



Cheese Variety and Affordability

Keeping Your Supplier Options Open

As a nation of immigrants, the United States is a melting pot of cultures. Many American cheese companies have inherited their cheese making skills from European immigrants who came to America with a dream and their best cheese recipes. This is how the U.S. cheese industry started almost two centuries ago. Cheese makers first made common cheeses from their homeland such as “parmesan” and “feta”—just to name a few—and to this day, they have continued these traditions. These cheeses became household favorites in the United States long ago and have since won the hearts of many other nations. However today, an alarming situation is developing. The names of some of those most popular American-made cheeses are being threatened by the European Union’s (EU) attempts to claim sole ownership of such names.

Why should this matter to you?

Well, these European efforts threaten to limit global supply options from the United States and other major dairy exporting countries. If that occurs, international cheese buyers would face a significantly restricted scope

of future suppliers, thereby leading to higher costs. This could even force buyers to alter their current importing relationships and the business they have already developed. Ultimately, this would have commercial ramifications on buyers’ market shares, business sales, and profitability.

DID YOU KNOW

- More than 790,000 mt of feta was produced outside of Greece in 2014. That’s more than 10 times the amount of feta produced in Greece. Similarly, 64% of all exported feta is non-Greek feta.
- In 2014, 49% of the 622,817 mt of parmesan produced globally was actually made outside of Italy and 72% of all parmesan traded internationally also came from countries other than Italy.
- The United States has a long history of cheese making dating back to the first waves of European settlers. Today, the U.S. is the single largest cheese manufacturer in the world with 5.3 million tons produced in 2014, providing more choices and more stable supply to meet the growing global demand for cheese.



Many U.S. companies have joined in an international effort to stop this **over-reach on protected geographical indications**—that is, names of products associated with a particular geographic region. They are working with international allies from approximately a dozen countries to combat this threat to competitive global supply opportunities through the Consortium for Common Food Names.

It is important for end-users and importers that offer cheeses, meats, and other products from a variety of countries to be aware of this issue and to support efforts to push back on the EU because customers recognize and trust the names of their favorite products. When only European companies are allowed to market popular cheeses or other products by the names customers are familiar with, the result is less variety and less competition in the marketplace, hence higher costs and other negative business impacts for buyers, and ultimately consumers, due to the more limited range of supply options.

U.S. producers are not opposed to the concept of geographical indications (GIs), which protect the names of specialty products such as “Parmigiano Reggiano” from Parma, Italy, or “Gouda Holland.” But when companies with rights to these GIs attempt to extend the protection to generic names like “parmesan,” “gorgonzola,” “asiago,” and “feta”—often as individual words within the GI—this is a clear over-reach that is designed to curtail competition.

The EU has been aggressively working in free trade agreements to inappropriately extend GI protections, and in some cases has unfortunately succeeded. Specifically:

- **Korea:** Non-European cheese producers can no longer sell **asiago, feta, fontina, or gorgonzola** in Korea—at least not under those names. The restriction is due solely to the EU’s demands under its free trade agreement (FTA) with Korea. This restriction has impacted Korean importers by significantly constraining which countries and companies they can source these products from.

- **Singapore:** In its FTA negotiations with the EU, Singapore agreed to protect a lengthy list of GIs once those terms have undergone review by Singapore



Common Cheese Names



Feta



Gorgonzola

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authorities. That list includes cheeses that Singaporean companies have built up demand for—but existing supplier relationships have primarily been developed with countries not authorized by the EU to sell those products and so are at risk of seeing restrictions imposed. For instance, importers of Danish and Australian feta could be forced to find new and more costly Greek suppliers of the cheese should Singapore acquiesce to protecting **feta** as a GI as part of this FTA.

- **Costa Rica:** Costa Rica presently restricts the use of **parmesan** to only Italian producers, despite long-standing use of that term in Costa Rica, as well as elsewhere around the world. This decision has impacted local producers of those products who had been selling them in this country for decades, as well as more recent arrivals from the United States who had helped build demand for those types of cheeses by increasing the variety of available supply options.

The United States, among other countries, feels strongly about the issue of protecting common food names, in part because of its long history in producing many of these cheeses. Parmesan has been made in the United States for more than a century, and U.S. companies have won numerous international awards for their parmesans, fetas, and other cheeses whose names are now threatened. The EU’s efforts to restrain competition and global supply options stand in stark contrast to a global trend towards more open markets and growing variety options for buyers and consumers.

Left unchecked, efforts by any group to “own” generic terms will erode and damage sales of many popular food products around the globe. The U.S. Dairy Export Council, representing the U.S. dairy industry, is focused on the impact this could have for international cheese markets, but the issue poses a particular risk as well to those in the meat, wine, and produce sectors:

- Many **producers and exporters** would be forced to consider the difficult and costly effort of re-labeling and rebranding products, affecting marketability and diminishing the value of internationally recognized brands, all the while confusing consumers.
- **Importers and re-exporters** of market-leading cheeses and cheese brands would face legal action for importing cheeses with names protected by the EU from non-EU countries, and would lose valuable markets they built over many years for their foreign principals, consequently impacting their return on past investments in building brands and their current sales and profits.
- **Retailers** would sell fewer favorite products and face questions and comments from loyal consumers. There would be less variety of well-known cheeses and potentially smaller margins to the retailer.
- **Consumers** would no longer recognize familiar products and would be confused about their favorite products and brands. There would be fewer choices in stores, and higher prices could result due to less competition within a recognizable product category.





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How can you help?

The Consortium for Common Food Names (CCFN) is an independent, international non-profit alliance that is working to stop attempts to monopolize common (generic) names that have become part of the public domain. The consortium seeks to foster the adoption of an appropriate model for protecting both legitimate geographical indications and generic food names. The U.S. Dairy Export Council and several leading U.S. cheese companies are founding members of CCFN, along with producers in Latin America, Australia, and other regions. As many nations have begun to introduce GI policies, food producers and retailers in these countries are also becoming interested in the protection of common terms.

CCFN has been very successful since its founding in 2012 of raising awareness of this serious issue and pushing back on threats to common names.



Visit CommonFoodNames.com to learn more about CCFN and its mission on behalf of global producers, buyers, end-users and consumers.

We urge concerned companies—both producers and buyers—to join with CCFN in combating this growing threat to global supply options by either becoming members of CCFN or by requesting more information to facilitate their outreach to their own governments about this trade and competition concern. Either step can be initiated by contacting CCFN at info@commonfoodnames.com. ■

Geographical Indications vs. Generic Names



Parmigiano-Reggiano is only made in Italy's Parma region



Parmesan is a generic name and is made in several countries around the world



GET IN TOUCH

- For more information on this threat, visit CommonFoodNames.com.
- Contact CCFN at info@commonfoodnames.com to join CCFN or request more information to facilitate your outreach to your own governments about this trade and competition concern.
- Customers can also contact USDEC. To find a USDEC representative near you, go to ThinkUSAdairy.org/global-presence.