

**Final Minutes of the Civil Dialogue Group on Quality and Promotion**

**16/06/2015**

The meeting was chaired by Mr Jochum.

Approval of the agenda and minutes of the meeting on 13/02/2015:

The agenda and the minutes of the last meeting were adopted without further comments. The chair reminded the adoption of the Strategic Agenda following the last written consultation and intensive discussions in previous meetings.

- An Origin representative asked for an update on the Lisbon Agreement and its assessment. It was also asked if the Commission was planning to sign the Geneva Act.

- A European Commission representative stressed that the Commission was very pleased with the achievement. It was reminded that during the CDG on International aspects the Commission was going to report more in details about it.

**Promotion of agricultural products**

Reform of the EU promotion policy - State of play and discussion on the progress of implementation and on the draft implementing acts

- Following a general presentation on the new regulation, a Commission Representative explained the main elements of the different legal acts (secondary law). For instance, proposing organisations must be representative of the sector or product concerned with different requirements for each category (for example, 50 % rule for trade or inter-trade organisations). It was also explained that consecutive support for the same programme is only possible for two times. Concerning the visibility of brands (draft implementing act), the COM Representative reminded that campaigns have to be generic. They cannot focus on brands or origin but they can be mentioned complying with certain rules.

Brands can only be mentioned for certain types of actions, with a minimum of 5 brands and a maximum of 5% of the total surface area. The mention of origin shall be limited to visual support and the message must not hide the Union message.

Simple programmes must be implemented in at least 2 Member States or in 1 Member State if not the one of origin of the proposing organisation. Implementing bodies will be selected via competitive procedure ensuring best value for money according to the rules on public procurement.

Regarding the management of programmes, it was reminded that Multi-country programmes will be directly managed by the Commission. The new simplified implementing rules for simple programmes were also explained.

To conclude, it was explained the tools developed to monitor the impact of the programmes with a tool kit of indicators including output indicators, result indicators and impact indicators. The draft implementing act may be voted on 8th September.

- The Chair thanked the Commission and the floor was opened for questions/comments.
- A CELCAA representative asked for clarification regarding the maximum 5% of the total surface area and its evaluation. It was also suggested the possibility to send written questions to the Commission regarding the implementation.
- A Euromontana representative asked if public bodies representing producers could also benefit. It was also asked the reason to suggest a minimum number of 5 brands.
- A FoodDrinkEurope representative stressed that the requirements proposed for the brands and the maximum limits were quite restrictive. It was also asked clarification regarding the procedure to quantify it.
- A Copa-Cogeca representative thanked the Commission and reminded the importance of sending material in advance. Clarification was asked regarding representativeness and derogations as well as the possibility to be flexible on accepting justifications and proposals. It was also asked the possibility to run a campaign for a product with a Geographical Indication and a national label.

Regarding the question on agri-food sector bodies the COM representative reminded the definition in article 7.1(d) of the basic act. Concerning brands, article 4 of the basic act stipulates that messages cannot be brand or origin oriented. Brands can be shown but only in a limited way. It was also clarified that the maximum 5% represents the proportion compared to the lay-out of the campaign or poster. For the representativeness, there are several derogations foreseen in the delegated act and operators will have the opportunity to justify why they should be eligible.

- A Copa-Cogeca representative underlined that some of the requirements concerning the display of brands are too restrictive. It was also explained that impact indicators are more difficult to measure and less suitable than output or result indicators.
- A Sacar representative asked for clarification regarding the representativeness. Previous comments regarding brands and impact indicators were supported and it was asked if training regarding the new policy was foreseen.
- An AREPO representative stressed the importance of protecting the geographical origin and supported the requirements proposed concerning the origin of the Geographical Indications.
- An ERPA representative asked for the possibility to promote high quality European products that have both the Geographical Indication and a national quality scheme.
- The chair underlined the importance of constructive discussions and formal dialogue between operators and Institutions. It is also important to explain and disseminate the new policy.
- The COM Representative reminded that the requirements regarding brands were based on the restrictions of the basic act. It was also explained that the control on how brands were shown during the campaign is going to be ex-post.

There will be a constant effort to inform operators and several workshops will be organised. Regarding the possibility to have promotion campaigns promoting a GI and national quality scheme, it was explained that separate campaigns will be necessary.

Exchange of views on the draft Annual Work program 2016:

- A Commission Representative reminded that it was a preliminary draft still subject to changes. It was also explained that one of the main elements was to have clear priorities established every year as requested by the European Court of Auditors.

It will be adopted annually. For 2016, priorities will be structured under 4 main themes: simple programmes in the internal market (16,75 M €), simple programmes in third country markets (46,90 M€), multi programmes in the internal market and the third country markets (14,30 M €) and simple programmes following a serious market disturbance (3,35 M€). These figures are only indicative and may evolve until the adoption of the AWP.

Flexibility between the different budgets per priority is foreseen according to criteria that will be defined. The different priorities allocations were explained (please see presentation for detailed amounts) highlighting the clear emphasize on third countries were the priorities were established according to a macroeconomic analysis.

It was also explained that the budget for multi-country programmes was too low to define priorities in 2016.

The annual work programme also foresees the possibility of a specific call for proposals to react in case of serious market disturbances. If there is no need to launch this call, the money will be reallocated.

- The chair thanked the Commission and opened the floor for questions/comments.

- A CELCAA representative referred to the importance of not only promoting Geographical Indications but also other quality schemes.

- The COM Representative stressed the limited knowledge of GIs by many consumers in some Member States and the importance of promoting it.

- A Copa-Cogeca representative underlined the importance of combating fraudulent practices and imitations as well as enhancing the competitiveness of the EU sector. It was also stated that there was too much focus on exports. Farmers have more and more requirements such as animal welfare and this should be promoted. It was also suggested the need to define stronger priorities in the neighbouring countries.

- A Sacar representative stressed its surprise about the imbalance in the draft budget allocation. It was also suggested the need to establish certain criteria allowing proposing organisations to target several markets within one programme. It was also highlighted that the foreseen budget for neighbouring countries was very low.

- An EFOR representative asked if the Commission was considering to define the 2017 Annual Work Programme following the same process that for 2016.

- A FoodDrinkEurope representative underlined the imbalance between the different headings. The need to increase the budget for multi-country programmes was suggested. Clarification regarding the budget allocation for multi-country programmes was also asked.

- The COM Representative explained that in the case of multi-country programmes the full money must be committed in 2016. In terms of budget, there will be an increase in the coming years that will allow a transition.

The Commission reminded that the Russian ban showed the need to look for new markets in third countries and indeed, the annual work programme pays tribute to this as well.

- A FoodDrinkEurope representative underlined their disagreement with the allocation to GIs in the internal market that will exclude de facto many products. Clarification was asked regarding the possibility to present a multi-country programme in case of a serious market disturbance.

- The COM Representative explained that in case of crisis, only simple programmes are possible because multi-country programmes need more time to bring countries together. Regarding the definition of serious market disturbance, the Commission will look into the conditions on a case per case basis.

- A Euromontana representative stressed the importance of the promotion in the internal market and the need to inform consumers. Actions in the internal market are important to strength the EU.

- A Copa-Cogeca representative asked for clarification regarding the different budgets per priority. For instance, if there are not enough proposals on the ranked list to use earmarked amount.

- An EFNCP representative underlined their disagreement with the unbalanced budget between the internal market and third countries. It is important to ensure the local market. For this reason, the promotion policy should promote products that were produced with European raw materials.

- The COM Representative explained that flexibility regarding the different allocations was foreseen. There will be a reallocation according to a ranking list. The system will assure that the money is used as much as possible.

#### Agri-food trade picture 2014:

- The COM Representative provided an overview on the global trade in 2014. In general terms, EU trade increased. Although the group of top export and import countries did not change much, the global trade picture has been dramatically influenced by the Russian embargo. The most affected sectors are dairy, meat and fruit and vegetables (please see more details regarding the different flows in the presentation).

- The chair thanked the Commission for the presentation and the floor was opened for questions:

- A FoodDrinkEurope representative thanked the Commission for the interesting presentation and suggested to look at longer periods of time, for instance 5 or 10 years.

#### Presentation on instruments supporting EU business in their internationalisation efforts:

- A Commission Representative provided an overview on the different actions on-going with useful information for exporters. This includes, for instance the MADB. It is a market access database with information access, SPS details, etc. There is also a SME portal, the Enterprise Europe Network or the EU IPR Helpdesk which is interesting for the GIs to defend the intellectual property rights.

More information was also provided on different tools to do business in Europe such as points of contact or information on taxation as well as country/region specific services.

Regarding DEVCO Instruments, the COM representative provided a general overview on their initiatives on-going. They focus on direct support services including Chambers of commerce or other organisms offering support and help to exporters and SMEs. They offer different services such as information on SPS barriers. The COM is looking for consortiums and cooperation with already existing chambers to work on market access.

- The COM Representative agreed to provide information that might be useful for the CDG regarding possible organisations of this kind.

- The chair thanked the Commission for the presentation.

#### Information on High Level missions:

- A Commission Representative explained the campaign currently on-going in China that is focusing on Geographical Indications. On 6th May the event was launched in China together with several consumer roadshows in several Shopping malls and different products tasting events. Good press coverage of the event was got. The Campaign will last over 7 months (grouping the products in six categories) and all GIs can be promoted there as long as they can be imported to China.

- The chair thanked the Commission for the presentation and the initiative and encouraged the experts to take an active role on these campaigns.

- An EFOR representative congratulated the Commission for the mission considering the important market that China represents. More information regarding the state of play of the trade agreement was also asked.

- The COM Representative clarified that the campaign was in the context of the negotiations between the EU and China to raise awareness of the importance of GIs. The agreement was not concluded yet.

#### 1st wave 2015 – decision of the Commission of 20 April 2015 – Approved promotion programmes:

- A Commission Representative reminded that this was one of the last waves with the old regime. The Commission received 64 proposals. More budget was available as a response to the Russian ban. 41 out of these 64 were accepted: 17 are targeting the internal market and 24 third countries. It was underlined that for the first time, only 4 were limited to the country of origin.

On 15<sup>th</sup> November, the Commission will take a new decision but it seems that the it might follow a similar approach.

- The chair thanked the Commission for the presentation.

AOB:

- At the end of the Promotion discussion, the Commission provided a brief overview on the future of the Agency (CHAFEA). Indeed, CHAFEA is not going to do the management of all programmes. It will be limited to multi-country programmes.

Programmess will be directly sent to the Commission (one step evaluation). Then, the simple programmes will be managed by the competent authorities of the Member States plus the operators. In the case of multi-country programmes there will be a contract between CHAFEA and the organisations.

<b>Quality policy:</b>
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Simplification of the quality policy:

- A Commission representative reminded that the aim of the discussion was to simplify the system to make it easier for operators. One of the main problems is that currently the procedures are taking so long.

With regards to the length of procedures, the COM sent a questionnaire to Member States to learn from the procedures that they have in place, deadlines, etc.

Replies from 24 Member States were received and the Commission is still translating them and analysing them. It was explained that the procedure for amending the product specification takes more or less the same time that for new applications.

Two meetings with Member States to discuss this issue were held. In the European Parliament, Intergroup Wine, Spirits and Quality Foodstuffs discussed simplification on 11 June 2015.

The Commission is also analysing the contributions received from stakeholders. Regarding next steps, the Commission is still reflecting on the contributions received.

- The chair thanked the Commission for the presentation and the opportunity to report back with written contributions. The possibility to set up a working group with representatives from the sector and national authorities to look at the procedure was suggested.

- A CELCAA representative asked for preliminary findings (commonalities or big differences) regarding the consultation with Member States.

- An EFOW representative reminded that all the sectors had a reform recently and that they are against any potential review of the quality policy that could unify the current rules. The Commission needs to ensure that there is not undermining of the current system.

- A Euromontana representative proposed to introduce a mini PDO that would allow to have a PDO brand limited to local production and local products with limited economics. It was supported by Slow Food.

- An Origin representative supported the previous intervention of EFOR and underlined that the recent reforms of the quality policy do not make necessary a new reform.
- A FoodDrinkEurope representative underlined the importance to keep the specificities of the different sectors with the possibility to align some procedures. For instance, spirit drinks only have the concept of Geographical Indication and the use of the logo is not compulsory and therefore, this is essential for them.
- A Copa-Cogeca representative explained that the simplification should benefit producers keeping in mind that sectors are different and have their own specificities.
- The COM Representative reminded that they were still collecting points of view and information on procedures that could be simplified. A detailed presentation will be provided in future. They will be looking at whether they can make temporary modifications (for instance, in case of floods, droughts, etc.). It was also reminded that in the framework of the 2015 trademark reform package, the legislator has created the possibility to have certification marks at Member State level.

State of play of application requests PDO/PGI/GI in different sectors:

- A Commission representative explained that the Commission was currently working on several amendments. In the case of wine, the legislation required that the Commission had to see whether any of the existing names should be removed from the register. Indeed, they had to face very high number of amendments (more than 1000). One category of amendments were those required by the legislation to align the product specification with the requirements. The second category was amendments to correct mistakes and minor errors. The third category was minor and major amendments.

All the names which were already registered will stay in the register. In the case of other amendments, letters have been sent to the respective Member States.

In the case of the food sector, two thirds of the submitted files are new applications and one third are amendments. In the spirit drinks sector the Commission received 250 files out of which there are 7 new applications and the rest are existing GIs that have to be scrutinized by the Commission.

- The chair thanked the Commission for the presentation and the floor was opened for questions/comments.
- A Copa-Cogeca representative asked for clarification in the case that the Member State did not submit spirit drinks files for existing names.
- The COM Representative clarified that in the case of spirit drinks, if files were not submitted by 20 February 2015, the names will be removed from the register.

Protection of EU GIs in third countries – request for personal protection:

The COM Representative underlined the efforts of the Commission to ensure that in agreements with third countries European GIs are protected. Moreover, in most cases the situation for obtaining a high level of protection through an agreement could be improved if

individual protection is requested for individual products already beforehand. The aim of the Commission is to make sure that all products have the same level of protection.

- The chair thanked the Commission and the floor was opened for questions/comments.
- A Copa-Cogeca Representative explained their findings in the USA and Canada where their own brands make it difficult to sell original products in these markets. It was also underlined the importance of strong efforts with the trade agreements.
- An Origin Representative stressed the importance of the list of GIs in terms of on-going negotiations. When it comes to the TTIP and the negotiations with China, it is essential to look at the protection of GIs including the protection on Internet.
- A FoodDrinkEurope Representative underlined the importance of being more proactive defining our goals. The last developments and the WIPO Agreement were also welcomed.

Registration PDO/PGI : interaction between national level and Commission level procedures:

- The COM Representative presented the relationship between national and EU procedure and the entire registration procedure.

It was explained the general need to simplify these aspects. Maybe, a single registration procedure at one level could simplify things.

When Member States send their application to the Commission the EU procedure starts. However, the decision of the Member State to send the application can be appealed in the national legal system.

If the decision is appealed at national level, it may therefore happen that the Commission and a national Court assess in parallel the same file and reach opposite conclusions.

This is what exactly happened in the application for registration of the PGI “Piadina Romagnola”. The Commission registered the PGI “Piadina Romagnola” while an Italian Court had annulled the product specification of that product. The European Court was seized (case T-43/15) and it was claimed that the registration was therefore based on a legal act that no longer existed. In the meantime the Italian Council of State has annulled the judgment that annulled the product specification. The case is however still open before the European Court.

In the light of the above, this mechanism allowing parallel proceeding could be revised in the simplification exercise..

- The chair thanked the Commission and the floor was opened for questions/comments. The importance of this discussion was also linked to the previous discussion on the quality policy. The possibility to bring an arbitrator to avoid bad practices was also suggested.
- An EFOW representative asked more details regarding possible proposals/suggestions from the Commission’s side to avoid problems between the national and European procedure.
- A CELCAA representative asked for clarification regarding the bodies that are legitimate to raise an objection.



- The COM representative suggested the idea to explore one single registration process to improve the procedure. With regards to the opportunity to raise objections, the Commission clarified that the authorities of a Member State or of a third country, or a natural or legal person having a legitimate interest and established in a third country may lodge a notice of opposition with the Commission.
- The chair thanked the Commission and underlined the importance of this topic for future discussions to improve the procedure.

State of play on the proposal on trade marks:

- A Commission representative provided a presentation on the state of play of the proposal. Discussions came to an end on 23<sup>rd</sup> April and the final texts are already available. These final texts will be subject to a revision by lawyers.

The major aim is to modernize the trade marks system in Europe. It will bring significant improvements to the sectors. There was an agreement at EU level to introduce the certification mark. The compromise was to delete geographical origin as one of the characteristics of the certification. The representative explained that GIs can also be protected by trade marks.

- The chair thanked the Commission and the floor was opened for questions/comments. More details regarding the possibility to help small procedures to be better protected were asked as well as the possibilities to protect collective trade-marks during negotiations with third countries.
- The COM representative reminded that collective trade marks were not identified by any of the parts in the TTIP as a possible problem.

Implementation of Regulation No 1169/2011 on the provision of food information to consumers: Presentation of the report regarding the mandatory indication of the country of origin or place of provenance for milk, milk used as an ingredient in dairy:

- A Commission representative provided a presentation on the main outcome of the Commission's report to analyse the feasibility of defining new Country of origin labelling rules in the case of milk and milk used as an ingredient in dairy products.
- The Commission reminded that this report together with the other one were going to be presented to the Council in Luxembourg. The report is going to launch the discussion with the European Parliament and Council.

In the reports, different products were analysed as well as the different ways to define origin. Although the consumer is really interested, different surveys suggest that consumer's willingness to pay is low. Depending on the product and on the scenario, the costs will vary.

Mandatory origin labelling would entail higher regulatory burden for most of the products assessed in the report and therefore, the question at stake is to assess whether the balance between costs and benefits is such that it would justify its mandatory indication.

- A Copa-Cogeca representative stressed the importance of clear rules to implement article 26.3 on voluntary COOL rules.
- A BEUC representative underlined its disagreement with the conclusions of the report. Voluntary information may not meet consumer's expectations. EU consumers are prepared to pay more and the Commission should better reflect it in the Study as well as the costs estimated in the report.
- An ERPA representative asked if poultry meat with Geographical Indication was also affected by the new COOL rules for fresh meat.
- An EFNCP representative asked for more details regarding the operators consulted when drafting the report. Considering that traceability is already mandatory they do not believe that extra costs should be foreseen.
- A CELCAA representative underlined the importance of keeping the proper functioning of the single market and the difficulty to develop COOL rules for the milk sector.
- A Euromontana representative asked for more details regarding the position of the Public Institutions including European Parliament and Council.
- A Slow Food representative stressed its disappointment with the conclusions of the report. It is important to help consumers to make informed choices and to protect them against misleading practices.
- The COM representative reminded that the Commission was currently presenting the conclusions of the report to the Member States. It will be now up to the European Parliament and Council to analyse the findings of the report. Regarding the questions on poultry meat with GI, it was explained the obligation to comply with the obligations of regulation No 1169/2011 and therefore with the new COOL rules for fresh meat. The COM agreed with the need to look at article 26.3 defining voluntary country of origin labelling rules.

*Disclaimer*

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