

Final minutes of the Civil Dialogue Group on Quality and Promotion**24/02/2016 – REV 2**

- The meeting was chaired by Mr Jochum.

Approval of the agenda and minutes of the last meeting

The agenda and the minutes of the previous meeting were adopted.

- A CELCAA representative requested adding an item to the agenda for an update on the latest developments concerning voluntary COOL rules (Article 26.3 of regulation No 1169/2011), taking the ongoing discussions with the Member States into account. Information on the proposal on marketing standards was also requested.

- A Cogeca representative supported the previous request and underscored the importance of the discussion on origin labelling for this Civil Dialogue Group.

- The Chair explained that these points had already been put to the Commission prior to the meeting. He regretted that they had not been accepted by the Commission's services and stressed the importance of this topic.

Presentation and exchange of views on the preliminary findings concerning the possibility to further simplify the quality policy

- The Commission representative detailed the background to this discussion on further simplifying the quality policy. The process had begun some time ago, following a request by President Juncker to Commission Hogan.

After the non-paper including some ideas and questions, the Member States and stakeholders were invited to contribute. No decision had yet been reached.

As it was already said in the last meeting of the Civil Dialogue Group, on 9 December 2015, considering that the single CMO requires to update the existing implementing rules for wine (Lisbonisation), the Commission has already started working on the implementing and delegated act with regards to Geographical Indications in the wine sector and in particular as regards the procedures.

Discussion on the preparation of a Delegated and Implementing acts on Geographical Indications in the wine sector has therefore already been launched in the framework of the "Expert Group for sustainability and quality of agriculture and rural development" and of the "Committee for the Common Organisation of the Agricultural Markets (wine)". The last meetings of the Expert Group and of the Wine Committee took place on 1 of December. On 9 December 2015, in the last meeting of this Civil Dialogue Group on Quality and Promotion, the Commission has already reported about the exchanges of views on the preparation of such Delegated and Implementing acts that had occurred in the 1 December meetings of the mentioned Expert Group and Wine Committee. In that context, the Commission had drafted a preliminary working document to prepare these regulations and had asked the experts and delegated of Member States to send their comments to the Commission. The Commission's services had received some contributions, which they are currently analysing.

Regulation 110/2008 of the European Parliament and of the Council on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 must be modified to match the new legal environment created after the Treaty of Lisbon. The commission had already begun the process of adopting a proposal a few years ago. The process was then slowed down but now there are new conditions to resume it.

In this new situation, the Commission is reflecting on a few options regarding possible changes to the chapter concerning geographical indications. One option would be to make a simplification of procedural rules. Definitions and the content of protection would not be changed. At present, there are only internal discussions to DG AGRI so there is no definite and detailed position on this matter.

- The Chair thanked the Commission and opened the floor for questions/comments.
- A Eurocommerce representative asked whether the Commission was planning a reform similar to that in the organic sector.
- An EFOW representative stressed the importance of keeping the wine quality policy under the single CMO. EFOW was not against simplification, as long as it related to administrative procedures. As for the draft implementing act, the representative highlighted the importance of treating everything as a whole, including labelling, traditions, marketing standards, quality, etc.
- A Copa representative asked the Commission to be more precise on the simplification discussion. Copa also stressed the importance of taking the economic impact of Geographical Indications into account and the need to look at the market for these GIs.
- The Commission representative explained that they were currently thinking about how to further simplify the system. The Commission explained that the functioning of controls in the Member States was the responsibility of the Member States. The Food and Veterinary Office (FVO) carried out an audit to analyse whether the Member States control systems were compliant. The Commission is also organising a meeting with Member States every year to discuss how the controls were carried out and to exchange good practices.

The Commission was currently discussing the delegated and implementing acts with the Member States in the wine sector in order to tackle procedural matters. The Commission is analysing the comments submitted by the Member States. In the spirit drinks sector, the Commission has to draft a proposal for a Regulation of the European Parliament and Council.

- A FoodDrinkEurope representative asked for clarification on the amount of sales and the exports of Geographical Indications per country.

The Commission explained that although the Member States did not gather statistics, data were nonetheless available because they occasionally ran studies. External contractors tended to run the studies, which were always public. The latest data was from 2010. Regarding small-scale producers, the Commission was now looking more into the technical implementation of the procedures, although they also wanted to have a discussion on how to make GIs more successful and more attractive to small-scale producers.

Member State experience on the use of the optional quality term “mountain product” (Article 31 of Regulation No 1151/2012 and Regulation No 665/2014)

- The Commission representative explained that the Optional Quality Term (OQT) "mountain product" had been in place since the beginning of 2013 to promote agriculture in mountainous areas and to facilitate the recognition of mountain products. It was also intended to be a tool for small-scale farmers. Contrary to PDO, PGI and TSG, OQT scheme is simpler, notably applications are not sent in to the Commission and operators that comply with the criteria can directly use the Optional Quality Term.

The Commission explained that some countries, such as France, already had a system for labelling of mountain products in place prior to the EU system. Member States in the alpine regions have been discussing how to bring the system into force, yet this was the only information the Commission had as regards the implementation by Member States. The Commission would therefore welcome more feedback from the group.

- The Chair thanked the Commission and opened the floor for questions/comments.
- An Euromontana representative explained how the system worked and gave a brief update. They were working on an analysis. Different countries had different approaches. Some countries, such as Austria and Slovenia, had applied the legislation quite quickly. Austria did not make any adaptation at national level. No specific derogation had been introduced for both countries. Italy, France, Germany and Romania were actively working to introduce these elements into their legislation and select a monitoring body. Italy and Romania were considering reducing the distance stipulated in the legislation. Furthermore, Romania is trying to develop a national logo. Other countries such as Spain and Scotland (+Bulgaria, Croatia, Portugal) had not begun discussing or working on this matter.

There was a need to improve communication to promote the OQT and also see who was involved. It was also necessary to analyse the role that the EU could play, for instance whether the initiatives could be supported via promotion. A question was asked on whether the Commission could develop an EU logo.

- A Copa representative advocated controlling the use of this OQT to avoid misuse and to strengthen protection. Copa wondered how it would be possible to avoid cases of misuse if there were similar terms that did not comply with the criteria.
- A Cogeca representative explained that in France there was a system in place beforehand, so the main principles had not changed. Discussions with operators in the dairy and pigmeat sector were underway and the main concern was animal nutrition, in particular for pigs. The 25% for feed was partially successful. The 30 km radius was also working well.
- A FoodDrinkEurope representative underscored the need to include entrepreneurs who had the necessary skills and know-how, and not only small-scale producers.
- The Chair thanked the participants for their comments and highlighted the role of the OQT to promote mountain products.

State of play of discussions on the European Commission's proposal on official controls (written contribution)

- The Chair read out and explained the written contribution from DG SANTE.

European Commission initiatives to tackle food fraud: implications for quality schemes

- The Commission representative detailed the ongoing initiatives to tackle food fraud. The Commission firstly referred to current discussions on official controls. There were several provisions to strengthen the sanctions in the text.

The Commission also explained the role of the Food Fraud Network, which worked on administrative assistance. They had been in contact with Europol, OLAF, etc. Last year, the network processed more than 200 cases, most of which related to labelling cases of non-compliance. These cases frequently came from the Rapid Alert System for Food

and Feed (RASFF). The Commission also referred to their fruitful cooperation with other DGs, such as DG AGRI, for the TRACES system. The idea was to reduce the administrative burden for operators and to act on e-commerce.

- The Chair thanked the Commission and opened the floor for questions/comments. Due to logistical developments on global sourcing and the fact that food was transported all over the world very easily, the members highlighted the need to tackle criminal activities with strong Member State commitments.

- A EFNCP representative asked about the application of hygiene rules and the need to apply the rules in the same way in all Member States. For instance, flexibility criteria for small-scale producers.

- A Eurocommerce representative explained that legislation was not the only tool to achieve this goal. Eurocommerce also highlighted the need to improve knowledge and cooperation between the actors along the supply chain.

- An Origin representative explained that the Food Fraud Network was a very interesting initiative. They were also involved in the project "Better training for safer food" and one of the major challenges was to understand when public authorities could intervene ex-officio. They underscored the need to have a good and reliable database.

- A Copa representative asked for clarification on cases of labelling non-compliance, in particular if these related to real fraud or just minor mistakes on the label. Copa also highlighted the need to improve monitoring on the market.

- A CELCAA representative stated that there was much diversity in how the systems were applied in the different Member States and it was essential to have a harmonised system.

- The Commission representative reiterated the importance of the database to monitor the different ongoing transactions. It was a good database that was not going to solve every problem. The different tools would therefore be analysed. There was a large number of cases from the RASFF and the figures provided during the presentation related to real cases of food fraud. The Commission was defining the principles, but it was not always possible to convince the police to act. The Commission make the commitment to inform the EFNCP/CDG about how to insure the application of flexibility criteria to small-scale farmers in all member states.

Thoughts on how to take better advantage of the opportunities of the internal market and make GIs a true European success story

- The Commission representative explained that the EU was renowned for its high quality food products that have specific characteristics or farming attributes. This set them apart on the marketplace and was especially true for goods labelled under registered Geographical Indications (GIs).

To this day, more than 3,300 names have been registered in the EU for wine, foodstuffs, spirits and aromatised wines, and there was a continuing increase in the number of registrations. Nevertheless, there was much disparity between the Member States.

Another important feature of GI products was that they were often local/regional produce with 60% of sales on the domestic (national) market, leaving many opportunities for producers to tap the potential of new markets. This could in turn contribute to growth and jobs.

The Commission therefore would like to open a discussion about how European quality schemes could take better advantage of these assets and take their implementation one step further to make GIs a true European success story. How to encourage GIs, how to "Europeanise" them?

- A Copa representative reiterated the reasons behind developing the system in the past. The idea was to promote farming in local and rural areas. It would therefore be important to look at farmers' revenues and how to promote rural development.

- A Slow Food representative explained that the quality schemes were not only developed for export purposes. It was therefore important to look at GIs not only as a way to protect agricultural products for exports.

- An Origin representative explained that they had organised promotion campaigns using the EU logo and they had seen an improvement in recognition. It was thus vital to look at advertising and promotion. The principle was not only to focus on export markets, but also to protect national products. There were good opportunities under promotion, but small-scale farmers had limited funds. Origin asked whether European funds could provide the necessary money.

- A FoodDrinkEurope representative underlined the need to differentiate between wine and non-wine products for GIs. For some GIs, reaching the national market was already an achievement.

The need to work on quickly developing distribution and supermarket chains was highlighted. Another idea could be possible synergies with tourism.

- A Euromontana representative explained that it was not only about resources, but also culture and heritage. It was essential to establish a strategy beforehand and to analyse the role that the EU could play.

- The Commission representative explained that they were not planning to change the policy, just to improve the promotion of these products and are therefore looking for ideas.

- An EMB representative referred to competition between countries for certain products.

- An EFOW representative underlined the need to analyse different markets. The important question was not only increasing growth on export markets, but also whether the agricultural sector knew about this system. It was therefore important to provide more information to farmers.

- An ERPA representative cites the example of French poultry PGI: 5% only is exported while PGI poultry represent a significant share of poultry purchases in stores in France. The GI is important especially for the local consumer. For abroad, the added value will be more on the differentiation of quality. Export difficulties of these PGI products are 1) the need of communication to consumers involving large investments, 2) consumer confidence, with a risk of relocation in case of crisis, 3) the production has not necessarily development for a wider market.

To develop GIs in other countries where there are few, it would be useful to help producers to organize themselves for creating a PGI and to exchange experiences between groups of producers who already have PGI and those who want to create one.

- The Chair welcomed this discussion and explained that everything that helped to differentiate our products on the market was positive. In order to increase the number of GIs, it was also important to look at the administrative procedure, for instance, the accreditation system and competencies of the national authorities.

- The Commission representative thanked the Civil Dialogue Group for their interest in this reflection and welcomed written comments and critics. The EU logo was recognised by 20% of consumers, which could be further improved. The promotion policy and its funding is also a very important mechanism for the agricultural sector. Stimulating agri-tourism is fundamental and it is necessary to have a European vision. As for advanced payments from the promotion policy, the Commission representative explained that there is no such mechanism in place, and recalled the co-financing rates of 70 to 80%.

Presentation of the final report of the EIP-AGRI focus group on innovative short food supply chain management

- Professor Moya Kneafsey gave a presentation of the final report of the EIP-AGRI focus group on innovative short food supply chain management. The aim of this focus group was to identify the main instruments required to implement short food supply chains that could increase farm income; to highlight the factors that currently hampered scaling up initiatives; and to give recommendations.

The presentation detailed several examples, case studies and the benefits of collaboration.

To conclude, there was a need to find effective ways to share know-how and best practices in order to develop a collaborative approach. Short food supply chains were sustainable and it was necessary to find out how best to organise producers to enter into dialogue with the authorities.

New thinking needed to transcend health, agriculture, the economy, social security, transport, the environment and planning.

The Chair thanked Professor Moya Kneafsey and, due to a lack of time, the members of the CDG were encouraged to contact her for further information.

Promotion policy - Annual work programme for 2017

- The Commission representative reminded members that the new promotion policy foresees the definition of an annual work programme every year. This sets out strategic priorities for promotion measures in terms of products, schemes and markets to be targeted, and the corresponding allocated budgets.

The Commission representative went over how the annual work programme had been defined in 2016, as well as the priorities established.

Following the same procedure, the members of the Civil Dialogue Group were invited to submit their suggestions for the AWP 2017 and work on the basis of the objectives of the new promotion policy; market opportunities identified on the basis of the trade policy; and macroeconomic analyses to map market opportunities and the sectors facing difficulties.

- The Chair thanked the Commission, the members of the CDG and the interpreters and closed the meeting.

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