Italy following the introduction of country of origin labelling. However, as noted in the Italian case study, a large proportion of imported pig meat is further processed and is not therefore labelled under Regulation (EU) No 1337/2013. This increase in imports could be a sign of adjustments in the market to ensure that (labelled) fresh meat is domestic.

Figure 11.4 – Average intra-EU imports of live pigs for slaughter 2011-14 and 2015-2018 by Member State ('000 tonnes)



Source: Eurostat (DS-016890) and Agra CEAS Consulting calculations.

Eurostat distinguishes between various types of **live poultry**. The analysis focuses on chickens as these account for the vast majority of poultry production and the vast majority of poultry traded live. There are two types of live chicken:

- 01051199: Live fowls of the species *Gallus Domesticus* of a weight of  $\leq 185\text{g}$  (excluding grandparent and parent female chicks and laying stocks)
- 01059400: Live fowls of species *Gallus Domesticus* weighing  $>185\text{g}$

Article 5 of Regulation (EU) No 1337/2013 states that the country of rearing to be reported on the label should be that in which the last period of rearing of at least one month took place, or, if the animal is slaughtered younger than one month, the Member State (or third country) in which the whole rearing period after the animal was placed for fattening took place. The country of slaughter should also be stated. The Eurostat categorisation is insufficient to be fully reconciled with the labelling requirements.<sup>106</sup> While birds in the first category (day-old chicks) will be labelled as reared and slaughtered in the same Member State (and therefore are not examined here), birds in the second category are more likely to be labelled as reared in one country and slaughtered in another and therefore require labelling indicating different rearing and slaughtering Member States.

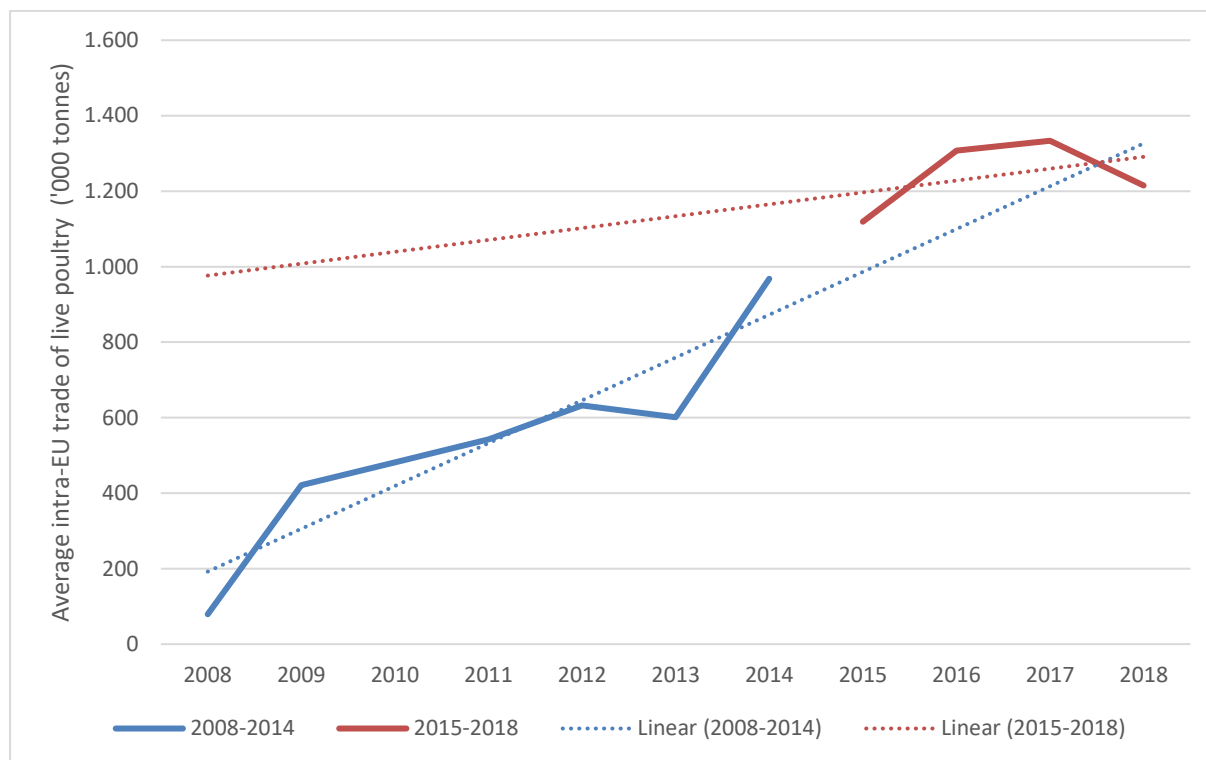
The average volume of intra-EU imports of live poultry (chicken)<sup>107</sup> increased at the EU-28 level between 2011-2014 and 2015-2018 by 81.3% from 686 082 tonnes to 1 243 845 tonnes. The trend in live trade is illustrated in Figure 11.5 and shows a higher

<sup>106</sup> There is no suggestion that the Eurostat data should be consistent with the country of origin labelling requirements.

<sup>107</sup> Live fowls of species *Gallus Domesticus* weighing  $>185\text{g}$ .

rate of increase in the 2008-2014 period compared to the 2015-2018 period. This appears to suggest a slowing down in the rate of increase of intra-EU trade under the assumption that these data are generally capturing birds which require labelling of one Member State for rearing and a different Member State for slaughter.

*Figure 11.5 – Intra-EU trade of live poultry (chickens) 2011-2018 ('000 tonnes)*

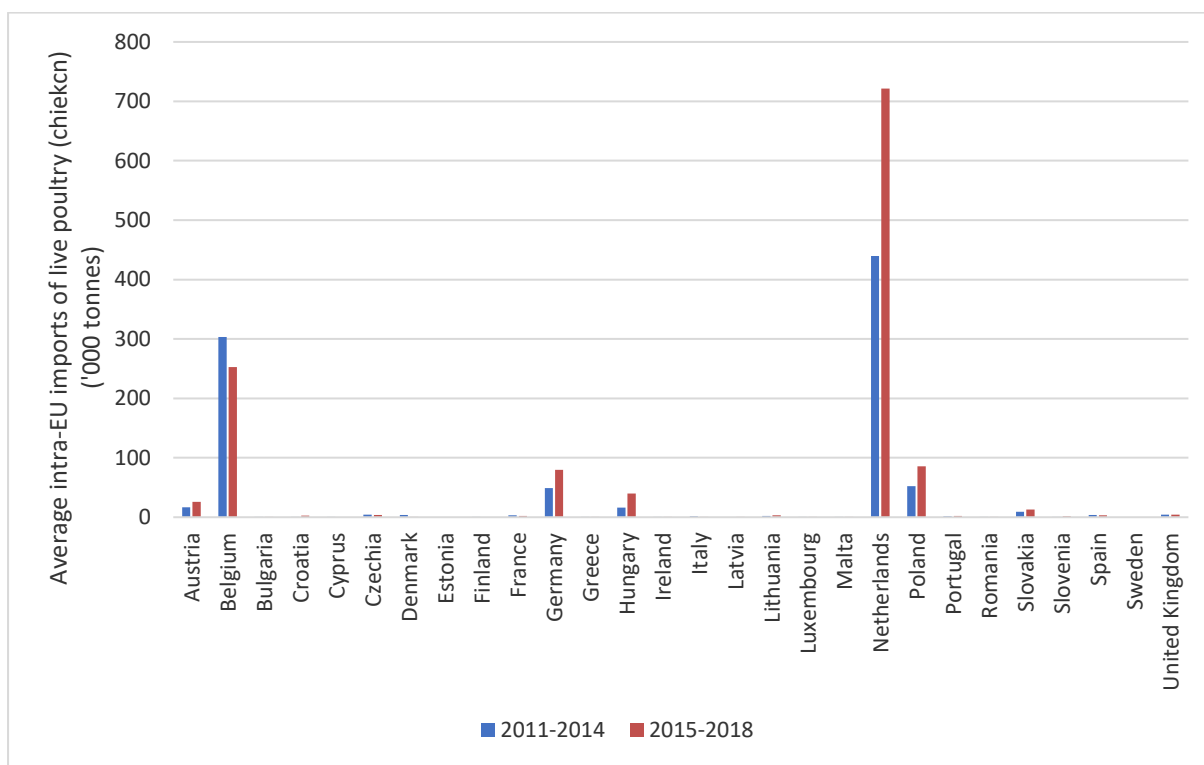


Source: Eurostat (DS-016890).

Figure 11.6 presents the changes in average intra-EU imports of live poultry (chickens) by Member State between 2011-2014 and 2015-2018. It should be noted that traded volumes are generally small, and some Member States do not import live poultry at all. The Netherlands and Belgium are the main intra-EU importers of live chickens. This is likely to result from their relatively small size, environmental restrictions on domestic production and a supply chain which is based in multiple Member States.



Figure 11.6 – Average intra-EU imports of live poultry (chickens) 2011-14 and 2015-2018 by Member State ('000 tonnes)



Source: Eurostat (DS-016890) and Agra CEAS Consulting calculations.

Eurostat distinguishes the following categories of **live sheep and goats** which are potentially relevant to this evaluation:

- 01041030: Live lambs "sheep up to a year old" (excluding pure-bred breeding animals)
- 01041080: Live sheep (excluding lambs and pure-bred breeding animals)
- 01042090: Live goats (excluding pure-bred for breeding)

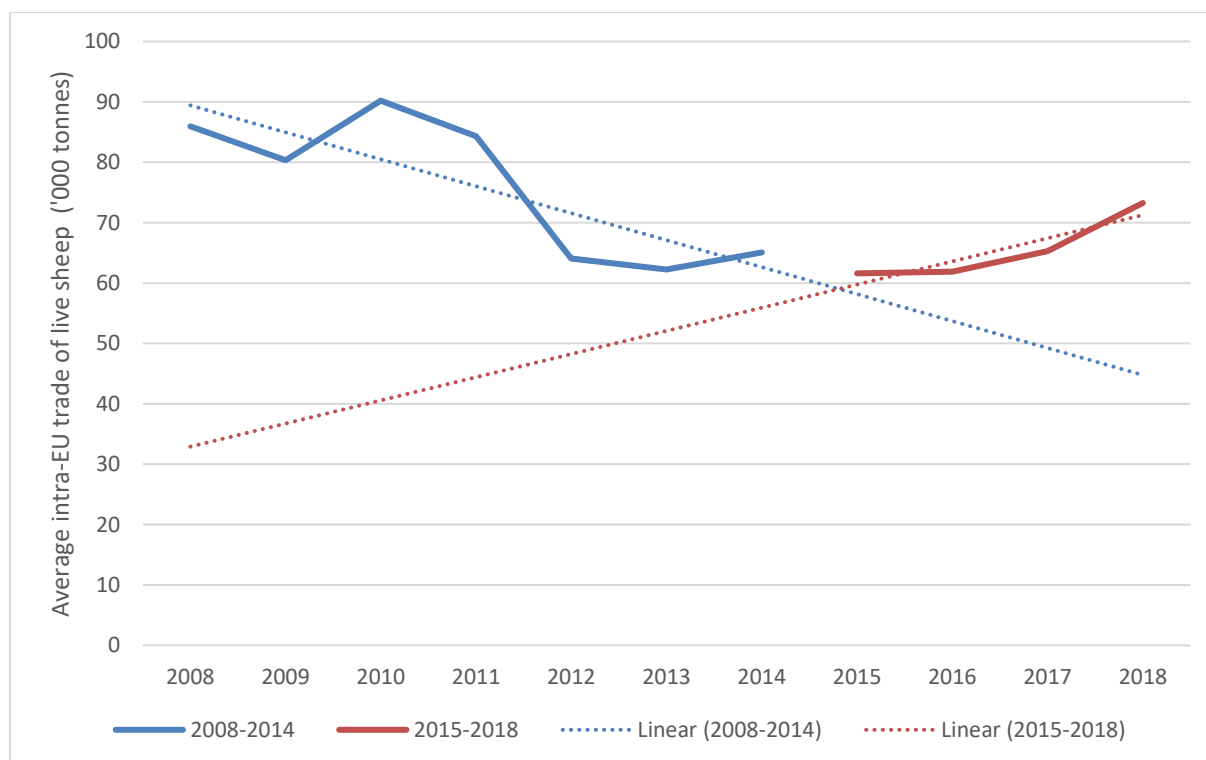
Intra-EU imports of live goats are negligible (an average of less than 1 000 tonnes per year at the EU-28 level) and so have been excluded from the analysis.

Article 5 of Regulation (EU) No 1337/2013 states that the Member State (or third country) in which the last rearing period of at least six months took place should be labelled. If the animal is slaughtered younger than six months, then the Member State (or third country) in which the whole rearing period took place should be listed. This distinction is not compatible with the Eurostat data because sheep are slaughtered at a variety of ages. However, for the purposes of this quantitative analysis it is assumed that sheep in both categories would need to be labelled as reared in one Member State and slaughtered in another.

The average volume of intra-EU imports of live sheep decreased at the EU-28 level between 2011-2014 and 2015-2018 by -5.0% from 68 919 tonnes to 65 499 tonnes. Although this is in line with *a priori* expectations (under the assumptions that consumers are ethnocentric and that all these sheep which are traded live would require different Member States to be listed as the place of rearing and slaughter), Figure 11.7 shows that the situation is actually much more complicated. Trade in live sheep fell quite steeply from

2008 to 2013 before levelling off and then increasing from 2016. Against this “noisy” background it would be unwise to draw any conclusion from the data alone in terms of the impact of the introduction of country of origin labelling. One possible explanation for the observed trends is that consumers place more value on the place of slaughter being the domestic market, possibly to ensure freshness, than they do on the place of rearing. Another is that, consumers are misled at the point of sale which may be the case in Greece, for example.

Figure 11.7 –Intra-EU trade of live sheep 2011-2018 ('000 tonnes)<sup>108</sup>

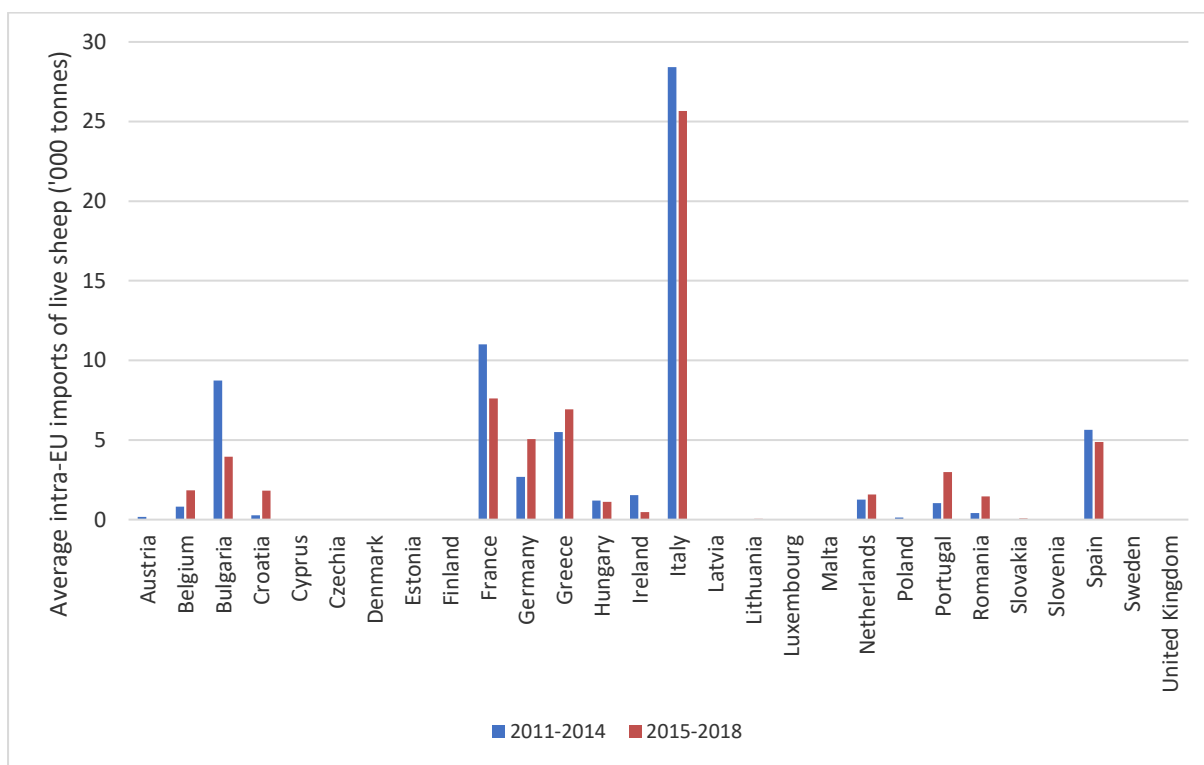


Source: Eurostat (DS-016890)

Figure 11.8 shows the changes in average intra-EU imports of live sheep by Member State between 2011-2014 and 2015-2018. It should be noted that the Eurostat dataset is not complete and there may be intra-EU imports which are not shown. The main importing Member State is Italy, followed by France. In both cases the average annual volume of trade decreased between the 2011-2014 and 2015-2018 periods (-9.7% and -30.8% respectively). On the other hand, live trade in sheep increased to Germany and Greece (87.6% and 26.2% respectively). Again, this finding is not wholly consistent with expectations based on consumer ethnocentrism (Figure 11.1) where the findings for Germany and Italy might be expected, but the finding for Greece would not be. This suggests that other important factors are at play, notably supply balance deficits. There are examples of mislabelling of fresh sheep meat as domestic when it is in fact imported in Greece.

<sup>108</sup> Data were missing for 2008 and 2009 for France, Hungary, Italy and the Netherlands (2009 only). An average of the three succeeding years was used to model the missing data to produce the EU-28 figure.

*Figure 11.8 – Average intra-EU imports of live sheep 2011-14 and 2015-2018 by Member State ('000 tonnes)*



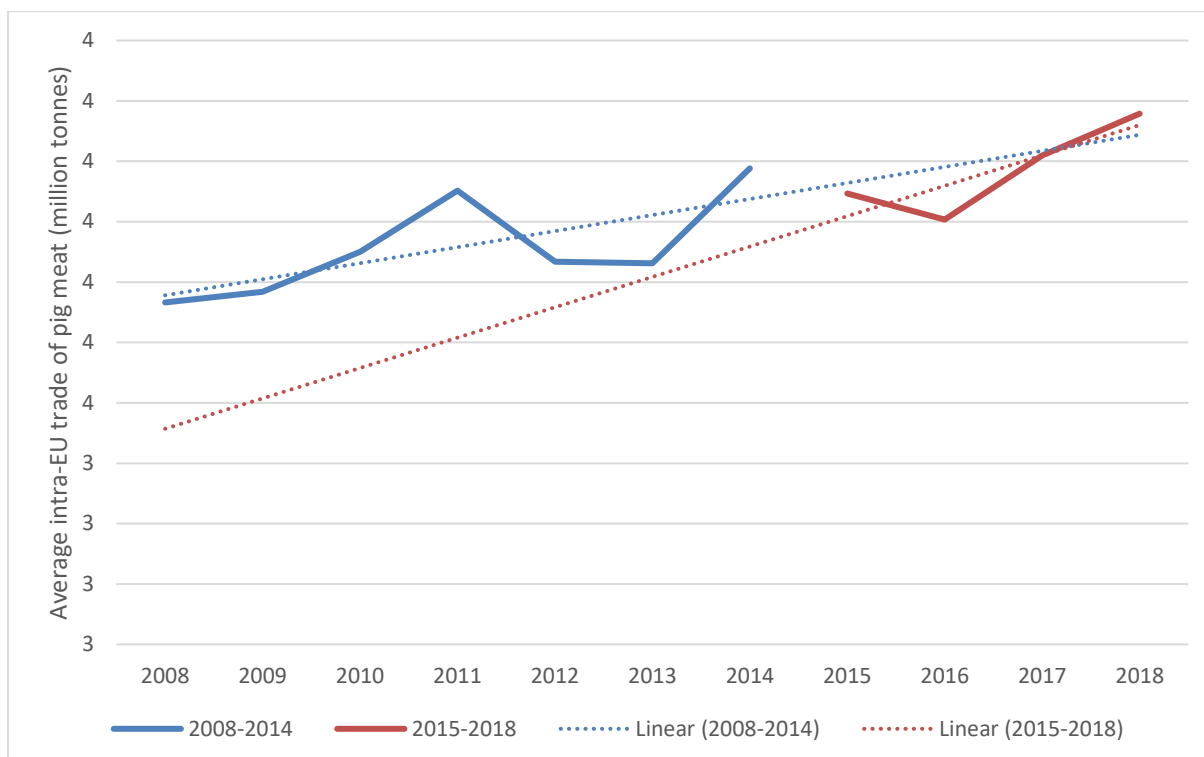
Source: Eurostat (DS-016890) and Agra CEAS Consulting calculations.

#### 11.4.2 TRADE IN MEAT

It is not possible to make any assumptions about the labelling required on meat from the trade data as the provenance is not known. However, it is possible to comment on the general trends in trade before and after the implementation of Regulation (EU) No 1337/2013.

For **pig meat**, total intra-EU trade increased by 2.2% from an average of 3.80 million tonnes in 2011-2014 to an average of 3.88 million tonnes in 2015-2018. However, as Figure 11.9 shows, the rate of increase picked up after the implementation of Regulation (EU) No 1337/2013 based on the two trend lines. Explanations for this are rooted in the supply-demand balance in specific Member States, as well as global trends in pig market demand (see ESQ 2).

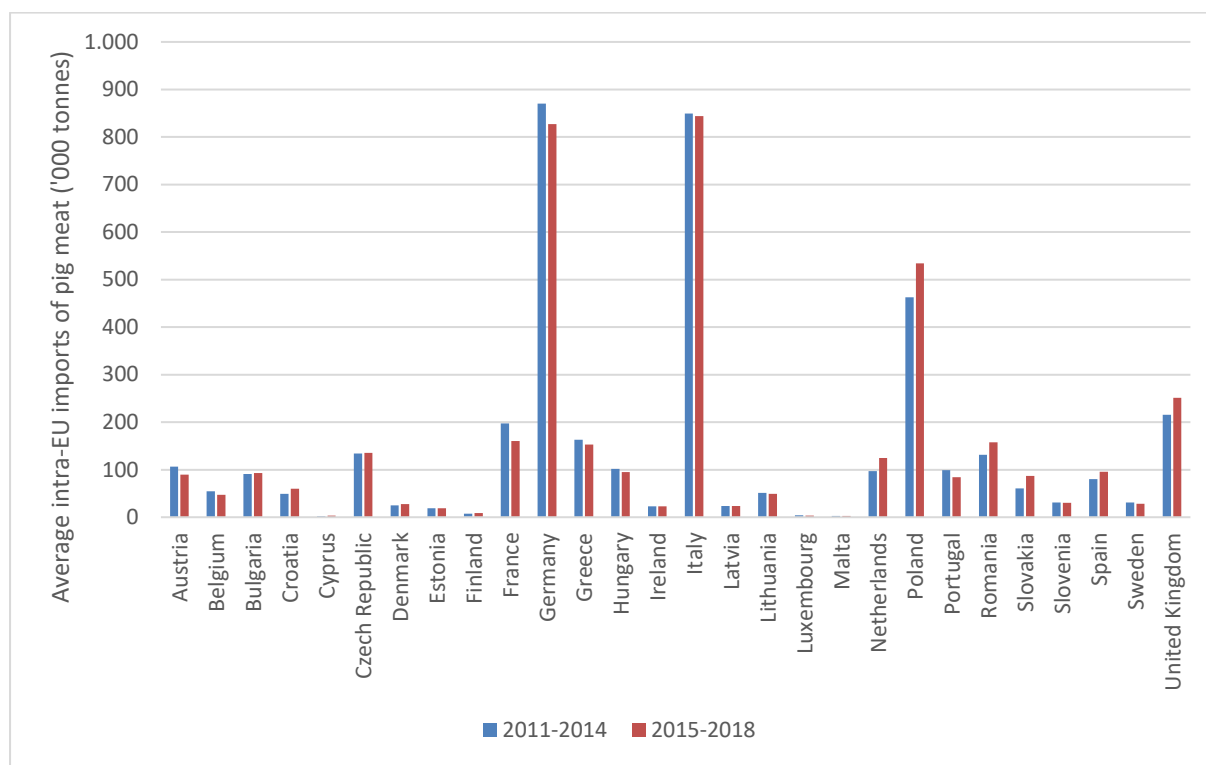
*Figure 11.9 – Intra-EU trade of pig meat 2011-2018 (million tonnes)*



Source: Eurostat (DS-645593).

However, as Figure 11.10 shows, within this overall increase in intra-EU trade there were differences for specific Member States. For example, while intra-EU imports to one of the main importing Member States, Germany, decreased in the second period (by -5.0%), they increased to another, Poland, (by 15.4%). Substantial reductions in intra-EU imports were also evident in Luxembourg (-22.6%), France (-18.7%), Austria (-16.3%), Portugal (-14.9%), Belgium (-13.0%) and Sweden (-9.8%). In contrast, intra-EU imports increased substantially to Slovakia (42.6%), Cyprus (39.2%), Netherlands (28.1%), Croatia (21.2%), Romania (20.3%), Spain (19.4%), Finland (17.5%) and the United Kingdom (16.7%). The data therefore suggest some rebalancing of intra-EU trade between the two time periods within a broadly stable picture at the EU level.

*Figure 11.10 – Average intra-EU imports of pig meat 2011-14 and 2015-2018 by Member State ('000 tonnes)*

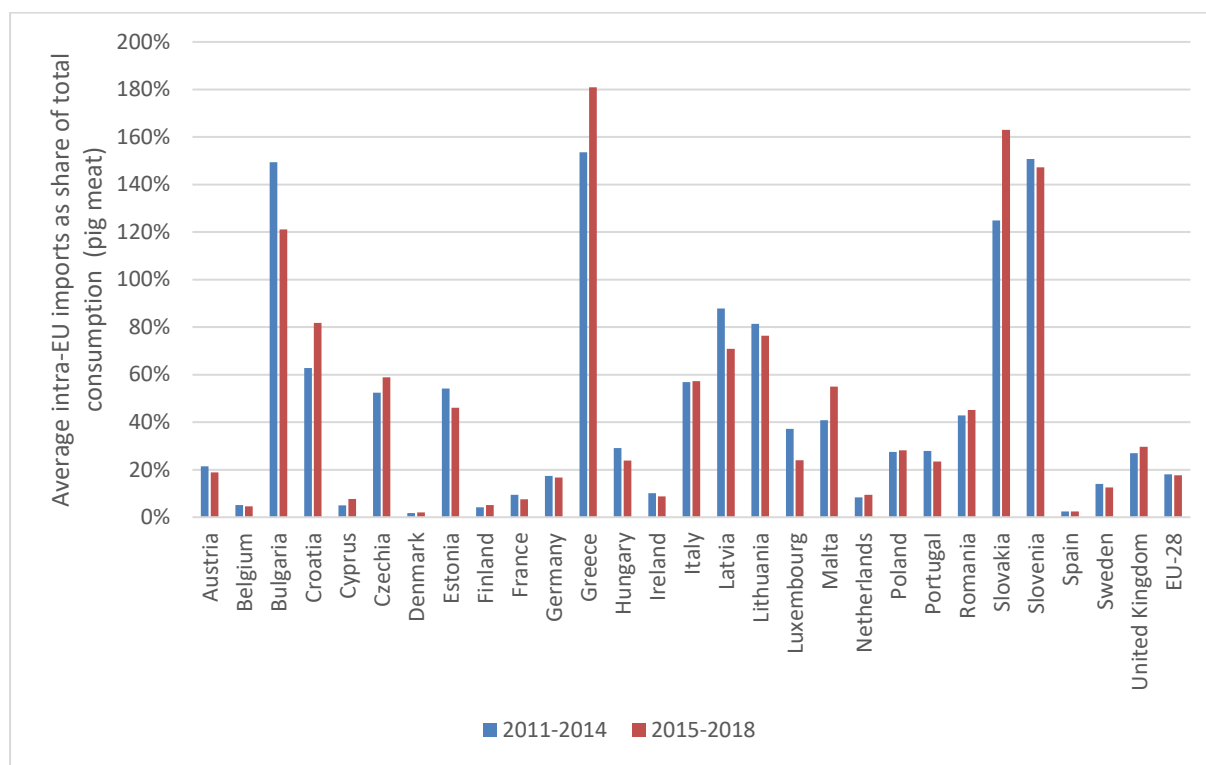


Source: Eurostat (DS-645593).

The analysis above does not take account of changes in overall market size. This factor is accounted for in Figure 11.11 which shows the ratio of intra-EU imports to apparent consumption<sup>109</sup> before and after the implementation of Regulation (EU) No 1337/2013 for the periods 2011-2014 and 2015-2018. The ratio of intra-EU imports of pig meat to total consumption remained virtually the same at the EU level between the two periods. Whereas the previous figure highlighted Member States such as Germany, Italy and Poland where intra-EU imports are in themselves significant, Figure 11.11 shows those Member States for which intra-EU imports are significant relative to total market size (Greece, Slovakia, Slovenia and Bulgaria, for example).

<sup>109</sup> Defined as slaughterings + total imports – total exports.

*Figure 11.11 – Average intra-EU imports of pig meat as share of total consumption 2011-2014 and 2015-2018 by Member State*



Source: Eurostat (apro\_mt\_pann; DS-645593) and Agra CEAS Consulting calculations.

At first glance this might suggest some renationalisation of trade in the latter group of Member States. However, further analysis of the data behind both figures reveals that other, market factors, may explain the trends. For example, although the relative importance of intra-EU imports increased substantially in Greece between the two periods, the absolute volume of intra-EU imports decreased; this is also the case to a marginal extent in Italy and, in both cases, results from declining apparent consumption and domestic production. The reverse was true for Bulgaria and Latvia where actual intra-EU imports increased, but their importance relative to apparent consumption declined substantially reflecting an expanding market in which increasing demand has largely been met by increases in domestic production.

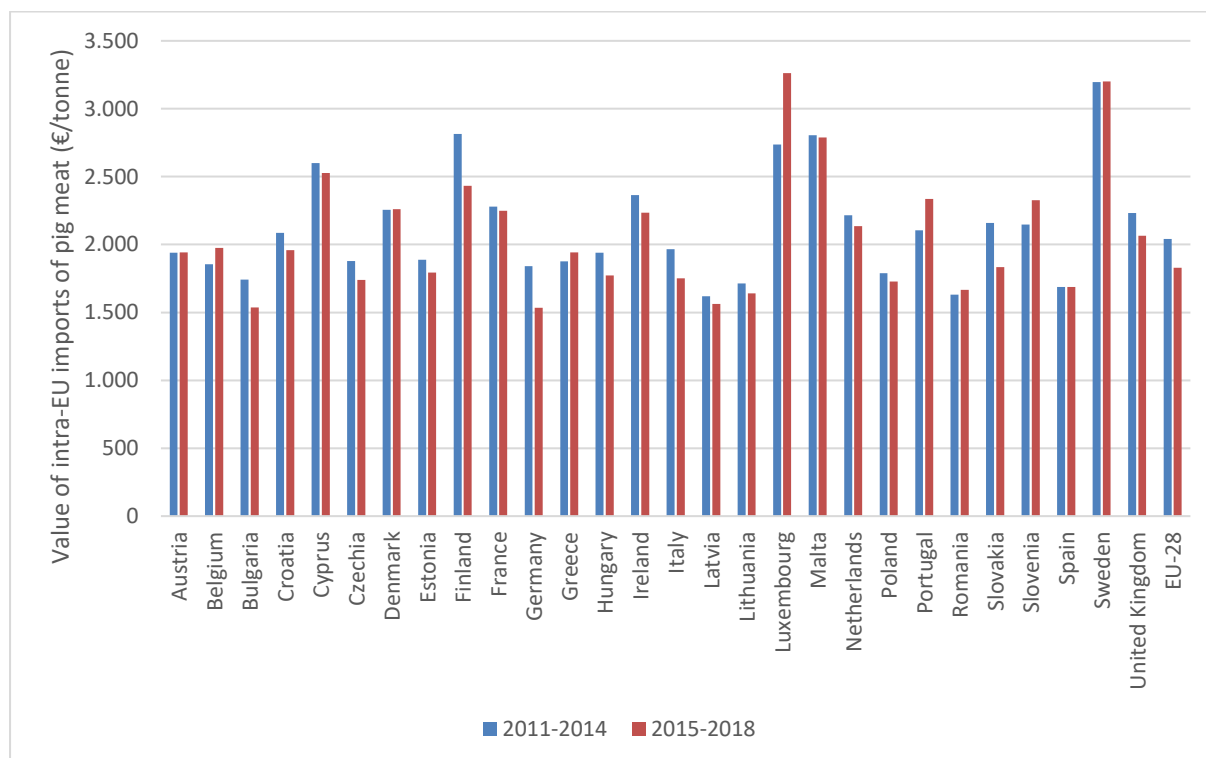
In all other Member States the **direction of change** in absolute intra-EU imports and the importance of intra-EU imports in apparent consumption was the same, although in several Member States the **magnitude of change** was very different. For example, in Croatia, Cyprus, Czech Republic, Finland and Malta the **relative importance** of intra-EU imports increased by more than their **absolute importance** as domestic production declined. In the Netherlands, Poland, Romania and Slovakia, the volume of intra-EU imports increased between the two periods more than the relative importance of intra-EU imports did as domestic production expanded in line with apparent consumption.

Consumers tend to prefer meat from their own country. If consumers are aware of country of origin at the retail level via the country of origin label, but are generally not aware of

country of origin at the catering and food manufacturing level,<sup>110</sup> it is possible that any renationalisation of trade would apply only to the retail market. If this is the case, then it might be expected that the unit value of intra-EU imports would decline under the assumption that meat destined for the retail market is higher value than meat destined for the catering/processing stages.

Change in the unit value of intra-EU trade in pig meat is examined in Figure 11.12 which compares the average unit value in the 2011-2014 and the 2015-2018 periods. Price data were converted from nominal to real values using Eurostat's meat inflation index (rebased to 2018 values).<sup>111</sup> At the EU level, the unit value of intra-EU pig meat trade did indeed decline (from €2 040/tonne to €1 829/tonne, -10.4%). However, there was considerable disparity at the Member State level with unit value increasing substantially in Luxembourg (19.2%) and Portugal (11.0%) while unit value fell substantially in Germany (-16.6%), Slovakia (-15.1%), Finland (-13.5%), Bulgaria (-11.7%), Italy (-10.9%) and the UK (-10.4%).

Figure 11.12 – Average unit value of intra-EU imports of pig meat 2011-2014 and 2015-2018 by Member State (€/tonne)



Source: Eurostat (DS-645593) and Agra CEAS Consulting calculations.

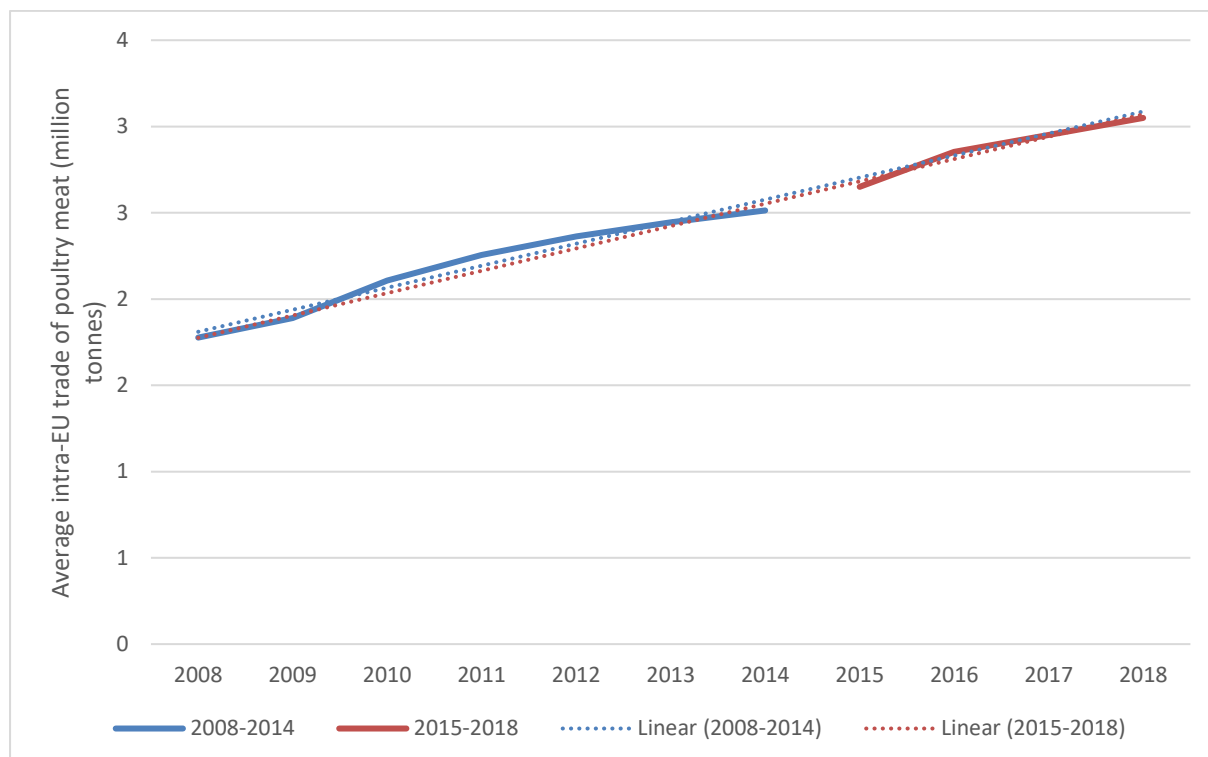
For **poultry meat**, total intra-EU trade increased by 20.1% between the 2011-2014 and 2015-2018 periods from an average of 2.4 million tonnes to 2.9 million tonnes. Figure 11.13 shows that this increase has been very steady and appears to be entirely unaffected

<sup>110</sup> According to BEUC (2018), this is a major loophole within the current rules and one which has prompted labelling to be extended to the out of home sector in Finland (see ESQ 12 and ESQ 15).

<sup>111</sup> prc\_hicp\_aind

by the implementation of Regulation (EU) No 1337/2013; the trend lines derived from the periods before and after implementation are virtually identical.

*Figure 11.13 – Intra-EU trade of poultry meat 2011-2018 (million tonnes)*



Source: Eurostat (DS-645593).

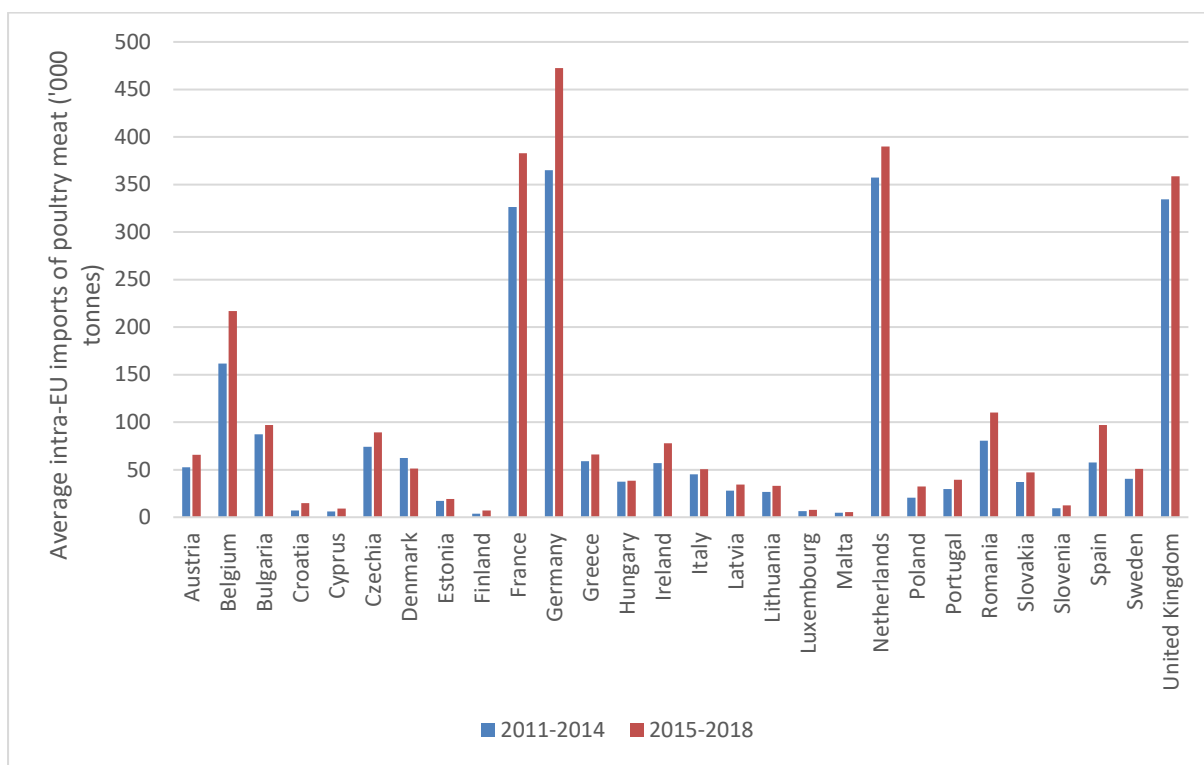
Intra-EU imports of poultry increased in all Member States with the exception of Denmark (where production also fell, although by a lower percentage) (Figure 11.14).<sup>112</sup> The magnitude of the increase varied considerably from 3.1% in Hungary, 7.3% in the UK and 9.2% in the Netherlands, to 106.0% in Croatia (partly the result of trade realignments following accession in 2013), 88.8% in Finland and 68.1% in Spain. Unlike the pig meat market, the picture does not at first glance generally suggest a rebalancing of trade between Member States.

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<sup>112</sup> There is a strong preference for domestic poultry meat in Denmark, see Denmark case study.



*Figure 11.14 – Average intra-EU imports of poultry meat 2011-14 and 2015-2018 by Member State ('000 tonnes)*



Source: Eurostat (DS-645593) and AVEC annual reports.

However, the analysis above does not take into consideration changes in production and apparent consumption. These factors are accounted for in Figure 11.15 which shows the ratio of intra-EU imports to apparent consumption<sup>113</sup> before and after the implementation of Regulation (EU) No 1337/2013 for the periods 2011-2014 and 2015-2018. In the Netherlands, the average share of intra-EU imports in apparent consumption fell by 18.2% between the 2011-2014 and 2015-2018 periods while the volume of actual intra-EU imports increased. Some caution is required though because Eurostat data are not available for poultry production in the Netherlands, so data were taken from the European poultry meat sector organisation<sup>114</sup> Annual Reports which note that there are inconsistencies between the various data sources available. The data also show a large decrease in production in the Netherlands in 2014 (influenced by an outbreak of Avian Influenza) which clearly affects the analysis.

The share of intra-EU imports in apparent consumption fell by 16.3% in Hungary between the two periods examined. This change was driven by large increase (23.2%) in domestic poultry production while intra-EU imports increased only marginally. In this case there clearly has been an increase in domestic preference, although of course no conclusions on causality can be drawn from an analysis of the data alone.

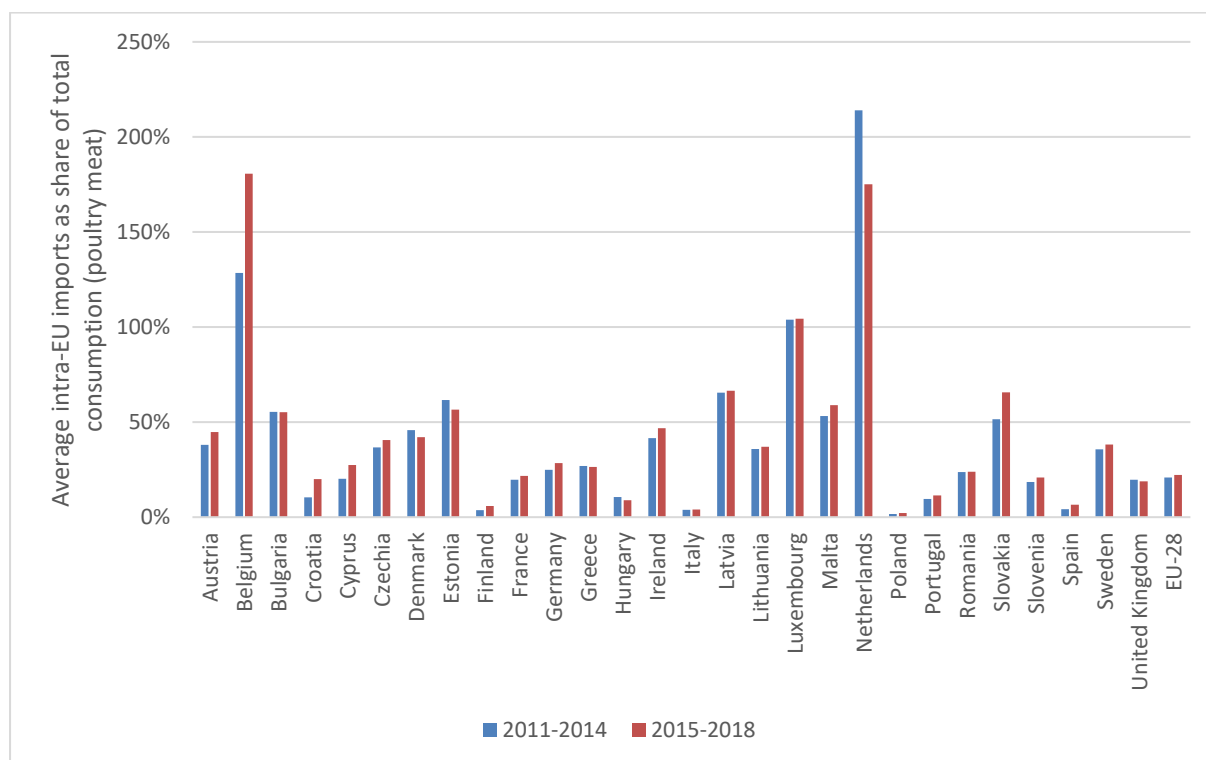
The average share of intra-EU imports in apparent consumption increased marginally at the EU level between 2011-2014 and 2015-2018 and markedly in Croatia (by 90.3%), partly as a result of accession to the EU (see above). Large increases in the importance of

<sup>113</sup> Defined as slaughterings + total imports – total exports.

<sup>114</sup> AVEC

intra-EU trade in poultry were also seen in Finland and Spain (54.5% and 53.1% respectively), albeit in both cases the importance of intra-EU imports is very small. In Belgium the average share of intra-EU imports in apparent consumption increased by 40.6% between the two time periods. This change was driven by relatively large increases in intra-EU imports and exports (28.6% and 23.8% respectively), smaller, but still substantial increases in production (13.0%) and a consequential decrease in apparent consumption (-4.6%).

*Figure 11.15 – Average intra-EU imports of poultry meat as share of total consumption 2011-2014 and 2015-2018 by Member State*



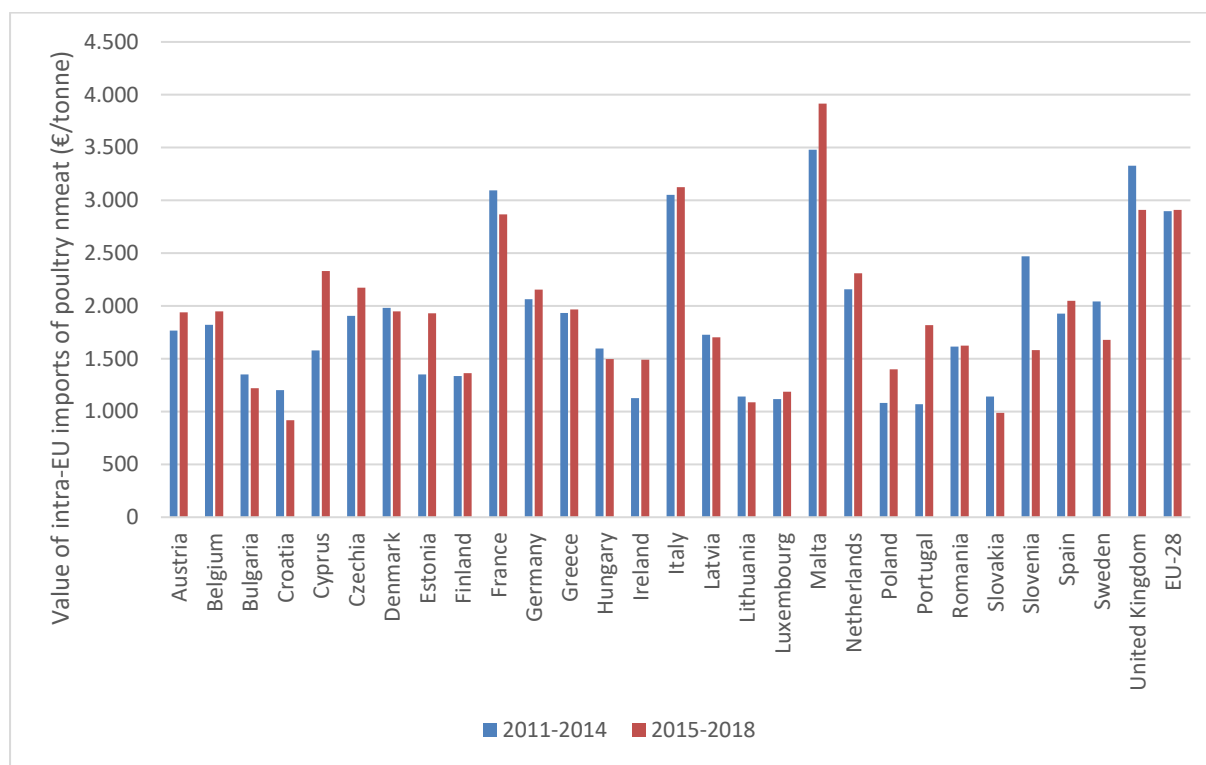
Source: Eurostat (apro\_mt\_pann; DS-645593) and Agra CEAS Consulting calculations.

Following the logic outlined above with reference to the unit value of intra-EU imports, Figure 11.16 examines changes in the unit value of intra-EU poultry trade between the 2011-2014 and 2015-2018 periods. At the EU level, the average unit value remained virtually unchanged (€2 899/tonne c.f. €2 908/tonne, +0.3%). However, there were changes in unit value for specific Member States, most notably increases for Cyprus (47.6%),<sup>115</sup> Estonia (42.9%) and Ireland (32.1%) and decreases for Slovenia (-36.0%), Croatia (-23.7%), Sweden (-17.8%) and the UK (-12.5%).

<sup>115</sup> The Eurostat data shows unusually low trade values for Cyprus from 2009 to 2012 which magnifies the increase in unit value between the periods examined.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

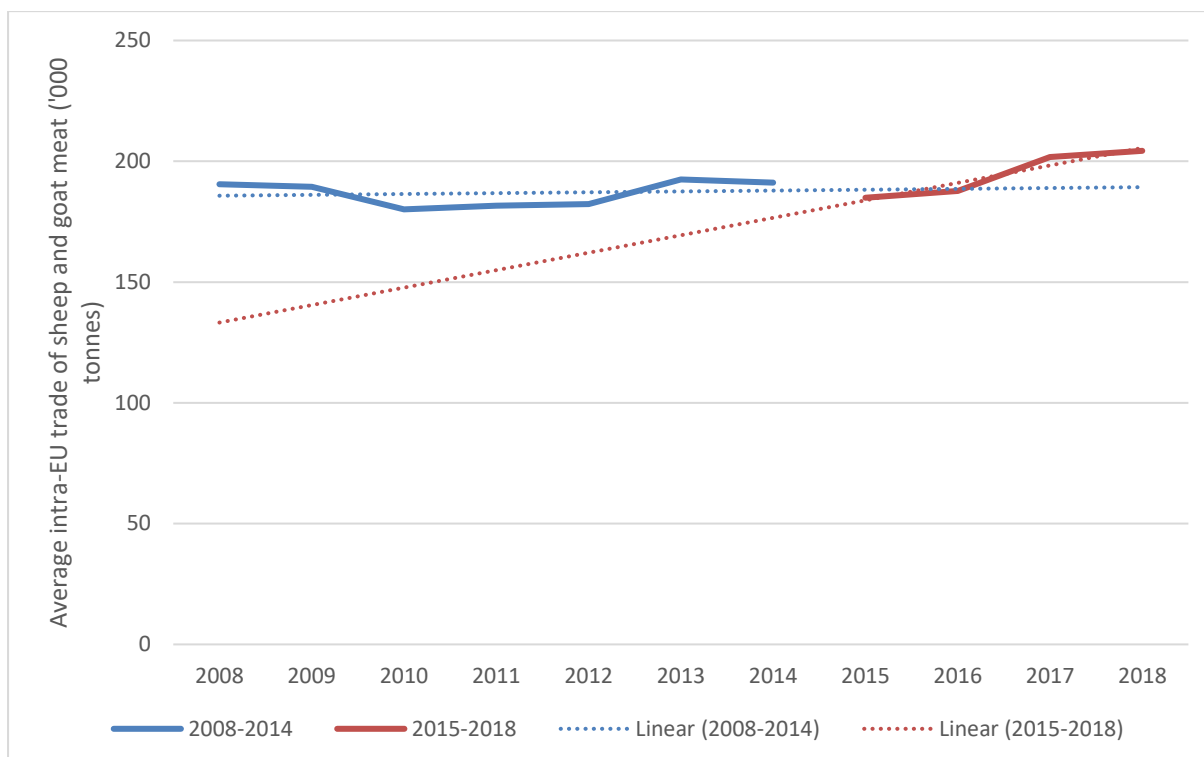
*Figure 11.16 – Average unit value of intra-EU imports of poultry meat 2011-2014 and 2015-2018 by Member State (€/tonne)*



Source: Eurostat (DS-645593) and Agra CEAS Consulting calculations.

Intra-EU trade in **sheep and goat meat** is of a much smaller magnitude than either trade in pig meat or poultry meat. The average volume of intra-EU trade increased slightly between 2011-2014 and 2015-2018 from 186,891 tonnes to 194,664 tonnes (4.2%). Figure 11.17 shows that while the trend in intra-EU trade was effectively flat from 2008 to 2014, intra-EU trade then increased following the implementation of Regulation (EU) No 1337/2013.

*Figure 11.17 – Intra-EU trade of sheep and goat meat 2011-2018 ('000 tonnes)*



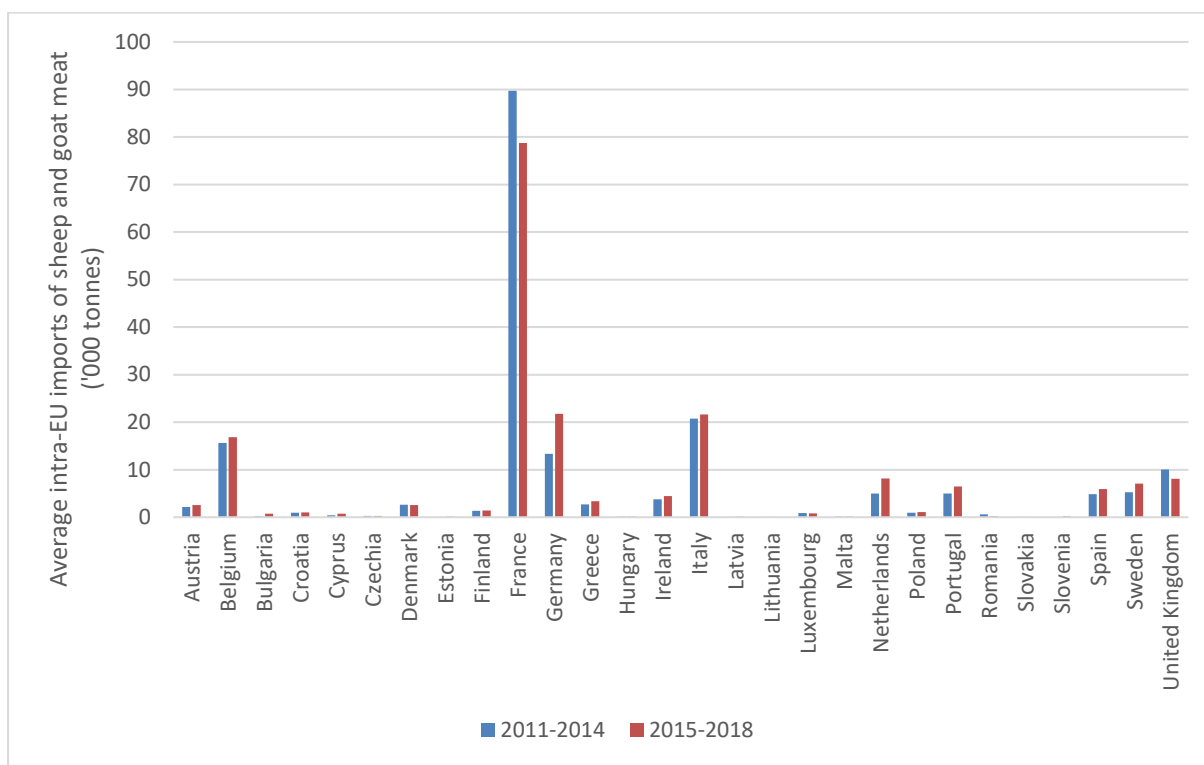
Source: Eurostat (DS-645593).

Intra-EU imports of sheep and goat meat are only significant in a few Member States and France is by far the most significant importer (Figure 11.18). Of those Member States where average intra-EU imports over the 2011-2018 period exceeded 1,000 tonnes, most experienced increases in volume imported (Austria, Belgium, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain and Sweden). The largest increases in intra-EU trade were seen in Germany (62.6%), Netherlands (62.2%) and Sweden (33.6%). Decreases in the volume of imports were seen in Denmark (-3.9%), France (-12.3%) and the UK (-19.7%).

Some caution must be exercised in interpreting the data. Given the relatively small size of the sheep and goat meat market, it is likely that the Rotterdam effect<sup>116</sup> gives a misleading impression. Examination of production data and intra-EU and extra-EU trade shows the importance of the Netherlands as a trading hub; both intra-EU imports and exports are more than double domestic production. It is also possible that third country imports (specifically from New Zealand) to the Netherlands are then counted as intra-EU exports if subsequently moved on to other Member States.

<sup>116</sup> [https://www.economicsonline.co.uk/Global\\_economics/The\\_Rotterdam\\_effect.html](https://www.economicsonline.co.uk/Global_economics/The_Rotterdam_effect.html)

*Figure 11.18 – Average intra-EU imports of sheep and goat meat 2011-14 and 2015-2018 by Member State ('000 tonnes)*



Source: Eurostat (DS-645593).

Figure 11.19 takes account of production and overall market size by examining the ratio between intra-EU imports and apparent consumption<sup>117</sup> of sheep and goat meat before and after the implementation of country of origin labelling for the periods 2011-2014 and 2015-2018. There are some gaps in the data where production data are not available to calculate the ratio. Cross referencing Figure 11.19 against Figure 11.18 shows that Member States such as the Czech Republic, which shows a large intra-EU imports to apparent consumption ratio have very small amounts of trade and are therefore not pertinent to the analysis.

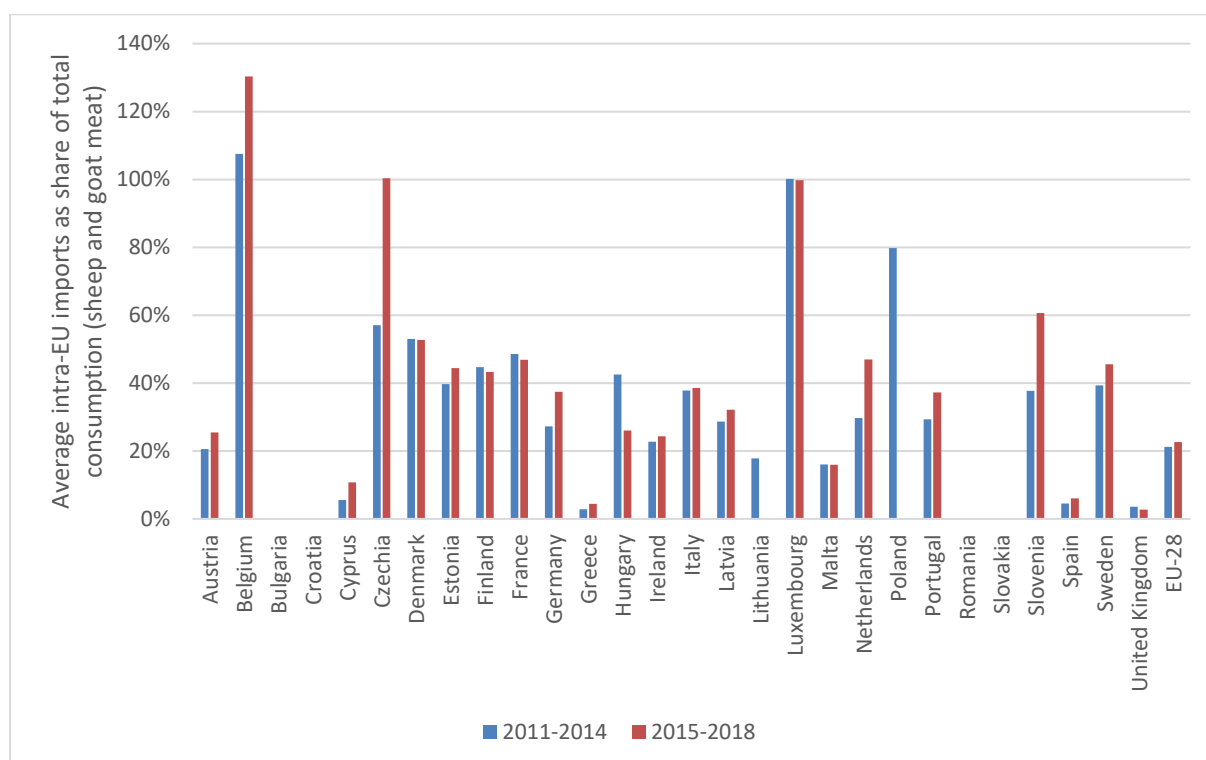
Of those Member States with average annual levels of intra-EU imports above 1,000tonnes, the share of intra-EU imports in apparent consumption increased by 37.2% in Germany between the two periods examined, far exceeding the increase of 7.2% in production. The share of intra-EU imports in apparent consumption increased by 57.8% in the Netherlands (production decreased marginally by -0.7%). In Sweden the share of intra-EU imports in apparent consumption increased by 15.8% compared to an increase of - 10.5% in production. In all cases this suggests a clear increase in the importance of intra-EU trade since the introduction of country of origin labelling.

There was a marginal increase in the importance of intra-EU trade at the EU level between the two periods examined. Although the share of intra-EU imports in apparent consumption was virtually unchanged in Denmark (-0.5%), this masks a decrease of - 10.5% in intra-EU imports alongside a small increase (1.5%) in domestic production. In France, a modest decline in the share of intra-EU imports in apparent consumption

<sup>117</sup> Defined as slaughterings + total imports – total exports.

(- 3.4%) results from a large fall (-14.1%) in intra-EU imports and a small fall (-1.2%) in domestic production. in the UK, average intra-EU imports declined by 23.0% between the two periods, although this is in the context of very high domestic production making intra-EU imports fairly unimportant.

*Figure 11.19 – Average intra-EU imports of sheep and goat meat as share of total consumption 2011-2014 and 2015-2018 by Member State*

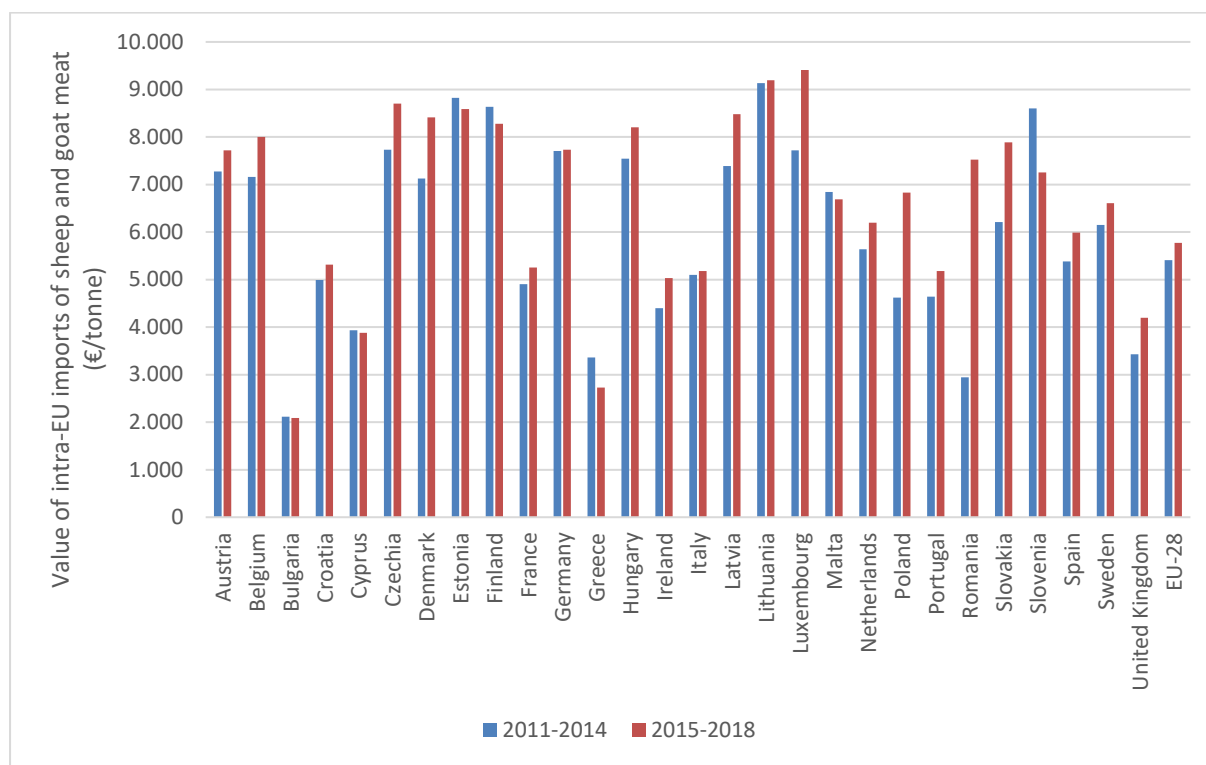


Source: Eurostat (apro\_mt\_pann; DS-645593) and Agra CEAS Consulting calculations.

Again, following the logic outlined above with reference to the unit value of intra-EU imports, Figure 11.20 examines changes in the unit value of intra-EU sheep and goat meat trade between the 2011-2014 and 2015-2018 periods. Some caution should be exercised given the small size of the market. At the EU level, the average unit value increased by 6.8% between 2011-2014 and 2015-2018 (€5 408/tonne to €5 775/tonne). Unit values increased by 11.8% in Belgium and by 7.1% in France; in Germany unit values were virtually unchanged and in Italy they increased by 1.5%.

Evaluation support study on mandatory indication of country of  
origin labelling for certain meats:  
Final Report

*Figure 11.20 – Average unit value of intra-EU imports of sheep and goat meat 2011-2014 and 2015-2018 by Member State (€/tonne)*



Source: Eurostat (DS-645593) and Agra CEAS Consulting calculations.

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