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Report Name: Changing EU Import Conditions for Composite Products

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Prepared By: Gerda Vandercammen

Approved By: Lisa Allen

Report Highlights:

U.S. exporters of composite products will face new documentary requirements for shipments to the European Union. Of immediate concern is the new mandatory export certificate needed for non shelf-stable goods that do not contain any meat and that contain less than 50 percent processed products of animal origin. This requirement applies to goods entering the European Union after April 21, 2021. This report also addresses the new importers private attestation and provides a time frame for all the further changes in EU requirements.

Executive Summary

A composite product is a food containing both processed products of animal origin and products of plant origin. Composite products include a wide variety of products, including cheesecakes, high protein food supplements, pizza, and lasagnas. Following changes in several related pieces of EU legislation, the import requirements on these products will no longer be based on the quantities of processed products of animal origin expressed in percentage of ingredients of the composite product, but rather on the "risk" linked to the composite product. The EU defines "risk" based on whether the product is shelf stable or not, and what type of animal origin product is included (meat versus dairy, eggs or seafood). As a result of the new legislation: 1) the list of composite products that has to be presented for inspection at EU entry will change; 2) the existing composite product certificate issued by the US Government will be replaced; and 3) a new private attestation provided by the EU importer based on information obtained from the exporter will be introduced.

The first subset of new rules kicks in for goods entering after April 21, 2021. The biggest impact of the new rules is on *non-shelf-stable products without meat and containing less than 50 percent of processed products of animal origin*. While these products did not need a U.S. Government issued certificate in the past, import in the EU becomes conditional of the presentation of a U.S. Government issued certificate for goods entering the EU after April 21. Another change taking effect on April 21 concerns the trade in *shelf stable composite products without meat*. For these products entering the EU after 21 April 2021, the representative of the food importing business will have to prepare and sign the private attestation required by the new rules. In this case, the EU importer may request information from the U.S. exporter allowing him to complete this document.

For other products that already required composite product certification, the U.S. Government will continue to issue the old model certificate. EU Member States will continue accepting the old certificates until 20 October 2021, provided they were signed before August 21.

The New System in a Nutshell

The new rules on the entry of composite products establish three categories of composite products: (1) non shelf stable composite products, (2) shelf stable composite products that contain meat products and (3) shelf-stable composite products that do not contain meat products. Article 12-14 of Commission Delegated Regulation (EU) 2019/625, as amended by Commission Delegated Regulation (EU) 2021/573, lay out the different entry requirements for each of these three categories. All processed products of animal origin must be sourced from EU approved establishments. The Regulation includes a list of HS codes of the products that fall within its scope.

The EU will require composite product certificates for all non-shelf-stable products (category 1) and for shelf stable composite products with a meat ingredient (category 2). A company private attestation confirming that the consignments comply with the applicable requirements prepared and signed by the importing food business operator will be required for shelf stable products not containing meat (category 3). Provided the public and animal health risk is considered minimal, a subset of category 3 products will be exempted form border checks. For these products, the importing food business operator will still have to provide the private attestation. Text

of the Regulation listing the exempt products can be found <u>here</u>. Examples of products on this list are food supplements, cakes, pasta, confectionery items.

New EU Regulations Effectively Change the List of Products that Require Certificates

The new rules introduce new documentary requirements for a substantive group of traded products. This is specifically a concern for non-shelf-stable composite products without meat and containing less than 50 percent of processed products of animal origin. For EU imports of these products after 21 April, 2021 a certificate is required, which was not the case under the old rules. A different situation arises for shelf-stable products without meat containing *more* than 50 percent of non-meat ingredients for which the U.S. Government issued certificate is no longer needed under the new rules. The importer now has to provide the private attestation for these products. For shelf-stable products without meat containing *less* than 50 percent of non-meat ingredients, the importer also has to provide the newly established private attestation. The importer may require information from the exporter to fulfill his documentary requirements.

Documentary Requirements under the New System

The documentary requirements under the new system laid out in <u>Commission Implementing Regulation (EU)</u> <u>2020/2235</u> will not be fully applicable until October 20, 2021. These includes the following model forms:

- The animal health/official certificate to be used for the entry into the Union of not shelf-stable composite products and shelf-stable composite products, containing any quantity of meat products except gelatine, collagen and highly refined products, and intended for human consumption shall correspond to the model COMP drawn up in accordance with the model set out in Chapter 50 of Annex III (Page 367-381).
- The animal health certificate to be used for transit through the Union to a third country either by immediate transit or after storage in the Union of not shelf-stable composite products and shelf-stable composite products, containing any quantity of meat products and intended for human consumption, shall correspond to the model TRANSIT-COMP drawn up in accordance with the model set out in Chapter 52 of Annex III (Page 386-394)
- The model private attestation to be used by the operator for the entry into the Union of shelf-stable composite products in accordance with Article 14 of Regulation (EU) 2019/625 shall correspond to the model set out in Annex V (Page 402-405).

Comparison of the Old and New Requirements and Situation in the Transition Period (Goods Entering the EU April 21 – October 20, 2021)

Exporters are advised to consult the table available from the European Commission's website https://ec.europa.eu/food/sites/food/files/safety/docs/ia_ic_composite-prods_qandas.pdf to assess how the new rules will affect the export requirements for their product. This table summarizes the requirements for the different categories of composite products prior to April 21, 2021 and shows for each of those categories the corresponding categories and requirements under the new system. In addition, for each of the possible scenarios, the import requirements during the transition period are specified.

A six months transition period during which the old certificate will be accepted to enter the Union is introduced by Article 35 of Commission Implementing Regulation (EU) No 2020/2235.

Article 35

Transitional provisions

Consignments of products of animal origin, composite products, sprouts intended for human consumption and seeds intended for the production of sprouts for human consumption accompanied by the appropriate certificate issued in accordance with Commission Regulation (EU) No 28/2012 and Implementing Regulation (EU) 2019/628, before the date of application of this Regulation, shall be accepted for the entry into the Union until 20 October 2021 provided that the certificate was signed by the person authorised to sign the certificate in accordance with those Regulations before 21 August 2021.

Until further notice, the U.S. Government continues to issue the certificates according to the old model laid down in Commission Regulation (EU) No 28/2012. EU Member States have to accept these old models based on the higher mentioned transitional provisions of Article 35. EU operators responsible for the entry into the Union of shelf-stable composite products have to start signing the private attestation of the new Commission Implementing Regulation (EU) No 2020/2235 for goods that come in after April 21, 2021.

Further Updates Expected in the Next Months

Given the complexity of the rules on composite products and the late publication of guidance, clarifications and corrections, further questions may come up over the coming months. Exporters who face problems at EU borders linked to the implementation of the new composite product requirements are encouraged to contact FAS Brussels (<u>AGUSEUBrussels@usda.gov</u>) or one of the FAS offices in the Member State of import. Post contact information is available from https://apps.fas.usda.gov/overseas post directory/.

Additional information is available from the European Commission's website:

- Import Conditions for Composite Products:
 https://ec.europa.eu/food/safety/international_affairs/trade/special-eu-import-conditions-composite-products en
- Compilation of Questions & Answers
 https://ec.europa.eu/food/sites/food/files/safety/docs/ia_ic_composite-prods_qandas.pdf

Attachments: No Attachments.