

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 8/7/2017

GAIN Report Number: RO1716

Romania

Post: Bucharest

Romania Amends COOL on Milk and Dairy

Report Categories:

Dairy and Products

Approved By:

Jonn Slette

Prepared By:

Monica Dobrescu

Report Highlights:

In June 2017, the Romanian Parliament amended its May 2016 country of origin labeling (COOL) requirements for milk and dairy products. The 2016 law was not enforced due to EU-related procedural deficiencies. Updated text mandates that dairy processors must specify on the label country of origin or the place of provenance making up the largest percentage of product composition. Romania's amended milk and dairy COOL law is expected to enter into force on January 1, 2018.

General Information:

Background on Romania's COOL legislation

In May 2016, Romania's Parliament passed Law 88/2016 (henceforth known as the Law) regarding mandatory supplementary labeling measures for fresh milk and dairy products. According to the Law, dairy product labels must include the following information:

- name of the food product,
- list of ingredients,
- product weight,
- expiration date,
- special storage conditions,
- country of origin and the place of provenance for the milk utilized as raw material,
- name of the packer and stamp,
- name and address of the dairy processor,
- nutritional declaration,
- fat content expressed in percentage, and
- type of heat treatment (e.g. pasteurization, sterilization, ultra-pasteurization).

Furthermore, the Law specified that products labeled as "Product of Romania" must be made of 100-percent raw milk derived only from Romanian farms. The Law also stipulated that dairy products must include on the label the percentage of any powdered milk used in the product.

The 2016 Law cited that Romania's Veterinary and Food-Safety Authority would notify EU member states and provide its justification for adopting such provisions. Full enforcement of the Law was intended to take effect 90 days following European notification. However, the European Commission found the 2016 Law to be non-compliant with EU notification procedures because Romania passed and published the Law without receiving final approval from the EU. As a result, Romania did not enforce the Law and coordinated with the European Commission regarding amendments to bring the Law into compliance. Some changes to the 2016 Law also took into consideration complaints by Romania's dairy industry.

The COOL Amendments

The May 2016 COOL Law contained numerous provisions not in accordance with the EU legislation, which led to requests by the European Commission to revise the language. Some EU Member States raised concerns regarding improper notification procedures, lack of justification, lack of clarity regarding implementation, insufficient rationale regarding the links between origin and quality, lack of implementation period, and concerns related to consumer promotions funded by the Government of Romania exclusively for Romanian dairy products. These concerns prompted the Romanian Parliament to amend the 2016 Law and pass the July 2017 Law 192, which updates mandatory measures for fresh milk and dairy product labeling.

The amended Law 192 eliminated any reference to "*Romanian*", as to avoid violations of free movement of goods and nondiscrimination principles for EU products. The earlier provision obligating

the Ministry of Agriculture to fund consumer campaigns for Romanian fresh milk and dairy products was also repealed. The "Product of Romania" inscription on the label may now be used only by processors using 100-percent Romanian-origin milk with traceability documents. The new text eliminates the provision obliging the dairy producers to specify on the label the percentage of milk powder used in products. Furthermore, the term "natural product" may only be used if 100 percent of the milk is sourced from cows, buffalo, sheep, goat, or other natural components originating only from milk. The label may not claim "natural product" if it is composed of vegetal or non-milk animal products.

The label should include the country of origin or the provenance of the largest percentage-basis by volume. The label should also include the name of the dairy processor, as well as the heat treatment process. Any alteration of the product's composition, such as fortification with proteins or vitamins, must be noted on the label. The earlier provision requiring economic operators to label the percentage of powdered milk contained was repealed.

The earlier legal text citing the new-label notification process to EU Member States and the European Commission was redacted. The communication initiated by the Romanian authorities with the EU Commission and member states representatives several months after the publication of the initial law allowed EU member states to express a reaction to the adopted provisions. Nonetheless, it remains unclear if the Government of Romania is considering formal World Trade Organization notification (WTO). A formal WTO notification by Romania would allow all affected trading partners to comment on the adopted text. Currently, the law is set to be fully implemented as of January 1, 2018.

For additional background information, please view earlier GAIN reporting via the following link: <u>Updates on the new retail law and COOL labelling in Romania</u>