POSITION PAPER regarding « indication of the country of origin or place of provenance for milk and milk used as an ingredient in dairy products »

European Regulation No 1169/2011 (INCO) provides the labelling of the country of origin or place of provenance (art.26) for milk and milk used as an ingredient in dairy products. In order to fix the precise rules of this labelling, reports are actually provided and published at the request of European Commission.

With this note, the sector of farmhouse and artisan cheese and dairy products, wants to present its position concerning the "origin labelling".

Few words of introduction about FACEnetwork and the sector it represents

FACEnetwork (Farmhouse and Artisan Cheese and dairy producers' European network) is an association officially registered in February 2013, but that existed in a more informal way since 2009.

It aims at representing and defending the interests of the farmhouse and artisan dairies and cheese houses on a national and European scale.

To date, the association has a total of 25 member organisations, among which 11 producers associations and 14 technical centers, universities and individuals. These members are based in <u>14 European countries</u>: Austria, Germany, Finland, France, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Sweden, Spain, United-Kingdom, Bulgary.

Other countries as Portugal, Romania and Greece are planning to join and some of them have already participated to FACEnetwork meetings or events.

The sector represented by FACEnetwork is made up of two types of enterprises:

- <u>« Farmhouse » cheese and dairy producers</u>, who process milk from, at least for the major part, of their own livestock
- <u>« Artisan » cheese and dairy producers</u>, who collect milk from local breeders, and process it in small structures

Whatever the case, these are generally family enterprises manufacturing locally-recognised products, due to the fact that they are based on traditional and specific know-how. These companies are economically viable, and are often a capital support for difficult rural territories in which dairy breeding is one of the only activities possible.

Thus, the main characteristic of the sector is the fact that the milk processed is mainly produced on the spot or on local production farms. This is a specific criterion which sets them apart from more industrial structures and which is adapted to a high level of hygiene and technology quality necessary for traditional processes.

However, it is important to note that the word "local" is here referring only to the production modalities (milk collected "locally") and not to the retailing modalities. It is true that direct or short supply chains are preferred by small producers as they make it possible to retain at their level the majority of the economic added-value generated by their products (margins, reduced transport costs, etc.). Nevertheless, depending on the situation, these circuits alone are not always sufficient to sell the production and balance the accounts of the enterprises. Many farm producers actually sell all or part of their products in longer circuits: via refiners, wholesalers or other distribution platforms. Indeed, the enterprises of the sector have the "European sanitary approval statute" or are registered.

Our position about "origin labelling"

Consumers request always more information about the overall quality of the food, including its provenance and the way it is produced. The recent study made by European Commission regarding mandatory labelling origin of milk and meat (September 2014) mentions that: "a large majority (84%) of EU citizens consider it necessary to be able to identify the place of origin of milk" (see the report page 67).

From farmhouse and artisan cheese and dairy producers' point of view, the labelling of milk origin is in line with the overall approach of their occupation, as well as with their economic needs. Their products, from small economic channels are cost-effective and coherent in terms of sustainable development, only if they can be valorised at a fair price, which is necessarily higher than those of more « industrial » products. This necessitates specific labelling on the products which allows consumers, wherever they are carrying out their purchases, to identify farmhouse and artisan products.

Labelling of ingredients' origin can help this identification.

Thus, FACEnetwork is favourable to the labelling of country of origin for milk and milk products used as ingredient, which is a first step in the differentiation from industrial products.

More, for a farmhouse or artisan milk product, the label "milk from France" is even not sufficient. Indeed, in this case, what should be interesting to put forward, is the proximity between milk production's place and the place where it is processed into milk product. As said before, this characteristic is unique in terms of quality of product (control of the milk's production's practices, little time of milk storage, and absence of transport, reduce the risk of deterioration). But also, it is an advantage in terms of impact on the environment (less transport...).

For these reasons, FACEnetwork agrees for the origin labelling of the milk and, only for the farmhouse and artisan cheese and dairy producers and as an option (only for the producers willing to do it), we request an indication of milk's place of provenance that could be more "local" than the country, as: "milk from [region's name, country]" or "milk from my farm".

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