Evaluation of EU beef labelling rules

Executive summary
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Directorate-General for Agriculture and Rural Development
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Executive summary
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EVALUATION OF EU BEEF LABELLING RULES

1. Objectives of the evaluation, legal and economic context, methodology used

1.1. Objectives of the evaluation

The objective of this evaluation is to examine the relevance, the effectiveness and the efficiency of the EU legislation regarding the labelling of beef and beef products with respect to achieving the objectives laid down in this legislation. It also aims at assessing its coherence with other relevant measures applied under the CAP.

The evaluation covered the measures laid down in Title II of Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products, and repealing Council Regulation (EC) No 820/971 and its implementing rules, i.e. compulsory labelling system; voluntary labelling system; control system; special provisions on the compulsory and voluntary labelling of beef imported from third countries.

1.2. Context, objectives, rules and amendments

1.2.1. Context: the BSE crises

The implementation of Regulation (EC) No 1760/2000 took place in the context of the BSE crises, that is to say, four years after the first crisis (1996) and a few months before the second crisis (2000/2001). These crises shook the confidence of European consumers in the food chain leading to a drop in the demand for beef and a detrimental impact on the beef industry as a whole. The beef labelling rules (as well as cattle registration and traceability systems) aimed to introduce a framework and tools for effective sanitary controls and to restore consumer confidence in the beef industry. In this context, national origin labelling rules were implemented as a way to address consumer fears and distrust towards beef products.

1.2.2. Objectives: to give consumers trust and security, to improve beef business conditions

Recitals of Regulation (EC) No 1760/2000 suggest that consumer confidence could not be restored without a sound labelling system. The labelling, grounded on the bovine animal identification and registration system would guarantee the transparency of the whole supply chain. Recitals also give the detailed objectives:

- Improve the transparency and the conditions for the production and marketing of beef and beef products;
- Maintain and strengthen consumer confidence in beef;
- Reinforce the stability of the beef market;
- Protect human and animal health;
- Not to impose excessive demands on the producer in terms of administrative formalities.

Regulation (EC) No 1760/2000 replaced Regulation (EC) No 820/97 (which was a response to the first BSE crisis and established rules for animal identification, traceability and the labelling of beef and beef products) and distinguished between compulsory and voluntary labelling rules.

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1 Council Regulation (EC) No 820/97 of 21 April 1997 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products
1.2.3. **General principles of Regulation (EC) No 1760/2000**

**Compulsory labelling rules**

The compulsory labelling rules apply to all types of raw bovine meat, boned or deboned, including minced meat. Labelling means the ‘attachment of a label to an individual piece or pieces or to their packaging material, or, in the case of sale over the counter, the supply of appropriate information in written and visible form to the consumer at the point of sale’. Traceability must be maintained throughout the slaughtering, deboning, cutting and mincing process up to the point at which the meat is labelled for the final consumer.

**Voluntary labelling rules**

Regulation (EC) No 1760/2000 also included provisions for the setting up of voluntary labelling systems. These were intended to provide a framework for national authorities as they responded to producers who wanted to reach consumers with labelling claims going beyond the compulsory information. Briefly, voluntary labelling was based on written specifications that had to be approved by competent national authorities and whose implementation was controlled by a public or third-party private body. These rules were repealed in 2014 as explained below.

1.2.4. **2007 and 2014 amendments**


In 2014, another important amendment concerning the voluntary labelling rules was adopted. This amendment aimed at simplifying the system to bring it into line with other general food laws. **Regulation (EU) No 653/2014** (of the European Parliament and of the Council of 15 May 2014 amending Regulation (EC) No 1760/2000 as regards the electronic identification of bovine animals and labelling of beef), set out a new method of identification and registration of bovine animals (EID system based on radio frequency), and simplified the voluntary labelling rules.

This amendment harmonised beef voluntary labelling with the rules applicable for any other sort of meat. The information on beef labels which goes beyond the compulsory rules should respect the current horizontal legislation, including Regulation (EU) No 1169/2011. It also establishes that the Commission shall be empowered to adopt delegated acts concerning the definitions and requirements applicable to terms or categories that may be put on the labels of pre-packed fresh and frozen beef and veal.

In other words, the new voluntary labelling rules are much simpler. While the former system meant that producers had to obtain authorisation for their claims and subject themselves to controls by a third party, the new system does not include such constraints.

The requirements of the Regulation on beef labelling rules are presented on the next page (table 1).
### Table 1: Beef labelling rules: Compulsory indications (as required by Regulation (EC) No 1760/2000 and Commission Regulation (EC) 1825/2000, as amended)

<table>
<thead>
<tr>
<th>Basic rules</th>
<th>Minced meat&lt;sup&gt;i&lt;/sup&gt;</th>
<th>Trimmings&lt;sup&gt;i&lt;/sup&gt;</th>
<th>Cut meat&lt;sup&gt;ii&lt;/sup&gt;</th>
<th>Pre-packaged&lt;sup&gt;iii&lt;/sup&gt;</th>
<th>Non-pre-packaged&lt;sup&gt;iv&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference number or reference code ensuring the link between the meat and the animal or animals</strong></td>
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<tr>
<td><strong>Country of Origin&lt;sup&gt;vi&lt;/sup&gt;</strong></td>
<td>Member State or third country of birth</td>
<td>Member State or third country of birth</td>
<td>Member State or third country of birth</td>
<td>Member State or third country of birth</td>
<td>Member State or third country of birth</td>
</tr>
<tr>
<td>Member State or third country where fattening took place</td>
<td>No compulsory indications</td>
<td>All Member States or third countries where fattening took place</td>
<td>All Member States or third countries where fattening took place</td>
<td>All Member States or third countries where fattening took place</td>
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<tr>
<td>Member State or third country where slaughter took place</td>
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<td>Member State or third country where slaughter took place</td>
<td>Member State or third country where slaughter took place</td>
<td>Member State or third country where slaughter took place</td>
<td>Member State or third country where slaughter took place and where the carcass was cut</td>
</tr>
<tr>
<td>Approval number of the slaughterhouse at which the animal or group of animals was slaughtered</td>
<td>Derogation: Name of the Member State or the third country where preparation took place, (when different, name of State or States involved).</td>
<td>Derogation: Name of the Member State or the third country where trimmings where produced and the approval number of the cutting hall where they were produced</td>
<td>Approval number of the slaughterhouses at which the animal or group of animals was slaughtered; derogation: up to three different slaughterhouses + the number must be displayed on request</td>
<td>Approval number of the slaughterhouse at which the animal or group of animals was slaughtered; derogation: up to three different slaughterhouses + the number must be displayed on request</td>
<td>Approval number of the cutting hall which performed the cutting operation on the carcass or group of carcasses; derogation up to three different cutting halls + the number must be displayed on request</td>
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<td>Approval number of the cutting hall which performed the cutting operation on the carcass or group of carcasses</td>
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</tr>
</tbody>
</table>

<sup>i</sup> Any meat that has been minced into fragments or passed through a spiral-screw mincer, and that falls within one of the CN codes referred to in Article 12 of Reg. (EC) No 1760/2000 and contains less than 1% salt.

<sup>ii</sup> Small pieces of meat recognised as fit for human consumption produced exclusively during trimming operations during the boning of carcases and/or the cutting up of meat.

<sup>iii</sup> The individual pack offered unaltered to the final consumer or to an establishment engaged solely in retail sales, made up of cut meat and the packaging in which it was packed before being offered for sale, whether the packaging covers it fully or partially, but such that the content cannot be altered without opening or changing the packaging;

<sup>iv</sup> Cut meat displayed for sale non-pre-packaged in outlets for sale to the final consumer and all pieces of meat displayed for sale non-pre-packaged in outlets for sale to the final consumer intended to be cut at the request of the final consumer.

<sup>vi</sup> Where the beef is derived from animals born, raised and slaughtered in the same Member State or the same third country.
1.3. **Methodology used for the evaluation**

The evaluation relied on standard evaluation tools and methods: analysis of the intervention logic, description of the legal context, description of the supply chain and answers to the six evaluation questions, using established judgement criteria and indicators. Various data sources were used:

- Statistical data from Eurostat, DG AGRI, DG SANTE, national statistics and reports, professional statistics;
- Opinions gathered through a field survey (more than 80 interviews in seven Member States including national authorities, slaughterhouses, processors, foodservice suppliers, retailers);
- Opinions collected through fourteen consumer focus groups set up for the study.

The examination focused on the period since 1 September 2000 (entry into force of the legislation) until the present time. Data from 1996 and, when available, from 1992, were also used as a baseline for before and after the entry into force of the regulation comparison.

To facilitate the analyses, the examination period has been divided into several periods in order to describe the market and marketing chain changes (see section 1.5).

The evaluation covered the EU-28 Member States. However, in order to examine in detail the different aspects of the implementation of the measures laid down in the legislation, the evaluation focused more in depth on the following Member States: France, Germany, Ireland, Italy, Poland, Spain and the United Kingdom. These seven Member States account for 76% of the beef production and 77% of the beef consumption.

Methodological limits are mainly linked to the following analyses:

- Cost analysis: the question of ‘extra costs’ caused by traceability labelling does not depend on the physical costs of labelling, nor on the computerised management of controls and labelling schemes. Another extra cost alluded to by some economic operators is batch management.
- Causal relationships: as the beef economy underwent important changes during the period subject to this study (rise in retail prices, decrease in production, rise and then fall in imports from third countries, rise in internal trade and fluctuations in farm prices, changes in CAP support), it is not always possible to affirm the existence of causal relationships.

1.4. **External factors**

**Evolution of demand: white meats rather than beef**

The European beef and veal demand decreased between 2007 and 2013, while the demand for white meat increased. The main market driver was retail price, which increase has been lower for poultry and pig meats than for beef.

**Evolution of supply: European cow herd and imports from third countries**

On the one hand, at EU-25/27 level, the production potential (i.e. number of dairy and non-dairy cows) was reduced by 7% between 2000 and 2012. Changes in the dairy cow herd (accounting for two thirds of the total cow herd) was related to factors that were specific to the dairy sector: demand for milk, cow productivity. Changes in the suckler cow herd is directly linked to the evolution of the direct coupled support to suckler cows, which was abolished or reduced over the period, depending on the Member States.

On the other hand, from 2005 to the present time, Brazilian sanitary crises have led EU authorities to restrict Brazilian beef imports. These events partly explained the European market evolutions regarding the beef sector: the decreasing beef offer resulted in a rise in prices and a decrease in consumption.
1.5. Main evolution of the beef market over the period 1992-2013

The following figure presents the main changes in the beef market (slaughtering, imports, exports, consumption and prices) over the different periods considered in the study.

Figure 1 – Slaughtering, consumption, external trade and carcass prices from 1992 to 2013

Source: AND International based on DG AGRI and Eurostat. NB: we consider slaughtering and consumption only at EU-15 level to be consistent across 25 years. (‘YB’: young bulls)

Period 1 (1992-1995, ‘before the crises’): Slaughtering and consumption were in average at their highest level. Nevertheless, they were already decreasing. During this period, the EU external trade had a significant external trade surplus.

1st BSE crisis period (1996): Characterised by drops in prices, exports and, overall, in consumption. Slaughtering did not decrease significantly (partly as a result of public purchases). Exports started to decrease, imports remained stable.

Period 2 (1997-1999, ‘between the crises’): Consumption recovered but did not reach the level that prevailed before the crisis. The price of beef followed the same trends while that for cows (producer prices) dropped even in 1999. Slaughtering followed the same downward trend.


Period 3 (2002-2007 ‘after the crises’): Characterised by a recovery in consumption during 2002, followed by stabilisation. Meanwhile, slaughtering increased in 2002 and then fell until the end of the period. Exports dropped in 2002 and then remained at a lower level as compared with the previous periods while imports grew. Thus, from 2003 to 2009, imports were higher than exports and consumption higher than slaughtering. Carcass prices recovered in 2002 and rose again in 2005 (due to the avian flu crisis) and 2007 (due to fodder prices).

Period 4 (2008-2013 ‘recent years’): Characterised by a consolidation of previous trends: slaughtering and consumption fell while carcass prices rose. The only change concerned trade with third countries as sanitary issues reduced imports from Brazil and global growth helped EU exports of cattle and beef to some third countries. EU trade returned to surplus in 2011.
2. **Key findings**

2.1. **Causal relationships linked to the compulsory labelling rules from ‘fork to farm’**

The evaluation began by assessing whether a causal link exists between the beef labelling rules and trends in the beef market from 2000 (when Regulation (EC) 1760/2000 was implemented) to the present time.

We began by tracing this causal chain from the final stage of the beef market: the retail and catering channels. In the course of the evaluation, we then examined the following questions: is there a link between the labelling rules and the demand for beef? If so, is there a link between changes in demand and prices at the retail stage and between demand and carcass prices? Was there an impact on internal trade (within the EU) and on external trade? Is there a link between these changes and trends in production and, furthermore, in herd size?

2.1.1. **A positive impact on demand for beef after the second BSE crisis**

According to stakeholders, compulsory labelling (together with other public and private measures) had a positive influence on the restoration of consumer confidence following the BSE crises, and thus contributed to a recovery in the demand for beef. This had a positive impact on the beef market between 2002 and 2007.

Nevertheless, the beef labelling rules, and the traceability requirements they introduced, were not sufficient to alleviate the structural decline in demand for beef which started in 2008. As rearing costs, carcass prices, and retail prices began to rise sharply, this contributed to a reduction in consumer demand for beef in all the case study Member States.

2.1.2. **Renationalisation of retail markets, internationalisation of catering markets**

In France, Germany, and the United Kingdom, the stakeholders interviewed at the processing and retail levels clearly and unanimously stated that a renationalisation of the markets had occurred in the retail sector. Yet, in France, Germany and the United Kingdom, official studies have shown that most of the beef sold to the catering industry is imported (either from other EU Member States or third countries).

Statistical data show that, except during the crises, the share of imported beef from other Member States has increased in each case study Member State. Thus, a renationalisation of the markets in the retail sector coupled with an internationalisation of the market in the catering sector can be observed. Overall, this has led to an increase in the consumption of imported beef as shown by statistical analysis (ratio total imports/consumption).

In the four remaining case study Member States, the situation is as follows: in Poland, domestic consumption is small and focused on beef of national origin. The Italian market is structurally an importing market; yet, we can observe the same phenomenon of renationalisation of the retail market and internationalisation of the catering sector as in France, Germany and the United Kingdom. Spanish consumers are more interested in regional, rather than national origin. Finally, the Irish market is mostly based on beef of national origin with low levels of beef imports in relation to national consumption.

To conclude, notwithstanding the recovery in the demand for beef of national origin in retail markets, helped by compulsory labelling, intra-EU trade increased during the period subject to this evaluation.

2.1.3. **No significant effect on prices**

Carcass prices decreased from 1992 to 2004 as a result of both the progressive opening of the EU market to imports and changes in CAP support. Prices then rose from 2005 to 2013, linked to an overall rise in fodder prices. There is no link between these trends and beef labelling.
In France, the United Kingdom and Germany, some stakeholders have indicated that they, sometimes, pay higher prices for carcasses, due to their origin and/or technical specifications. However, there is no statistical evidence to support these claims. It is impossible to reach a firm conclusion about any link between beef labelling and average carcass prices.

Stakeholders generally agree that traceability and labelling costs are translated into higher prices at the retail stage, and are thus paid by the consumer. This suggests a link between labelling costs and the retail price of beef. A theoretical analysis of this cost (see section 2.2, below) shows that it is only a marginal factor in the rise in beef prices.

2.1.4. **No significant effect on volume slaughtered**

This evaluation has shown that labelling had a positive impact on the demand for beef between 2002 and 2007. *During this period, the slaughtering of bovine animals peaked in 2002 (in the EU-15) and 2004 (in the EU-28)*, before gradually falling.

Between 2002 and 2007, as consumption recovered and then stabilised, *growth in demand was met by imports from third countries*. Over the same period, EU exports to third countries decreased as a result of changes to public support. This led EU production to be reoriented towards the internal market.

*For this reason, it can be considered that beef labelling has had no significant impact on the volume of livestock slaughtered.*

2.1.5. **No significant effect on bovine herd size**

*The short-lived growth in slaughtering in 2002 was not sufficient to reverse the long term trends*: between 2000 and 2013 the suckler cow herd fell by 2% and the dairy cow herd decreased by 9%. As a consequence, the total number of bovines fell by 7% over the same period.

2.1.6. **External trade is determined by external factors**

*The volume of beef imported to the EU from third countries varied as a result of external factors*. The openness of the EU market, following full implementation of the WTO Agreement in 2000, stimulated imports just as the EU demand for beef was recovering in 2002. On the other hand, EU sanitary controls reinforced from 2007 led to a sharp drop in beef imports from third countries, notably Brazil.

2.2. **Labelling costs**

2.2.1. *A theoretical approach shows that the cost of compulsory labelling represents around 6% of the processing costs*

The stakeholders interviewed found compulsory labelling costs to be very difficult to identify, as they are integrated in firms’ general operating costs. However, based on data and evidence collected in the case study Member States, we estimate that traceability and labelling costs represent a theoretical median value of around 0.10 EUR/kg cwe at the processing stage.

*In relation to the average processing cost (estimated at 1.60 EUR/kg cwe*⁴), costs linked to traceability and labelling represent an estimated 6.2% of the total processing costs. In terms of total cost of beef, raw material costs are far more significant than labelling-related costs and account for approximately 67% of the average total.

*The main cost-related issue at processing stage is batch management. This is time-consuming, firstly because processors rely on heterogeneous input data from different sources.*

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3 This was well below the levels seen before the crises which peaked in 1995 (EU-15) and 1999 (EU-28).

4 Average processing cost to the beef industry is based on an average of Spanish and French official data.
suppliers, and secondly because of a trend towards an increasing number of smaller batches. Labour costs for dealing with the bureaucracy of the beef labelling rules are much more significant that the related physical labelling costs.

Nevertheless, according to meat firms, these operational developments would have occurred anyway, as marketing expectations with regard to beef have increased among downstream stakeholders, including the final consumer between the end of the 1990s and the present time. This has resulted in a broader range of products, and an increasingly complex cutting and packing process.

2.2.2. Compulsory labelling costs account for between 1% and 2% of the beef retail price

Interviews with stakeholders suggest that labelling-related costs have been fully passed on to the retailers and ultimately paid by the consumers. In 2013, labelling costs accounted for 2.2% of the retail price of minced beef and 1% for premium beef. Between 1996 and 2013, labelling costs were responsible for between 2.7% of the rise in the retail price of beef for premium cuts and 5.8% for minced meat.

2.2.3. The overall economic performance of the beef industry has not changed; labelling and traceability requirements helped the beef supply chain to reorganise and to consolidate

An analysis of the sector’s key performance indicators shows consistently low ratios for both added value and gross operating surplus. This results from the fact that raw materials account for a high share of total production costs. On the whole, the bovine industrial sector shows low productivity. Eurostat data do not show any significant change during the period subject to this evaluation.

Turnover per economic operator is growing steadily, reflecting an increasing concentration of economic operators in the beef sector. This is partly linked to a reduction in the number of suppliers, as processors seek to simplify their purchases of raw materials in order to produce homogeneous batches.

It should also be noted that in countries such as Italy, Spain and Poland, the labelling rules have had a positive effect: stakeholders at various stages of the supply chain have had to reorganise and communicate with each other in order to implement the Regulation.

2.2.4. The voluntary labelling scheme: costs cannot be identified isolated, but market share is significant

Most stakeholders stated that the cost of voluntary labelling is included in the cost of compulsory labelling (that is itself rarely calculated and difficult to estimate).

The volume of beef subject to voluntary schemes represents an average of 23% of all the beef sold in the national markets of our case study Member States.

Stakeholders have diverging views on the consequences of the implementation of Regulation (EU) No 653/2014 simplifying voluntary labelling rules: some appreciate the simplified procedure it has introduced. Others, however, think that the image of voluntary labelling will be deteriorated, with claims being made without adequate controls and confusing consumers.

2.3. Consumers satisfaction

2.3.1. Consumer demand for beef of national origin is met

EU consumers are aware that beef on sale in the EU is labelled to indicate its provenance in terms of ‘country of origin’. They generally expect that beef labelled as having a specified national origin is produced from animals born, fattened and slaughtered within a single country.

5 Median values referring to French retail prices
Consumers generally trust the retailers who sell beef and beef products and the authorities who supervise them to carry out effective food safety controls and to enforce labelling laws. However, this trust does not extend to other countries’ authorities beyond those with similar levels of economic development. Despite the negative impact of food scandals on consumer confidence and trust, consumer associations agreed that compulsory labelling and its enforcement have helped to maintain consumer confidence in beef in the EU.

2.3.2. Consumers are mostly unaware of the compulsory indications displayed on beef labels

Conversely, consumers are mostly unaware of the specific indications displayed on beef labels in accordance with the compulsory rules. They claimed never to have noticed the specific compulsory indications which denote place of birth, fattening and slaughter. Reference numbers (batch number, slaughterhouse and cutting plant numbers) were almost completely unknown to participants of the focus groups in our national case studies, and were often found to be confusing and superfluous.

Country of origin information is clearly important to the consumers interviewed, a majority saying it has some influence on their purchase decisions. These consumers prefer their own ‘national’ beef over foreign products for several reasons (trust in their national authorities, supporting domestic farmers, national self-sufficiency in agriculture). However, consumers are not willing to pay more than a small premium for beef of national origin. When they pay attention to origin, the consumers interviewed look only for a simple designation (e.g. ‘Origin: UK’) to get assurance that they are buying ‘national’ beef; without considering the specific compulsory indications (place of birth, fattening and slaughter).

2.3.3. Voluntary labelling can sometime be confusing

Except for a few confusing cases, consumers were generally able to understand indications provided in accordance with the voluntary rules.

However, some consumers interviewed complained that labels provided in accordance with the voluntary rules often resulted in crowded labels. This led to the paradox whereby labels on beef simultaneously provide too much information without sufficient explanation, rendering them difficult to understand.

In general, voluntary indications do not feature as factors that have a major influence on consumers’ self-described purchasing behaviour.

2.4. Control system: low cost and limited effectiveness

The implementation of control systems under the beef labelling rules falls within the competence of the Member States, while the Commission plays a supervisory role. The Commission’s four main tasks are: identification of the national public body in charge of the control system’s implementation; collection of annual national reports; collection of the lists of voluntary schemes; and conducting audits in the Member States. The Commission exercises its supervisory role to a satisfactory standard.

Audits conducted by DG SANTE – FVO concluded that there were remaining weaknesses in the labelling of beef and beef products, in particular relating to the voluntary labelling systems. These analyses tend to show that the national control systems are only partially effective.

National authorities play the role of overall supervisors of the entire control system within each Member State. The national reports produced annually are heterogeneous and do not always allow readers to identify and isolate rates of non-conformity for the labelling of beef and beef products. Moreover, these reports rarely include a non-conformity rate for voluntary schemes. As a result, the control systems are heterogeneous but their design nonetheless meet the requirements of the respective regulations.

The exchange of information between the Commission and the Member States is organised in accordance with the Regulation: annual reports exist and the Commission collects them. A few reports contain specific data regarding controls on the labelling of beef and beef products although
the Regulation does not require this level of detail. Therefore, based on the available evidence we cannot draw a firm conclusion whether the exchange of information between the Commission and the Member States is adequate.

Exchanges of information between the Member States take place occasionally but they are not systematically organised.

Notwithstanding the limited availability of detailed data on labelling in the beef sector, the comparison of the national control systems allows us to conclude that the level of coherence and consistency among national control systems is satisfactory.

The available data on the control costs are poor and heterogeneous. However, estimates for Germany and the United Kingdom show that the costs of control systems in these two Member States are limited. Nevertheless, as the functioning of control systems cannot be considered to be fully effective, it can be concluded that the efficiency of control systems could be improved.

2.5. Coherence with the general rules on food labelling

Our analysis confirms that there is coherence between Regulation (EC) No 1760/2000 and Regulation (EU) No 1169/2011 on the provision of food information to consumers, even if the latter regulation imposes certain labelling requirements which are not explicitly addressed in the beef origin regulation. Stakeholders’ opinions confirm the absence of inconsistencies between the two regulations with respect to the requirements for both compulsory and voluntary labelling rules. However, it is beyond doubt that the compulsory labelling requirements for beef go beyond the rules applied generally to food products, insofar as they establish full product traceability. Most sector representatives agree that, since the introduction of Regulation EU No 653/2013, the voluntary labelling rules for beef have been in line with the general food labelling rules.

Regulation (EC) No 1760/2000 and Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products are coherent with respect to their labelling requirements. Indeed, the information required for labels of meat of bovine animals aged less than 12 months is established without prejudice to the provisions of Regulation (EC) No 1760/2000.

There is a clear coherence between the objectives of Regulation (EC) No 1760/2000 and the EU quality schemes applied under Regulation (EU) No 1151/2012 with respect to the provision of adequate information to the consumer in relation to product’ origin. In terms of the implications of the co-existence of different types of labels and logos in the market which provide similar information, available evidence suggests that, overall, this does not confuse consumers, at least in Germany, Spain, the United Kingdom and France.

2.6. Coherence with the labelling of other meats (Regulation (EU) No 1337/2013 as regard the indication of the country of origin or place of provenance for fresh, chilled and frozen meat of swine, sheep, goats and poultry

The overall judgment based on a comparative analysis of the two legal texts is that the two regulations examined are coherent with respect to the term "origin" for labelling meat that has been obtained from animals born, reared and slaughtered in a single country, as the rules do not contradict each other. However, labelling rules for beef and for other types of meat are clearly not homogeneous when it comes to the mandatory indication of the country of birth. For meat of swine, sheep, goats and poultry the place of rearing and slaughter is indicated on the label, while the "origin" is indicated only if the animal is born, reared and slaughtered in the same Member State or third country – in the same way as it is the case for beef.

Based on the EC’s reply to a 2014 resolution of the European Parliament in which coherence between beef and other types of meat labelling rules was call into question, the less stringent requirements for swine, sheep and goat and poultry meat were justified by the different rules on animal traceability taking into account their different production systems and technical constraints. If full individual traceability were to be introduced for non-bovine animals, that would generate high costs.

Information collected through interviews with beef sector stakeholders provided further insight. Overall, the view of stakeholders is that, for ease of understanding, operation and control, labelling
rules should be consistent across the meat sectors. However, opinions are divided: consumer representatives seek more restrictive rules; some meat processors would prefer beef labelling rules to be harmonized with the rules for other meats.

2.7. Relevance for stakeholders

2.7.1. Consumer

Compulsory labelling is considered to be relevant for consumers for two reasons:

- Consumer focus group results suggest that consumers trust the information provided in accordance with the compulsory labelling rules. They assume that the controls performed by their national authorities guarantee the safety of food products and they place more confidence in their own national authorities than they do in other countries’. As a result, country of origin labelling clearly has an influence on consumer purchasing decisions.

- The implementation of the compulsory labelling rules has contributed only marginally to the rise in beef retail prices.

Our findings with regard to voluntary labelling are less clear cut. Consumer recognition is variable. In some cases, voluntary labels are used only in business to business sales. Not all labels provided in accordance with the voluntary rules are well understood, moreover a proliferation of information leading to ‘crowded’ labels can lead to confusion.

2.7.2. Retailers

The compulsory labelling rules contributed to the recovery in the demand for beef, in particular following the second BSE crisis. From 2008, however, beef consumption decreased and compulsory labelling was unable to slow this trend. More recently, compulsory labelling has had only a marginal impact on the beef market.

Retailers interviewed in the case study Member States (with the exception of Spain), considered that labelling beef with indications of national origin is necessary as it strengthens consumer confidence. Nevertheless, in a number of cases, retailers would like to see a simplification of the current system. There seem to be a significant and increasing demand for voluntary schemes. Opinions diverge among Member States and retailers with regard to the likely impact of the 2014 simplification of voluntary labelling. Some consider it to be a positive development: the simplification of procedures will bring greater possibilities for economic operators to develop new voluntary claims. Others fear a proliferation of labels with low levels of guarantee and controls which could damage the image of the sector. Thus, it can be said that voluntary labelling is relevant for the needs of the retail industry. It is currently too early to judge whether the reform of the voluntary scheme rules is relevant and will have a significant impact on the retail market for beef.

2.7.3. Processors

The recovery in demand after the second BSE crisis did not contribute to an increase in beef production at EU level. Thus, compulsory labelling has not allowed meat operators to increase their level of activity. Stakeholders also reported greater consolidation in the sector as well as the reorganisation of relationships between stakeholders. These developments can be considered to have helped the processing industry. Beyond this, nothing has changed: the sector’s economic performance remains poor and the volume slaughtered continues to fall.

Finally, the complex batch management and increased costs related to labelling (marginal but real) have not helped the competitiveness of the beef industry.

2.7.4. Breeders

Although the income of breeders rose between 1992 and 2007, no link can be established with beef labelling rules. No direct and statistical link can be established between prices at the slaughterhouse gate and the implementation of labelling rules.
3. **Recommendations**

3.1.1. **Recommendation 1: Simplify beef labelling by replacing all the compulsory reference codes by a single ‘traceability number’**

To simplify batch management in cutting and processing plants and to make beef labelling less confusing for consumers, we recommend that reference numbers for slaughterhouses and cutting plants should no longer be compulsory for beef labels.

A batch number should be sufficient for traceability purposes and, simultaneously, it would be easier for consumers to understand (a single reference number instead of up to seven different codes). It could be called ‘traceability number’, which is easier to understand than ‘batch number’.

3.1.2. **Recommendation 2: Evaluate the effect of Regulation (EU) No 653/2014**

The new provisions for voluntary labelling had not yet produced any effects at the time we gathered evidence for this evaluation. Nevertheless, we have made two important findings: first, the market share of products using the voluntary labelling scheme is significant and second, some stakeholders question whether the simplification of the implementation rules defined by Regulation (EU) No 653/2014 will not weaken the voluntary labelling scheme and accelerate the decline of the beef sector.

For this reason, we recommend that a full-fledged assessment of the effects of Regulation (EU) No 653/2014 be carried out in due time.\(^6\)

3.1.3. **Recommendation 3: Enhance control procedures**

As we observed that, on the one hand, some shortcomings in traceability implementation were revealed by DG SANTE – FVO audits and that, on the other hand, control system costs are very low, we recommend that controls should be reinforced by Member States’ national authorities. This could be implemented following a plan defined at EU level. This plan should at least address the following issues:

- Defining the type of non-conformities to be identified during official controls;
- Harmonising the reporting from Member States in relation to beef labelling;
- Foreseeing an assessment by the Commission of the Member States reports and an appropriate follow up by Commission services.

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\(^6\) This is coherent with Article 23a of Regulation (EU) No 653/2014 that states that ‘No later than 18 July 2019 for the voluntary labelling provisions […] the Commission shall submit to the European Parliament and the Council the corresponding reports dealing with the implementation and impact of this Regulation including […] the possibility of reviewing the voluntary labelling provisions […]’