EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate F – Outreach, Research & Geographical Indications

Brussels AGRI.F/DCF

MINUTES

Meeting of the «CDG QUALITY AND PROMOTION»

Meeting via videoconference (Interactio)

Monday 07 November 2022 from 10:00 to 17:30

Chair: Diego Canga Fano, Director, DG AGRI Outreach, Research & Geographical Indications

The following organisations were represented: Arepo; Beuc; Euromontana; Copa-Cogeca; ECVC; CEJA; EEB; EFOW; ElO Asbl; Celcaa; Erpa; Facenetwork; FoodDrinkEurope; FOEE; IfOAM Organics Europe; OriGIn; Sacar; Slow Food

- 1. Approval of the agenda and of the minutes of previous meeting
- 2. Nature of the meeting

The meeting was not public.

3. List of points discussed

Morning session on Promotion

Annual Work Programme 2023 – state of play

The Commission presented the results of the vote of the draft annual work programme 2023 in the Common Market Organisation Committee (CMO)-Promotion: 2 Member States voted for the Commission proposal, 10 Member States voted against, 14 Member States abstained, and 1 Member State was absent and not represented.

The Commission is currently reflecting on the results of the CMO vote on 28 October, and in particular reviewing the comments made by the delegations. The Commission will aim for a timely adoption of the annual work programme with a view to enabling the publication of the calls for proposals beginning 2023.

Comments from CDG members:

COPA-COGECA pointed out that the promotion policy should not be mixed with health policy. The main objective should be maintained, and that is the competitiveness of the

EU agri-food sector. They want a broad approach without discrimination of products/sectors. COPA-COGECA considered the attempts to exclude red meat and alcohol to be disproportional and unjustified. A balanced diet can include a moderate consumption of red meat and wine.

EFOW stressed that the European Beating Cancer Plan (EBCP) is not about avoiding consumption of wine. Rather points out the risks of "harmful consumption". All the promotion programmes that include wine in their basket have as their objective to try to explain the specificities in the production of quality European wines. They are highlighting the specific characteristics of the wines and they are not appealing to consumption (least of all "harmful consumption"). Therefore, EFOW considers the AWP should be inclusive for all the products, focusing on supporting the promotion of the sustainability aspects of all EU agri-food products including wine.

FOOD DRINK EUROPE agreed with the previous comments made by EFOW. Taking into account the EBCP, the AWP should be inclusive. No sectors should be considered more sustainable or less sustainable, in the context of a healthy and balanced diet. FOOD DRINK EUROPE considered that, in line with the Farm to Fork strategy, an exclusion of certain sectors would adversely affect high quality products including those that can play a role in a balanced diet.

COPA-COGECA suggested inviting other Commission directorates, notably DG SANTE to a future CDG meeting.

COPA-COGECA observed that over the past 3 years the position of its members has been consistent; in order to effectively support a transition towards more sustainable food systems all the sectors should be included. If the COM excludes some products, they are communicating the idea that no matter what farmers in those sectors do, no matter how much they adhere to sustainable practices, their food is not going to be accepted for promotion and their efforts will not be rewarded. In COPA-COGECA's opinion, this is the wrong message to convey to citizens and to farmers. It is not what the promotion policy is there for according to the basic act and the Treaty. The representative also stressed that this is the first year that a vote in the CMO on the annual work programme has led to such an overwhelming opposition to the COM proposal.

European Coordination Via Campesina (ECVC) observed that it is mandatory to change the agricultural way of production in the EU and that the annual work programme is there to support this transition, without excluding sectors.

Promotion policy review – state of play

The Commission presented an update on the process of review of the EU promotion policy, informing the participants that the situation had not changed since the last meeting. The Commission informed the participants that the impact assessment had been completed but that internal discussions were ongoing. Therefore, the Commission could not commit to a specific date to present its proposal for amending Regulation EU 1144/2014.

Comments from CDG members:

COPA-COGECA considered inadmissible that the proposal that was to be presented by the Commission in the first quarter of 2022 has still not been presented, and expressed disappointment that for several consecutive CDG meetings, the Commission is incapable of providing an explanation as to why its proposal has not been presented and when it will be finally presented.

The representative highlighted the importance of the COM proposal, in order to clarify the future direction of the promotion policy as soon as possible. With a 20% decline in the number of applications submitted for the 2022 Call, the representative from COPA-COGECA encouraged the Commission to reflect on the uncertainty that the lack of a Commission proposal is generating within potential applicants. Especially representative organisations of farmers producing wine and meat don't know if they are considered legitimate applicants for support from the promotion policy. They are extremely concerned.

The representative concluded the intervention highlighting that the promotion policy, as part of the agricultural policy, is still a competitiveness-oriented policy, and thus the proposal for amending Regulation EU 1144/2014 should be within DG AGRI's competence.

The COM explained that DG AGRI is responsible, but the institution works collegially so it seeks an agreement among all the members of the College. Currently, the existing regulatory framework applies. This delay in presenting the proposal for amending Regulation 1144/2014 does not affect the implementation of the promotion policy under the current framework, which is functioning today.

The representative from COPA-COGECA disagreed and highlighted that the significant opposition to the proposed annual work programme 2023 expressed by Member States in the recent CMO meeting, may indicate that the separation between the review of the promotion policy and the implementation of the same policy is not so clear, and that the implementation under the current framework is now also being hindered by the lack of a clear proposal from the COM for the future policy, notably on the issue of exclusions of certain products.

The ECVC representative asserted that they cannot accept that meat is carcinogenic if consumed moderately as it is rich in protein and omega3. The delegate pointed out that there was a paradox: if promotion policy doesn't promote EU meat, imports are going to increase, and the quality of the meat is not the same. The EU risks increasing dependence on monoculture, which has been shown not to be as resilient.

The COGECA representative observed that the study on which the EBCP is based is highly contested among the scientists. COGECA questioned the fact that the promotion policy annual work programme for 2022 (and the subsequent Cal for Proposals) are referencing a study that is much contested among the scientific community and even the publisher of the study is now cautiously distancing itself from it.

IFOAM Organics Europe supported the COM on achieving more sustainability and aligning to Farm to Fork strategy. But the representative agreed that no exclusion for any specific EU agri-food products should be made. The focus should be put on rewarding the sectors that are making a significant effort to transition towards more sustainable food systems, and here the organic sector is extremely important.

Euromontana agreed with previous comments and explained that it is not about stopping promotion of the characteristics of certain products, but to look for a more sustainable way to produce these – which the promotion policy can incentivise. For this approach, it

is very important to promote local production, because it allows a more sustainable transport and greater control of the different aspects of sustainability.

FOOD DRINK EUROPE agreed on previous opinions and highlighted also that the study EBCP quoted in the annual work programme 2022 is very controversial within the scientific community. They urged the Commission to ensure a more robust scrutiny mechanism before referencing some questionable scientific studies in the annual work programmes of the promotion policy.

The COM stressed that all comments had been well noted.

Selection of simple programmes and multi programmes 2022

The Research Executive Agency presented the outcome of evaluation on SIMPLE and MULTI programmes calls for proposals on 2022. General remarks:

- The overall number of proposals is 20% lower compared to 2021
- Representation of MS is lower than in 2021, some applicants did not resubmit the proposals following rejection in 2021
- Competition low for the MULTI call: all proposals above threshold will be funded
- More ineligible proposals, in particular due to the non-respect of the rule on continuations, as well as proposals from ineligible applicants
- Feedback from experts: Overall, good quality of proposals, more efforts needed to better link the market analysis with programme objectives, strategy and activities.

REA also explained the rule regarding continuations (Art. 1(4) of Regulation 2015/1829). The purpose of this provision was to increase the number of organizations and markets participating in the calls. REA emphasised the need to constantly keep under review the scope of the promotion activities and the target markets if they wanted to continue receiving funds.

REA also explained the procedures currently in place for checks of potential Conflict of Interest (COI) with the expert evaluators that take part in the evaluation and selection of proposals.

Comments from CDG members:

The FRESHFEL representative highlighted his concern with the approach to the provisions on "continuations" used during the evaluation of the 2022 Call for proposals, and related specifically to the sector of fruit and vegetables. They are experienced applicants, and obviously, they submitted proposals for fruit and vegetables, because it is what they produce. And while the targeted country can be the same, the type of activities that were included in previously selected projects was different from the new proposal submitted.

The representative mentioned that a lot of work was carried out by applicants, and based on the continuations rule, the proposal won't even be evaluated (because they were considered ineligible).

He asked COM to be open to the option of launching an appeal. Because the programmes submitted were different programnes to the ones that had been implemented, incorporating new priorities, different products in the basket, targeted different groups of people (e.g. millennials). This in their view should constitute a different programme and therefore should not be considered a continuation.

The COM replied as follows:

- COM will not comment on the merits of individual applications, or on the individual assessments carried out by the eligibility committee.
- COM has already discussed this issue with the MS national competent authorities.
- According to the Commission Delegated Regulation 2015/1829, promotion measures co-financed by the EU should aim at opening new markets and should be undertaken by a wide range of organizations. Any continuous support for the promotion of the same products on the same market *ad infinitum*, is not consistent with this objective.
- On March 2022, the REA published and disseminated a set of Frequently Asked Questions concerning the interpretation of "two consecutive occasions".
- This interpretation was scrupulously followed by the eligibility committee of the promotion policy's 2022 call for proposals and guided the eligibility checks carried out on all applications, irrespective of topics applied to, irrespective of product or sector and irrespective of the country of the proposing organization.

COPA-COGECA asked for clarification concerning the statistics presented by REA, because he thought that simple programmes should be carried out by only one organization, and also asked about flexibilities of budget transfers between simple and multi budgets.

REA clarified that if applicants are from the same MS, they can apply as a consortium also for simple programmes (i.e. one <u>or more</u> organisations from the same MS). REA explained that the conditions to transfer unused budget between topics is established in the AWP, but budgets lines for SIMPLE and MULTI programmes have different management, therefore, budget cannot be transferred from SIMPLE to MULTI or viceversa.

COGECA enquired about differences that can exist between the budget allocations to topics such as sustainability and organics and what the consumers in third countries really want (consumer demand). How will REA and the COM take this into account?

REA explained that the market study included in the submitted proposals must identify the different market opportunities and is specific to the target markets that are identified in each proposal. It is extremely important to present a comprehensive market study that underpins the activities proposed in the programme proposal.

Origin EU pointed out that there is a strong demand for the topic on EU quality schemes, in both SIMPLE and MULTI programmes (significant over-subscription). It is important to support GIs so we must have a higher budget allocation in 2023 to promote them.

COPA COGECA recommended that given the statistics presented by REA on the Call 2022, the COM should re-consider the organics budget for the Call 2023.

The COM stressed that all comments had been well noted.

Update own initiatives of the Commission

The COM presented the promotion activities implemented and planned on the initiative of the Commission, including campaigns and high-level missions organized. COM also informed about the upcoming market entry handbooks.

Comments from CDG members:

FRESHFEL considered that there is a certain repetition of the countries targeted with own initiatives, and proposed to consider Egypt as a target country in future planned activities.

ECVS highlighted they do not support promotion in third countries when there are millions of people in the EU who do not have access to quality food.

COPA-COGECA asked COM about the experience related to the demand for information about EU organic products in international events.

COM answered that organics is an important quality sector, and it helps COM to explain sustainability and its importance from the point of view of EU policy.

Any other business

On 3 August 2022 the COM adopted a Commission Decision (EU) 2022/1368) which sets up Civil Dialogue Groups in matters covered by the common agricultural policy and repeals the previous Decision 2013/767/EU.

A stocktaking meeting was held with all CDGs on 23/09, the minutes of which were uploaded in CIRCABC.

The call for applicants was published on 27/10 with deadline 29/11; all information in the call documents on the portal Register of Commission expert groups and other similar entities (europa.eu)).

The new CDGs will be in place in 2023 and the COM will resume the schedule of CDG meetings on quality and promotion as in past years.

The call for applications to the new CDG set-up, has been opened. Dateline 29 of November. So please apply.

Comments from CDG members:

EUROPATAT made a general intervention. Also supporting the principle of no discriminations between products in the context of the AWP 2023 and future promotion policy review. They believe that a healthy diet is a balanced one. The delegate asked for the adoption of the AWP and presentation of the Commission proposals on the review of policy as soon as possible.

Finally, the delegate suggested that in the future these CDG meetings should be in person again, because many representatives are in Brussels.

Afternoon Session on Quality

Revision of geographical indications - State of play

AGRI.F3 presented the state of play of discussions on the legislative proposal for geographical indications (GIs) in the Council and in the EP, and reminded of the main elements of the proposal. The related power point presentation was shared with the participants via CIRCABC and published on the COM website.

Comments and questions by the CDG members:

COPA-COGECA asked about the rationale for changing the scope of the draft Regulation, notably keeping wool and silk in the text but transferring some other products in the scope of the draft Regulation on GIs for crafts and industrial products. It called for a careful approach with the sector specificities. As regards EUIPO, clear reliable rules are needed. As regards sustainability, the requirements might only be applicable to certain producers. COPA-COGECA would like to know how the producers of the primary product would be affected if the sustainability requirements for the ingredients are included in the product specification of a processed products that uses a GI product as an ingredient. Notably PDO production is concerned due to the producers of the ingredients present in the geographical area who might get under pressure. Could there be some transitional provisions? Also, if sustainability criteria are included in the product specification, they become obligatory for the producers of that GI. Could they be written down somewhere else?

EFOW considered that the GI policy has not been reviewed fully and that the proposal is quite disappointing. There is a need to increase protection and empower producer groups. The proposal includes too many delegated powers for the Commission and seems to be just an excuse to formalise the co-operation with EUIPO to which EFOW opposes. Having a single Regulation for all GIs will reduce the GI system and the quality of GIs; wine GI rules should stay together in the Common Market Organisation Regulation. EFOW is working with the EP to improve the text.

In SACAR's opinion, proposed changes will lead to difficulties. SACAR also pointed to one amendment application from September 2020 not having yet being approved which is a missing opportunity for the producers.

OriGIn commented that GIs are key agricultural tools and make part of the Farm2Fork Strategy. This is why their treatment should not be moved to EUIPO; the system that works should not be undermined. Novelties with regard to on-line sales and domain names system are welcome, OriGIn hopes that EP would go even further. OriGIn questioned the powers and responsibilities for EUIPO, notably as the Commission only registers the GIs and approves the Union amendments which is manageable from the workload perspective.

Slow Food commented on sustainability, notably that there is no specification in the proposal what sustainability criteria are and that those should not be left to the delegated acts.

Arepo agreed with the previous speakers on the issue of EUIPO. They wondered why GIs no longer make part of the quality policy while they were a part of the CAP and the quality schemes since 1992.

SpiritsEurope commented that the Regulation rules for recognised producer groups should not interfere with internal rules. On sustainability, they considered that sustainable business practices should be in the domain of local authorities, flexible and subject to the subsidiarity principle. SpiritsEurope welcomed the rules on legal protection and labelling. On EUIPO, they considered that GIs might become more attractive if managed by EUIPO, however the latter should only have limited tasks.

Via Campesina expressed concerns about the use of pesticides, dangerous for water, soil and health. They also considered that closer ties are needed between organic products and GIs, and that wine should respect organic production methods.

Director Canga Fano commented that GIs do make part of the agricultural quality policy. As regards the role of the EUIPO, the Commission will keep the final decision on GIs. With the Geneva Act work and decreasing staff, the Commission focus should be on the key impacts and decisions. As regards wine GIs, the advantage of their integration (except the wine specificities) in a horizontal Regulation is also the approach on promotion, lately faced by difficulties to promote wine. Director Canga Fano informed that he will organise a dedicated meeting on wine GIs.

AGRI.F3 provided the following clarifications:

Scope of the draft Regulation: Following the discussions in the Council and in the EP on of the draft GI Regulation on agricultural products on side, and the draft Regulation on crafts and industrial products on the other hand, CZ Presidency slightly modified the scope of the both, so that a few industrial products originally in the scope of the agricultural GI draft Regulation were moved to the latter. What is kept in the draft GI Regulation on agricultural products are notably wool, silk, flax and hemp, salt and aromatised oils, also because some of these have a CMO regime or GIs have already been registered in these sectors under the agricultural GI regime.

<u>Delegated acts</u>: CZ Presidency has already deleted certain empowerments for the Commission, notably all those related to EUIPO. In the latest redrafted version, all EUIPO tasks are laid down in the basic act. Indeed, we should not undermine what has been working well and EUIPO cooperation has proven during the last 4-5 years to be effective as regards the treatment of GI applications. As regards the delegated powers related to sustainability rules, not knowing the outcome on the Sustainable Food System (SFS) discussions, it is not possible to include the sustainability criteria in the GI basic act; moreover, possible provisions in a future delegated act could help the GI sector meet the sustainability requirements of the future SFS framework law.

Recognised producer groups: One of the objectives of the GI revision that has been strongly supported by stakeholders is to empower the producers and producer groups. While in some Member States, producer groups are well structured and provide the necessary services to GI producers, it is no so in all Member States. Often a producer group is created only for the purpose of submitting the application to register a GI and it does not manage, promote and defend a GI during its life cycle. To improve this, the Commission proposed further roles for the recognised producer groups, which however require certain representativeness to act on behalf of all producers. The legislative

proposal does not interfere with the internal rules of the (recognised) producer groups however it ensures the representativeness for certain tasks of the recognised producer groups.

<u>Sustainability</u>: The proposed rules on sustainability are broad enough to ensure flexibility and the respect of the subsidiarity principle: higher sustainability ambition is voluntary and criteria to be respected are chosen by the producer groups; they can decide on the transitional periods to be included in the product specification, if needed. If the product specification includes the sustainability rules for the raw materials / ingredients, it is suitable if the primary producers / suppliers are involved in the discussions on the sustainability criteria. Co-operation in the value chain is important to prevent putting the supply of ingredients for the GI and their producers in danger. Sustainability criteria can also be included in other documents than the product specification, like in a separate document of the producer group, sustainability statement, GIview.

<u>GIs and organics</u>: Very few GI products are produced organically. There might be the producers of organic GI products but the requirement to produce in organic manner might not be included in the product specification as not all producers of one GI can ensure organic production methods. The EU is promoting organic products through the CAP funds (notably support to organic production). Having more GI organic products could be another value added for GIs.

Any Other Business

COPA-COGECA proposed the agenda to include also other points than GIs, notably DG SANTE issues and product differentiation in the market.

Director Canga Fano took note of this request and commented that indeed, topics like the Geneva Act and DG SANTE initiatives could be discussed in the future CDG meetings.

4. Next meeting

The next meeting will take place on 29 March 2023.

5. List of participants

Disclaimer "The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

Electronically signed

Diego CANGA FANO

List of participants— Minutes Meeting of the CDG Quality and Promotion 07 November 2022

07 November 2022
ORGANISATION
ASSOCIATION DES RÉGIONS EUROPÉENNES DES PRODUITS D'ORIGINE (AREPO)
BUREAU EUROPÉEN DES UNIONS DE CONSOMMATEURS (BEUC)
EUROMONTANA (EUROMONTANA)
EUROPEAN AGRI-COOPERATIVES (COGECA)
EUROPEAN COORDINATION VIA CAMPESINA (ECVC)
EUROPEAN COUNCIL OF YOUNG FARMERS (CEJA)
EUROPEAN ENVIRONMENTAL BUREAU (EEB)
EUROPEAN FARMERS (COPA)
EUROPEAN FEDERATION OF ORIGIN WINES (EFOW)
EUROPEAN LANDOWNERS' ORGANIZATION ASBL (ELO ASBL)
EUROPEAN LIAISON COMMITTEE FOR AGRICULTURE AND AGRI-FOOD TRADE (CELCAA)
EUROPEAN RURAL POULTRY ASSOCIATION (ERPA)
FARMHOUSE AND ARTISAN CHEESE AND DAIRY PRODUCERS' EUROPEAN NETWORK (FACENETWORK)
FOODDRINKEUROPE (FOODDRINKEUROPE)
FRIENDS OF THE EARTH EUROPE (FOEE)
IFOAM ORGANICS EUROPE
Organisation pour un réseau international d'indications géographiques (oriGIn)
SACAR - SECRÉTARIAT DES ASSOCIATIONS DU COMMERCE AGRICOLE RÉUNIES / JOINT SECRETARIAT OF AGRICULTURAL TRADE ASSOCIATIONS
271)

SLOW FOOD (NA)