

# COMMISSION OF THE EUROPEAN COMMUNITIES

REVISED VERSION

COM(86) 222 final/2

Brussels, 20 May 1986

Proposed amendments to the  
Proposal for a  
COUNCIL REGULATION (EEC)  
on the designations used in the marketing of milk and milk products

---

(submitted to the Council by the Commission pursuant to the  
second paragraph of Article 149 of the EEC Treaty)

IMITATION MILK AND MILK PRODUCTS

(Commission Report to the Council)

COM(86) 222 final/2

Can EEC/1

EXPLANATORY MEMORANDUM

On 29 March 1984, the Commission presented to the Council a proposal for a Regulation on the designations used in the marketing of milk and milk products (1).

This proposal was scrutinized on several occasions within the Council.

It emerged that an agreement could not be reached on the basis of the present draft.

In its Resolution of 15 February 1985 (2), Parliament drew attention, in accordance with the opinion of the Committee on Agriculture, Fisheries and Food, to the anomalous situation whereby the EEC allows the duty-free import for manufacture of milk substitutes which are then marketed, under possibly inadequate designations, to the disadvantage of genuine milk products which are in enormous surplus. Parliament came out, however, against any general ban on marketing at Community level.

In a statement entered in the minutes of its meeting on 23 May 1985 the Council invited the Commission to look into the problem posed by the fact that certain milk product substitutes could grow unchecked whereas milk production was subject to quotas and, where appropriate, to present to the Council suitable additional proposals so that a decision could be taken before 1 April 1986.

In the light of the foregoing, the Commission hereby presents an amendment which is designed to prevent the consumer from being misled and to avoid confusion between two types of foodstuffs where direct or indirect references to designations reserved for milk and milk products are used for products containing milk milk constituents on the one hand and non-milk ingredients on the other hand.

---

(1) Doc. COM (84)5 final, OJ No C 111, 26.4.1984, p. 8.  
(2) OJ No C 72, 18.3.1985, p. 127.

Proposed amendments to the  
Proposal for a  
COUNCIL REGULATION (EEC)  
on the designations used in the marketing of milk and milk products

---

The proposal for a Council Regulation set out in document COM (84)5 Final and presented by the Commission on 29 March 1984 is hereby amended as follows :

1. The following is inserted after the fourth recital :

"Whereas certain foodstuffs, although containing milk constituents, constitute imitation milk and milk products owing to the fact that they contain non-milk ingredients; whereas provision should be made for prohibiting the use, for such products, of designations which in any way refer to the designations reserved for milk and milk products;"

2. In Articles 1(1) and 2(1), the words "in the Annex" are replaced by "in Annex I".

3. Article 2(2) and (3) is replaced by the following :

"2. The provisions of Article 1 shall also apply to products which, whilst containing milk constituents, constitute imitation milk or milk products.

The designations used for these products may not make direct or indirect reference to the designations of milk and milk products laid down in Annex I.

"Imitation milk and milk products" shall be understood to mean products which may be confused with the products listed in Annex I as defined in Annex II.

3. The provisions of Article 1 shall not apply where the designation of certain foodstuffs is used to describe a product which cannot be confused with the products listed in Annex I."
4. Article 5 is replaced by the following :

"Article 5

1. Member States shall send the Commission, by 1 October 1986 :

- a list of the products which they consider as meeting, on their territory, the conditions set out in Article 2(1);
- a list of the products which they consider as corresponding, on their territory, to the products referred to in Article 2(2).

Member States shall, where necessary, consequently extend these lists.

2. In accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68, the Commission shall draw up :

- (a) the detailed rules for the application of this Regulation;
- (b) each of the two lists referred to in paragraph 1 and shall, if necessary, amend them subsequently."

5. Article 6 is replaced by the following :

"Article 6

This Regulation shall enter into force on 1 June 1986."

6. The Annex becomes "Annex I".

7. The following Annex II is added :

"Annex II

a) Imitation drinking milk, the composition of which differs from that of drinking milk in that it contains :

- in addition to non-fat milk solids, fats of non-milk origin;
- only small amounts of milk constituents.

b) Imitation evaporated milk, the composition of which differs from that of evaporated milk in that it contains :

- in addition to non-fat milk solids, fats of non-milk origin;

- only small amounts of milk constituents.
- c) Imitation cream, the composition of which differs from that of cream in that it contains, in addition to non-fat milk solids, fats of non-milk origin.
- d) Imitation milk powder and cream powder, the composition of which differs from that of milk powder and cream powder in that it contains :
- in addition to non-fat milk solids, fats of non-milk origin;
  - only small amounts of milk constituents.
- e) Imitation butter, the composition of which differs from that of butter in that the milk fats have been partly replaced by fats of non-milk origin.
- f) Imitation cheese, the composition of which differs from that of cheese in that some or all of the milk fats and/or protein have been replaced by fats and/or protein of non-milk origin.
- g) Imitation yoghurt and imitation milk drinks, the composition of which differs from that of yoghurt and milk drinks in that they contain :
- in addition to non-fat milk solids, fats of non-milk origin;
  - only small amounts of milk constituents."

**Imitation Milk and Milk Products**

**(Commission Report to the Council)**

CONTENTS

**I. Introduction**

**II. General**

1. Definitions
2. List of imitation products

**III. Market for imitation milk and milk products**

1. Factors influencing the market
2. Market situation
3. Commentary and forecasts

**IV. Labelling/Publicity**

**V. Conclusions**

## I. Introduction

1. In 1974/75 the Commission proposed to the Council the adoption of rules concerning the use of only milk fats and milk proteins in milk and its derivatives. The negative attitude of certain Member States which was the cause of these measures being rejected was not modified in 1977 by the Commission's new proposals on the marketing and labelling of milk and its derivatives. After a period for reflection justified by the need to examine the situation resulting from the application of Council Directive 79/112/EEC of 18 December 1978 (1), on 3 April 1984 the Commission proposed a Regulation (2) aimed at reserving for milk products defined by reference to origin, nature, composition, raw material, etc. designations such as "milk", "cheese", "yoghurt", etc.

The Council did not agree to the proposal but it requested the Commission to examine the problems caused by the freedom to develop certain milk substitutes while quotas were imposed on milk production. It also asked the Commission to submit any appropriate additional proposals so that it could take a decision before 1 April 1986 (3).

---

(1) Council Directive on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer.

(2) Doc. COM(84) 5 final, OJ C 111 of 26 April 1984, p. 7.

(3) Page 19 of the minutes of 23 May 1985 of the Council meeting of 13-15 May 1985.



It should be pointed out at this stage that the European Parliament, in accordance with the opinion delivered by its Committee on Agriculture, Fisheries and Food, had already drawn the Council's attention to certain aspects of the milk market in its resolution of 15 February 1985. It was considered that an abnormal situation has been created by, on the one hand, the exemption from customs duty of milk substitutes imported for processing and marketing in some cases with inadequate designations to the detriment of milk products and, on the other, the introduction of a quota system intended to imitate milk production.

2. This report gives an overview of the survey conducted by the Commission departments in order to obtain information on developments on the market in products which imitate milk and its derivatives.

After defining substitute and imitation products, taking into account the work of international organizations such as the FAO, this report sets out the main facts and forecasts which have appeared in the technical press. However, it is reasonable to suppose that the most valuable information is jealously guarded in documents prepared on the initiative and with the financial backing of the handful of large firms which are directly involved in the manufacture and marketing of imitation products.

Obviously these confidential sources of information could not be exploited.

In this report the Council's attention is again drawn to the misuse of milk's image in the presentation of products which are sold cheaply and which contain at most very small quantities of dairy products.

Lastly, an explanation is given of the reasons why, despite the existence of a production quota system for milk, a similar system cannot be introduced for imitation products.

## II. GENERAL

### 1. Definitions

#### a) Milk products

A list of milk and milk products was proposed in the Annex to the Commission's proposal for a Regulation on 3 April 1984. But it is relevant to draw attention, in this connection, to the definitions in the FAO/WHO Code of Principles concerning Milk and Milk Products:

Article 1

MILK

1.1 The term "milk" shall mean exclusively the normal mammary secretion obtained from one or more milkings without either addition thereto or extraction therefrom.

1.2 Notwithstanding the provisions of Article 1.1 the term "milk" may be used for milk treated without altering its composition, or for milk the fat content of which has been standardized under domestic legislation.

1.3 The term "milk" may also be used in association with a word or words to designate the type, grade, origin and/or intended use of such milk or to describe the physical treatment or the modification in composition to which it has been subjected, provided that the modification is restricted to an addition and/or withdrawal of natural milk constituents.

1.4 In international trade, the origin of the milk shall be stated if it is not bovine.

Article 2

MILK PRODUCTS

2.1 The terms used to designate milk products shall only be employed for those products which are exclusively derived from milk as defined in Article 1.

2.2 Notwithstanding Article 2.1, the terms used for each milk product may be employed when substances necessary for the manufacturing process are added, provided that these substances are not intended to take the place in part or in whole of any milk constituent.

2.3 The terms used to designate milk products may also be used in association with a word or words to designate the type, grade, origin and/or intended use of such milk modification in composition to which they have been subjected in accordance with Articles 1.3 and 2.2.

Article 3

COMPOSITE PRODUCTS

3. The term "milk" and the terms used for milk products may also be employed together with a word or words to designate composite products of which no part takes or is intended to take the place of any milk constituent and of which milk or a milk product as referred to in Articles 1 and 2 is an essential part either by quantity or for characterization. If such composite products are designated in terms which are suggestive of milk or milk products or the dairy industry, the label shall indicate the milk or milk product used as well as the other essential constituents.

b) Imitation and substitute products

A substitute milk or milk product is a product in which all or some of the milk solids have been replaced by one or more non-dairy ingredients which is intended to be used in the same way as milk or as a milk product.

A broader interpretation of substitutes for milk products is also possible; namely that which holds, for example, that soft drinks or beers or wines are substitute products for liquid milk if they are taken instead of milk. Obviously this report does not concern such products.

An imitation milk or milk product is a substitute milk or milk product which in general composition, appearance, characteristics and intended use is similar to milk or to a milk product as defined and/or standardized under Article 1, 2 or 3 of the FAO/WHO code of principles concerning milk and milk products.

Products which imitate milk and milk products may be marketed if their physical, chemical and nutritional characteristics are similar or identical to those of the imitated products and, in general, if their offer prices are lower than those of the products which they imitate.

The adjective "imitation" may rightly be used to describe such products on historical grounds: imitation implies the prior existence of the product whose imitation is being attempted.

Furthermore, the concept of imitation does not necessarily imply any reduction in quality. In principle, an imitation product could be superior to the product it seeks to imitate.

The imitation of milk and milk products is usually achieved by replacing the milk fats and/or the milk proteins by ingredients whose cost price is lower. This principle is confirmed in the case of whey. No attempt has been made to imitate this product because it is very low in fats and proteins and because the manufacture of whey protein substitutes is inefficient.

## 2. List of imitation products

In view of the foregoing, it is relatively simple to compile a list of products which imitate milk and milk products. It should comprise:

a) Imitation drinking milk, the composition of which differs from that of drinking milk in that it contains:

- in addition to non-fat milk solids, fats of non-dairy origin;
- only small amounts of milk constituents.

b) Imitation evaporated milk, the composition of which differs from that of evaporated milk in that it contains:

- in addition to non-fat milk solids, fats of non-dairy origin;
- only small amounts of milk constituents.

c) Imitation cream, the composition of which differs from that of cream in that it contains, in addition to non-fat milk solids, fats of non-dairy origin.

d) Imitation milk powder and cream powder, the composition of which differs from that of milk powder and cream powder in that it contains:

- in addition to non-fat milk solids, fats of non-dairy origin;
- only small amounts of milk constituents.

e) Imitation butter, the composition of which differs from that of butter in that the milk fats have been partly replaced by fats of non-dairy origin.

f) Imitation cheese, the composition of which differs from that of cheese in that some or all of the milk fats and/of protein have been replaced by fats and/or protein of non-dairy origin.

g) Imitation yoghurt and imitation milk drinks, the composition of which differs from that of yoghurt and milk drinks in that they contain:

- in addition to non-fat milk solids, fats of non-dairy origin;
- only small amounts of milk constituents.

### III. MARKET FOR IMITATION MILK AND MILK PRODUCTS

#### I. Factors influencing the market

Several factors influence the consumption of milk and products sold as substitutes for milk and milk products:

##### a) Public health

Certain government-sponsored reports (COMA Report, UK, 1986; Netherlands Food and Nutrition Policy, 1985) show that present-day levels of dietary fat are too high and may significantly affect the frequency of cardiovascular and other diseases. Consequently, some governments have adopted policies to reduce fat consumption. In some cases, a reduction in dairy product consumption is recommended as an effective way of reducing intake of fat, particularly animal fat. One Member State has adopted measures on the labelling of dietary fats in order to clarify their different properties. Thus, public health policies may contribute towards a decline in dairy product consumption and a consequent build-up in surpluses.



b) Consumer preference

Increasing consumer awareness of the fat content of food is producing a trend towards consumption of "low fat" products. By producing products with a reduced milk-fat content the dairy industry would maintain a position on a market which would otherwise be closed to it. This is particularly true in the case of fresh products, which, by virtue of the increasingly wide range of different preparations, is becoming one of the most promising outlets for milk. Apart from this, a fraction of the population is allergic to cow's milk and obliged to change its eating habits or opt for substitutes. Milk substitutes offer such consumers a way of varying their diet while avoiding any impairment of their health.

c) Technical properties

Powdered products obtained exclusively from milk do not readily lend themselves to certain form of distribution, for instance in hot drinks sold from automatic dispensers. Powders of milk origin do not dissolve completely and form a froth on the surface of the drink. The phenomenon does not occur with whiteners in which some milk constituents have been replaced. Similarly, the moisture-sensitivity of powdered milk products may induce consumers to prefer non-dairy creamers.

## 2. Market situation.

A thorough study of sources of information published in the form of articles in numerous technical journals has provided an overview of the market situation for imitation milk and milk products.

Some sources claim that the marketing of such products in certain Member States already replaces dairy products to the tune of several million tonnes per year (in milk equivalent). But the exact magnitude of the risk is impossible to calculate (4).

---

(4) A recent study published on the initiative of the "Vereeniging Voor Zuivelindustrie en Melkhygiëne" (B. J. Worp and R. F. Flierman, Marktstudie naar Zuivelvervangingsprodukten, 1985) arrives at the same conclusion. See also Visie op Zuivelvervangingsprodukten, published by the "VVZM" in February 1986.

a) Cheese imitations

In 1983 the UK market for these products was estimated at 2 000 tonnes/year or 0.8% of the 240 000 tonnes of UK natural cheese production in 1981. The substitute products were mainly used in formulated foods as a replacement for imported cheese (5).

In the USA imitation cheese is presenting increased competition for natural cheese. In 1980 it accounted for - available reports differ - either 73 000 tonnes (4.2% of total cheese production) (6) or 95 000 tonnes (5% of total cheese production) (7) or + 150% from 1978 (8).

- 
- (5) SHAW, M.: Cheese substitutes: threat or opportunity? in "Journal of the Society of Dairy Technology", Vol. 37, no 1, 1984, pp 27-31.
- (6) WERNER, G.: Notwendigkeit der Beibehaltung des Imitationsverbote in der Bundesrepublik, in "Deutsche Molkezeitung", 106, (1985) Number 12, pp 338-342.
- (7) Produits de Substitution: menace ou opportuniste?, in "Revue Laitière Française", No 431, June 1984, p. 55.
- (8) KOO, W.W.; LOMA, E.; ERLANDSON, G.W.: Econometric Analysis of the UK Cheese Industry: Production, consumption, prices, marketing, in 'Agricultural Economics Report North Dakota', Agricultural Experimental Station, No 167, 1982, p. 44.

The major uses of imitation cheeses are in the production of frozen pizzas and school meals. Increasing consumer acceptance of these products is explained in particular by their lower prices. A market forecast (6) estimates the annual growth rate at 6.8% and sales for 1988 at 135 000 tonnes. Another market forecast for the USA (9) suggests that by 1987 imitation cheese products could hold 15% of the total cheese market, with a growth rate of 26.4% per year. Projections for the year 2000 indicate a 50% market share for substitute cheese products (10).

In Switzerland the Union Fromagère estimates that exports of Swiss cheese fell by 6.5% per year between 1982 and 1983 due to sales of imitation Emmentaler, Gruyère and Sbrinz on many major European markets (11).

In Sweden it was reported in 1984 (12) that imitation cheese products accounted for 2.5% of the cheese market.

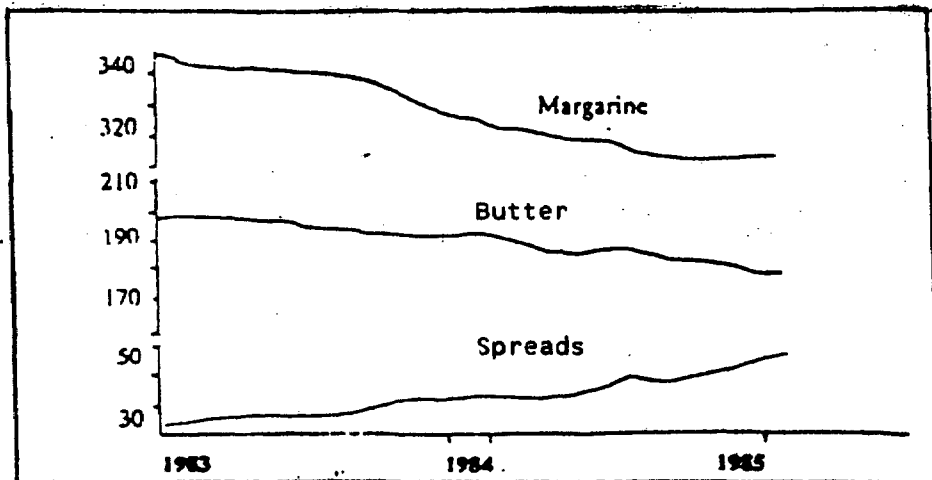
- (9) Frost and Sullivan, Imitation Cheese Sales as % of all cheese sales, in "Food Processing", August 1984, p. 30.
- (10) Frost and Sullivan, New Dairy Products Market in US, cited in "Dairy Industries", Vol. 49, No 4, 1984, p. 7.
- (11) Swiss Cheese Union, cited in "Financial Times", 1 September 1983, p. 36.
- (12) Sumereder-Oeheg, Käse ohne Milch, in "Milchwirtschaftliche Berichte" 78/1984, p. 1.

b) Yellow fats

A report on the UK market for 1983 (13) states that, in volume terms, butter accounted for 36% of the yellow fats market, compared with 64% for margarine and low-fat spreads. A subsequent report (14), published in October 1985, indicates that sales of butter spreads, in volume terms are increasing at an annual rate of 50% and predictions are that sales will reach 80 000 tonnes per year within the years from 1985. Finally, a recent report (3 February 1986) from Dairy Crest Foods states that the decade up to 1984 witnessed a steady decline in the volume and share of packet butter in the UK market. Subsequently, in 1984 and 1985 following the introduction of full-fat "dairy" spreads, the total volume by weight of butterfat sales and the market share of butter equivalent has increased significantly (actual quantities are not detailed in the report). The following graph shows the market trend:

- 
- (13) Mintel Market Intelligence Report on Butter and Margarine, cited in "Dairy Industries", Vol. 49, No 9, 1984, p. 9.
- (14) Dairy Crest Foods 1985 Yellow Fats Report, cited in "Dairy Industries", Vol. 50, No 10, 1985, p. 15.

UK: Purchase of yellow fats in 1983 and 1984 ('000 tonnes)



In Ireland, in 1985, low-fat spreads containing mixtures of vegetable fat and butterfat were launched on the Irish market. Initial indications are that these products are claiming a significant segment of the yellow fats market. Butter sales on the domestic market declined in volume terms, by 21% in 1985, whereas the drop in 1984 was 1.5%.

The new style spreads were launched on the Irish market with advertising campaigns emphasising the butter element of the product and therefore aimed specifically at the butter segment of the yellow fats market, not targeted on the broader total fats market.

c) Soya Milk

In the United Kingdom sales of soya milk increased fivefold in 1984 to total UKL 3.5 million and estimates are that sales could reach UKL 20 million by mid-1988 (15). Taking the retail price at UKL 0.64 per litre, these values correspond to 5 600 tonnes of soya milk for 1984 and 32 000 tonnes of soya milk projected for 1988.

d) Coffee whiteners and artificial creams

A report dating from 1979 (16) stated that these products accounted for less than 1% of condensed milk and cream consumption. In Denmark a report dating from 1979 stated that they account for 3% of the market in cream.

3. Commentary and forecasts

In the United States, where the laws are less restrictive, products which imitate milk and milk products have found a larger market than in Europe.

---

(15) Soya Health Foods Company, cited in "Dairy Industries", Vol. 50, No 5, 1985, p. 43.

(16) Imitation and Substitution im Milchbereich, in "Die Molkerei-Zeitung Welt der Milch", 33. Jahrgang, 1979/14, pp 437-443.

In the United States the use of skimmed milk powder to bind, thin, or accompany meat products fell from over 40 000 tonnes in 1967 to less than 10 000 in the years since 1979. It has been replaced by soya-based products and by other vegetable flours. The quantities of soya-based products used each year as sources of protein by industrial bakeries total about 60 000 tonnes, compared with 54 000 tonnes of whey powder, 30 000 tonnes of skimmed milk powder and only 5 000 tonnes of casein.

Among the products which may be correctly termed "imitation milk", "filled" milk (milk to which non-milk fat has been added) is sold as a substitute for drinking milk but only in relatively small quantities. The market for imitation cheese, on the other hand, is expanding fast.

In the manufacture of cheese substitutes (as in the case of "filled" milk) only the milk fats have so far been replaced by vegetable fats. These account for about 25% of the finished product and consist of a mix of various vegetable fats. They have different melting points and can be combined so as to ensure optimum mixing process. These products are usually intended to replace the types of cheese used to garnish deep-frozen foods such as pizzas. When heated, the cheese substitute is spread over the product and has a consistency comparable to that of the melted cheese used on some types of toasted sandwich.



The protein content (about 25%) usually consists of a mixture of sodium and calcium caseinates. Whereas the processing of vegetable fats poses no technical problem, protein technology has not yet advanced sufficiently for a cheese substitute based on soya protein to be successfully produced and marketed. The soya protein industry in the United States is nevertheless continuing its research in this direction. Full-scale substitution is considered to be impossible and current research is more concerned with partial substitution. In the long term it is conceivable that such products will take a much larger share of the market, since the expected rise in the price of milk and cheese will make it increasingly cost-effective to use a substitute product.

"Filled" milk is unlikely to enjoy the success on the European market that it has had in the United States (apart from the problems of taste, little could be made of the price and health advantages claimed for vegetable fats, given the very small quantity of fats in a litre of milk), but there is thought to be real scope for marketing imitation cheese based on vegetable fat since the high-fat content would confer a distinct price advantage on them. Initially this would affect use of cheese in prepared foods, but in the long term it could also affect direct consumption.

In terms of quantity, the potential use of imitation cheese in the Community may be estimated at 10% of cheese sales or some 350.000 tonnes.

As regards butter/margarine mixtures, the following should be noted:

- a) Although the market should no longer be influenced by the dubious claim that non-saturated fatty acids have a positive role to play, the authorization of this imitation butter could entail a large-scale switch away from butter. Unlike Sweden, where a high price has been fixed both for butter and for the butter/margarine mixture ("Bregott"), the price of butter/margarine mixtures in the Community is somewhat lower than the price for butter, as a result of keen competition between manufacturers. Developments in the Community are more likely to follow the American than the Swedish pattern: in Sweden, sales of cheese substitutes are negligible and stationary because the price is as high as that for cheese itself, whilst in the United States the market is expanding because the price is considerably lower.

b) It is very difficult to predict what quantities will be sold in the Community. If one considers the German market alone and assumes that, in the medium term, the butter/margarine mixture would take over about 20% of the consumer market for butter, sales of butter fat would be 4% down since vegetable fats account for 20% of the butter/margarine mixture. The drop in butter fat sales could be considerably greater (even 10%) if such mixtures contained 50% of vegetable fats.

#### IV. LABELLING AND PUBLICITY

There is no doubt that the designation and presentation of imitation products play an important role and often allow such products to be marketed in one form or another even in countries where they are prohibited. For instance, brown-coloured coffee whiteners and pink-coloured powdered cream of vegetable origin (evocative of strawberries) circulate freely because of their appearance in countries where imitation milk and milk products are banned. In addition, alterations in the composition of some imitation milk and milk products allow them to be reclassified as dietary foods. Finally, judicious replacement of certain ingredients which improve certain physical properties (17) can facilitate the sale of imitation products even at fairly high prices.

---

(17) On the technological advantages of vegetable fats compared with butter, see the article by K Lautsen, Vegetable fats in the dairy industry in "Dairy Industries", Vol 51, No 2, 1986, p. 12.

Consequently, the labelling of imitation milk and milk products and any advertising in that connection are of crucial importance if the consumer is to be correctly informed.

The following comments may be made on labelling and advertising material used at present.

In some cases, manufacturers of products containing no dairy constituents (e.g. soya-based milks, certain dessert preparations, ice-creams) use the absence of such constituents (lactose, milk proteins) as a selling argument. The non-dairy origin of the product would offer, according to the advertising material, better digestibility.

In such cases, the products are substitutes and not imitations. The parties concerned should check whether the advertising slogans might not be considered as false or misleading and, consequently prohibited under national legislation on labelling and advertising. In this connection, the inertia of the dairy industry against the undoubted dynamism of the competitive industries is regrettable.

In contrast, in the case of products containing some dairy constituents (for instance, mixtures of dairy fats and vegetable fats or products based on vegetable fats and containing smallish quantities of milk proteins), labelling and advertising generally stress the lower price of such products in comparison with dairy products. The name of the dairy product is generally mentioned and the possibilities offered by the imitation product are subtly exploited with a detailed description of the ingredients and recipes for its use (e.g. "use as cream, at half the price").

In such cases, the objects is to imitate dairy products and national rules on unfair competition or misleading advertising are rarely applicable, if at all.

#### V. CONCLUSIONS

The information published in the technical press shows that the market for products which imitate milk and its derivatives has undergone marked expansion in recent years. This trend is continuing and in some cases accelerating, more to the detriment of the milk sector than to its advantage.

In the light of this situation, the Community has a number of choices:

- a total ban on the production of marketing of imitation products;

- the introduction of a quota system for imitation products by analogy with

the quota arrangements for milk;

- providing greater protection for the designations of milk products and

regulating the presentation of imitation products;

- maintaining the status quo, which implies giving free rein to the development of imitation products.

The Commission, which has just approved a policy of foodstuffs legislation in

the context of the White Paper, does not consider it appropriate to propose a

straightforward ban on the manufacture and marketing - which includes the

imports of imitation products provided that they meet genuine consumer demand

and do not run counter to the requirements of public health and consumer protection.

In addition, as regards imported basic products, it would be extremely

difficult to get such a measure accepted in the framework of GATT.

When the milk quota system was introduced by Article 5c of Regulation (EEC)

No 804/68, the Commission departments also studied the possibility of bringing

in a similar quota system for imitation products. One could, for example,

limit the manufacture for, as long as the milk quota system applies, of any product for human consumption which is liable to be confused with milk and its derivatives and/or intended to replace them to the quantities produced in 1983.

This approach which - like the idea of a total ban - has met with substantial reservations as felt to be too restrictive and difficult to apply. Although there are no major obstacles to compiling a list of imitation products, it is not impossible that by means of slight alterations in their composition and/or presentation the products in question would evade the new rules on quotas. Moreover, the effectiveness of the proposed quotas would be seriously undermined if the quantitative limits were not accompanied by adequate measures.

On the other hand, maintaining the status quo does not provide consumers with adequate protection as regards product designation and labelling. The Commission considers it essential that fair competition be established between milk and imitation milk products.