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Report Name: European Court of Justice Rules That National Schemes for Origin Labelling Should Be Justified

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Report Category: Agriculture in the News

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Report Highlights:

In a judgement delivered on October 1st, 2020, the European Court of Justice ruled that, to comply with EU law, national rules on origin labeling must be justified by proving that there is a link between the qualities of the foods and their origin and that the majority of consumers attach significant value to the provision of that information.

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General Information

On October 1st, 2020, the European Court of Justice (ECJ) delivered a ruling on the Lactalis v. France case. The case is between dairy group Lactalis and the French Government, regarding the 2017 French decree requiring dairy products sold in France to state their country of origin. France was the first Member State to introduce national mandatory origin labeling measures in the EU, but other Member States, such as Italy and Greece, quickly followed suit. Lactalis claims that the French decree infringes the EU Regulation on the provision of food information to consumers, <u>Regulation 1169/2011</u>. The ECJ was asked by the French Conseil d'Etat to interpret this Regulation and in particular, if it authorizes Member States to adopt national mandatory measures regarding the origin or provenance of milk used as an ingredient.

National Mandatory Measures on Food Origin Labeling Must Be Justified

In <u>its ruling</u>, the ECJ states that the EU framework legislation for food labelling, Regulation 1169/2011 (article 26) provides for the mandatory indication of the country of origin or place of provenance of foods, *where failure to indicate this might mislead the consumer*. This would for example apply to a jar of peanut butter made in Germany, marketed with a German flag, but with peanuts originating from the USA. The origin of the peanuts would need to be labeled so as not to mislead the consumer. According to the ECJ, this obligation does not preclude Member States from adopting measures providing for additional mandatory information regarding the origin or provenance of food.

However, in its judgement, the ECJ underlines that national mandatory origin labeling requirements can only be adopted if:

- 1. there is a proven link between certain "qualities of the foods¹" concerned and their origin or provenance,
- 2. and if Member States provide evidence that the majority of consumers attach significant value to the provision of that information.

With regards to these two requirements, the Court states clearly that they must be examined successively. Therefore, Member States should verify "as a first step and in any event, whether there is a proven link between certain qualities of the foods concerned in a given individual case and their origin or provenance, and subsequently, as a second step, and solely where the existence of such a link has been established, whether it has been proven that the majority of consumers attach a significant value to that information."

Responding to the judgement, the European Dairy Association (EDA), noted that the ECJ "did reject the French mandatory origin labelling scheme for milk and dairy ... France has not shown any valid

¹ In its ruling (paragraph 50), the Court defines the concept of qualities as referring "only to the qualities which distinguish the foods that possess them from similar foods which, due to their different origin or different provenance, do not possess them". For example, in this specific case, the resilience of a food, such as milk or milk used as an ingredient, to transport and the risk of deterioration during transit cannot be classified as a 'quality'.

objective criteria for a quality difference which is a prerequisite for any mandatory national origin labelling scheme."

Next Steps:

Now that the ECJ delivered its judgement, the case is referred back to the French Conseil d'Etat for a final decision². It is still unclear how this judgement will impact the national measures already in force in France and other Member States who have adopted similar legislation.

Under the <u>Farm to Fork Strategy</u>, the Commission has announced that it will propose legislation on mandatory origin labelling for further food products by 2022. Currently, origin labelling is already mandatory in the EU for honey, fruits and vegetables, olive oil, fishery and aquaculture products as well as fresh, chilled and frozen beef, pork, sheep and goat meat and poultry. The Commission is expected to launch an impact assessment this fall to assess the potential impact an extension of mandatory origin labelling could have on food business operators, farmers and consumers.

More Information:

- GAIN Report "<u>EU Court of Justice Case on Country of Origin Labeling May Derail Labeling</u> <u>Ambitions of the Commission</u>"
- GAIN Report "EU Agriculture Ministers Divided over National COOL Measures"
- GAIN Report 'Food Labeling Initiatives in the EU Farm to Fork Strategy'

Attachments:

No Attachments.

² For more information about how the ECJ works, please see <u>https://europa.eu/european-union/about-eu/institutions-bodies/court-justice_en</u>