

## **Final Minutes**

### **Meeting of the Civil Dialogue Group “Quality & Promotion”**

**Date: 1<sup>st</sup> July 2021 (via Interactio)**

**Chair:** Mrs RUBBI (SACAR)

**Organisations present:** All Organisations present (except EMB, FOEE and WWF) as per list in Annex.

**Approval of the agenda:** Agenda is approved. Minutes need to be provided in the next 10 days.

Approval of the meeting of the previous meeting: The minutes are approved without any amendments.

**Nature of the meeting:** The meeting was non-public. Meeting was for the appointed CDG organizations and was not webstream.

#### **Policy points discussed during the CDG Quality Policy and Promotion**

##### **Morning session on Quality**

###### **1. Revision of marketing standards; state of play**

Presentation by the Commission (Alexander Stein - AGRI G1) on the revision of the marketing standards as part of the Farm to Fork strategy. An evaluation of marketing standards was already done in 2020 showing that marketing standards were fulfilling their objectives and that cost were relevant and providing added value. They are however several issues to be assessed, e.g. on the impact of technological evolution of the products. Earlier this year an inception impact assessment framed the scope of the consultation. A new consultation to stakeholders started in June with deadline end of August. The Commission is urging stakeholders to take part to the consultation. Link to the consultation is [here](#).

###### **Comments from the CDG representatives:**

It is important to update the marketing standards regulation as the origin of the legislation is rather from a long time ago and one need to evaluate the situation and what is fit for purpose.

## 2. Update focused on Geographical Indications - EU trilogue negotiations on the CAP Regulation

Presentation by the Commission (Luca Cianfoni–AGRI B3): The trilogue on 24-25 June led to an agreement on the CAP. Some technical and legal work still need to be done on the recitals. The provisions on GI will come into force on 1<sup>st</sup> January 2023. GI is a small part of the CMO and not the most controversial one. The objective of the reform is to make GI more attractive for producers as well as for consumers. The main point for food is a new reference to sustainable production (role of the GI products on sustainability) in the product specification on a voluntary basis and the new classification of the amendments into Union (most important, to be adopted by the Commission) and standard (to be adopted by the Member States) amendments. Stricter rules will be made regarding name/varieties and on the use of logo. TSG will also be protected for used as ingredients. The reference to the human factor in the PDO definition as part of the environment for PDO has been maintained. Better protection of GI will also be granted on the internet, even if protection within a global environment remain challenging. Some other aspects of simplification will be brought as well as better protection of intellectual property rights.

### Comments from the CDG delegates and Commission responses:

- Commission clarifies questions relating to:
  - optional nature of GI to sustainable production: the rules allow producers to insert in the product specification on a voluntary basis the description about how GI contributes to sustainable development.
  - humanfactor: an orange might have different soil or climate characteristic proper to the GI specification but no specific method of production. In this case human factor might be less relevant, but do not prevent the GI status. The essential point is that the story is written by farmers but checked by lawyers. Winemakers make a lot of specific activities and lawyers do not necessarily see the difference with other non-GI production. It is not easy to demonstrate that the GI producers of wine, beef, ... are doing things distinctive and different that other traditional producers. Therefore, although human factor is relevant part of the PDO production, and remains in the PDO definition, the rules allow its description may result in a non specific and distinctive method.
  - protection of GI on domain name (DNS protection): the Commission is asked if some progress were made in the reform. The EP amendment on domain names was in the end dropped by the EP. It was difficult to implement. And it just covered part of the problem. The whole issue is to be revised.
- It is reminded by stakeholders that:
  - GI attracts labour in rural area
  - provides added value to biodiversity
  - Importance of protecting GI on international level based on native varieties => this matter was not so much touched upon in the CMO reform and is more handled by experts on international aspects and WTO

## 3. Reform of the GI policy: state of play and next steps

Presentation by Commission (Ghislaine VAESSEN and Valérie DUFOUR-AGRI B3): Overview, state of play, outcome of public consultation and of the impact assessment

More than 300 responses were received to the public consultation. The responses and the position papers are available on the consultation website. From the findings, it is

shown that food fraud and protection of GI are very important aspects. They should be reinforced as they prevent unfair competition. Clearer rules for producers as well as more detailed information on the use and protection of the logos. The labelling should give clear information to consumers. The GI should also better be perceived as a contribution to the European gastronomic heritage. The economic sustainability should also be considered to secure future development of GI.

The Commission provided different policy options resulting from the consultation. These policy options include:

- improved protection and enforcement
- reinforce the sustainable production (where possible)
- improved position of GI growers
- get better recognition of EU logos
- get less burden for management of GI schemes.

On GI and sustainability, there is a strong support for setting up, for optional use, sustainability criteria and creation of guidelines in this respect. Besides, the labelling is important aspects to be improved as it helps consumers to take informed food choices.

From the draft impact assessment, the best policy option coming out is to better define and reinforce the GI scheme. This can be obtained by different focuses including among other a better enforcement, the reference to sustainability with setting of guidelines, the better recognition of the logos by consumers and a better access to the scheme for producer's group while improving the legal framework.

The Commission is now finishing impact assessment with a view in the autumn to draft the legislative proposal. By end of 2021, the European Commission is expecting to adopt its proposal and send it to legislators.

#### Comments from the CDG delegates and Commission responses:

- Idea of promoting less salt and sugar comes from the current objectives to promote healthier eating. Consequently, traditional manufacture of sugar and salt from the past are concerned about their future status as those are staying very traditional products. The European Commission understands that GIs recipes cannot necessarily be changed but encourage growers/manufacture to use less sugar and salt only when possible. Delegates are concerned that recipe will have to be changed. For the moment, this would be only recommended where possible based on option n°2. From stakeholders it is also reminded that quality is by definition in contrast to quantity. Consequently, if GIs with more fat/salt/sugar are consumed moderately this is an equivalent solution under nutritional aspects.
- Commission says there is a need to address health issues because this is high priority under farm to fork. GIs producers need to be assisted about dietary/nutritional value of their products and show it on the front of their products.
- Regarding promotion it is worrying, that the Commission obviously is shifting its focus for the agro-food sector from GI-defined quality to organic. This should not be a matter of "either/or" but of "and/and".
- Several other points are under debate and the impact of using option 2 (voluntary) and option 3 (mandatory)
  - protected wines will be allowed to be fully or partially de-alcoholised: this should be opening a market opportunity, if they still keep the link with the original protected method of production.

- debate about sustainability and pesticides: the question is if there should be specific rules about pesticides usage and GI. In the option 2 sustainability requirements are voluntary and optional while will be mandatory in option n°3 depending of the products and production methods. About pesticides, if a group of producers would like to reduce the use of pesticides, they will be able to collectively apply for that reduction.
- Better definition on role of agency, under option 2 and 3. In option n°2, Commission will propose involvement of EU agency for scrutiny and opposition procedures. Commission will be in charge to accept or reject proposals and there will be a possibility to appeal to the Commission. In option 3, the process is fully outsourced to the agency, but the Commission has so far discarded this option listening to stakeholder's feedback.
- Under CAP, sustainability products will be included in a voluntary basis, so option 2 is going on the same direction.
- Under option 2, the use of logos will be mandatory for all products (but producers may decide on the size of the logo) and acronym/term GIs

#### **4. Voluntary quality schemes: Presentation by COOP Italy – Chiara Faenza**

COOP Italy is one of the biggest Italian retailers being a cooperative of 6,4 M members. Their core business is based on private labelled products, involving more than 500 suppliers. They operate with a special private label and sub-labels. COOP policy involves an equilibrium among sustainability and ethical/social aspects based on the involvement of the whole supply chain.

The COOP system is handled by voluntary certified control system by certification bodies: Bureau Veritas, CSQA and also refers to ISO 9001. Parameters are also in place regarding no-GMO for animal feeds, SA 80000 for ethics and scheme for organic certification. Third parties' certifications are also available with FSC (Forest and wood certification) and Fairtrade. Rules are also set about how these certifications are indicated in COOP products.

Besides, own logos and certifications (voluntary) focus on matters such as no-use of antibiotics, animal welfare, no GMO feed, fish sustainable sourcing, plastic recycled content, bee's protection and no discrimination and exploitation on supply chain. Past projects connected with own certification included animal welfare in 2017, 2019 and 2020, on fruit and vegetables for ethic from 1998 and relaunched in 2016 with a special focus on industrial tomato & origin and lately on environment & packaging with a strong relaunch since 2018 labelling. Information about waste management in place since 2007 will be mandatory from end 2021.

The goal of voluntary schemes in the fruit and vegetables sector is to ensure high sustainability agriculture. There are projects about bee's protection for fruit and vegetable supply chains, the promotion of organic farming and less harmful production methods and as well as new research projects involving all the supply chain, already translated into a label on certain products.

- As conclusion, voluntary certification schemes are very important and can assure implementation of additional quality/safety standards. They protect liability and reputation for products and the label claims. An EU regulation or some EU guidelines might be useful to avoid misleading information or consumer's comparisons between different certification/voluntary schemes that are not the same.

## Afternoon session on Promotion

### 1. Promotion programmes : Presentation by the Aleksandra Mecilosek - REA B4).

REA made a presentation covering the signing of Grant Agreements 2020 (AWP 2020) and the submission statistics 2021 (AWP 2021).

- AWP 2020: Confirmation that all the programmes selected for the AWP 2020 but one have now signed their grant agreement. So, there will be no more incorporation of programme from the reserve list.
- AWP 2021: An overview of the number of proposals for 2021 is presented.
  - For multi programme a total of 157 applications (higher than in 2020) were submitted, out of which 36 from Italy, 23 from Greece, 21 from France and 20 from Spain. Submission for multi amounted to 141,5 Mio € with a budget of 82,4 Mio €, exceeded by 171,7%. All budget lines were exceeded by applications, except for organic in third countries which only reached applications up to 78%.
  - For simple programmes 143 proposals submitted, applications exceeded by 289,5% the budget with applications amounting to 234 Mio € while the budget available is 81 Mio €. All budget lines were exceeded except the organic line in third countries with applications reaching only 39,9%.
  - Main evaluations of the applications so far:
    - REA underline that competition is high in «new» topics dedicated to sustainability and organic on internal market.
    - Not enough interest for promotion of organic products in third countries.
    - It is stressed as well that new award sub-criteria assessing alignment with F2F objectives not always well addressed in proposals.
    - Information on the outcome of evaluation will be presented in September.

#### Comments from CDG delegates and Commission responses

- Sustainability which is not a precise concept and not easy to precisely describe. There are limited guidelines and different approach. It is politically driven and not always logical. In the evaluation, the Commission will better advise how to formulate actions.
- Clarifications are requested about the lines “characteristic” and “proper diet” need to be further detailed. The Commission clarifies that the Proper diet is relating to fresh fruit and vegetables. The call topic was "aiming at increasing the consumption of fresh fruit and vegetables in the internal market in the context of balanced and proper dietary practices".
- Actions on healthy diet can also be done under the generic line on “characteristics”. These programmes need to be linked to the national guidance on healthy diet.
- IFOAM welcomed the number of applications for organic. IFOAM is seeking feedback if some difficulties were reported on eligibility. Regarding what will be made with the organic budget in third countries not requested, the Commission confirms that the left-over rules are announced in the call and in the annual work programme. Budget will be reallocated for highest scoring (i.e. highest quality)

proposals in topics targeting third countries and if funds are still available thereafter these could also be transferred to internal market.

- The Commission reminds that there is no reallocation of unused funds possible between simple and multi programmes as these are different budget lines and management modes.

## **2. AWP 2022: presentation by EC Commission and sector position**

Presentation by the Commission (Mojmir Jericijo - AGRI B1). The draft AWP 2022 is currently subject to consultation with Member States (stakeholders were consulted via CIRCABC with a deadline of 15 April 2021). The Commission provides to the delegates the details of the AWP 2022 draft priorities. The AWP 2022 is built with an increase of the budget by 3 Mio € compared to the AWP 2021. The Commission presented the draft priorities and the justification of the budget breakdown. The budget is very similar to the previous year. The topics for promotion of organic production in third countries will cover both organic and sustainability. The vote on the AWP is expected in October in the Committee with Member States to be followed by the adoption of the decision by the Commission end November/early December and the publication of the call in January.

### Comments from the CDG delegates:

- Presentation by COPA COGECA of a statement which is supported by most of the delegations of the CDG, including CEJA, SACAR (Europatat, Freshfel) and CELCAA, ELO. The main points of the statements are as follows:
  - The increase of budget for multi and simple programmes (including the budget for market disturbance) is welcome. However, the budget is only moving from 183,9 Mio € to 185,9 Mio €, still well below the 200 Mio € set for the AWP 2020. Post COVID uncertainties, Brexit reality, international competitiveness are more than ever points of concerns that would require all the necessary financial resources to support agri-food business in the internal market as well as on the international market, and serious consideration should be given to allocate a higher budget than what is currently foreseen.
  - The draft AWP provides an even larger budget for organic market on the internal market increasing the budget from 6 to 14 Mio € for simple and from 17 to 18 Mio € for multi programmes. We would like to call for a balanced budget allocation between actions on organic, and the sections for generic sustainability promotion and quality, because economic, environmental and social sustainability is much wider than organic farming alone. Besides, the promotion policy should remain demand-driven and operators should be able to respond to the opportunities offered by the market. This will allow to better support the various sustainable practices and thus maximize the benefits and contribution of the Promotion Policy. This will also be fairer for all the producers who despite not being certified as organic are making important efforts to increase the sustainability of their production. For the international market, considering the lack of interest from organic producers due to market reality, we support the Commission decision to set a section dedicated to both organic and sustainability together.
  - Regarding the section entitled “proper diet”, we would like to ask for some precisions on what are the eligible products there. If these dedicated lines

are set to stimulate the consumption of fresh fruit and vegetables as for the 2021 AWP we believe that it should be renamed “Fresh fruit and Vegetables”. If other products will be also eligible here, we advise to find another title for this budget line. Indeed, the wording “proper diet” is not associated to a concrete definition and rather reflecting an individual or personal attitude.

- IFOAM reminds that the promotion policy should be in line with political priorities of F2F and biodiversity. There is a reason for a dedicated organic line as part of sustainability agenda. If local or sustainability are along the same line than organic, decision makers will not go for the organic but rather for local. Organic is not to stay any longer as a niche market. IFOAM support the budget as presented by the Commission.
- BEUC fully supports a better alignment of the promotion policy with other EU policies and strategies, incl. Farm to Fork and the Organic Action Plan. An increased budget for the promotion of organic products is certainly in line with these two policies. We support the intervention by IFOAM. Regarding the mention of "proper diet", a more adequate terminology would be "healthy diet", which is well defined and recognised at international level (see WHO <https://www.who.int/news-room/fact-sheets/detail/healthy-diet>).
- CEJA states that connecting the new promotion policy with the anti-cancer and diet plan and eliminating the most important products such as wine and red meat, products that contribute massively to the European trade balance, would not have a reverse effect on the new promotion policy. It will facilitate transnational companies to promote and introduce on the European market more unsustainable products from third countries, products that do not respect European principles, while the products of European farmers will remain for consumption on the same European market. A promotion policy is not a consumption policy, it is just a tool to ensure the stability and safety of European producers that they will have food in Europe in the future. In the past, when the current promotion policy was elaborated, it was taken into account what our competitors do and what are their budgets and actions. Is there such an approach now or is there only a European internal decision not connected to the international market? Do we still have a connection with CAP and sector investment policies and their access to the market? GIs are regulated in the same way as organic production at European level.
- EFOW: GI are not considered properly in the budget given tight budget. GI are also working on economic local sustainability and but overall, there is also a support for the statement as presented by COPA COGECA. oriGIn is supporting EFOW statement on the importance to better take GIs into account in the 2022 AWP. ELO also strongly agree with the aspects mentioned by EFOW, which completes the statement of Copa Cogeca.
- AREPO : underlined the need of a priority for a strong quality scheme budget
- BEUC stated that it is important to stress that what is at stake with the review of the EU promotion policy is how to make a more efficient use of public money to stimulate healthier and more sustainable food consumption patterns. In this context, it is legitimate to ask whether because of promotion campaigns for food and drinks, Europeans need to consume less to be eligible for EU (public) funding. The EU promotion policy must be brought into coherence with the objectives of the Green Deal and the Farm to Fork Strategy. As such, it must stop stimulating the consumption of agricultural and food products which contribute the most to environmental degradation and climate change and/or the excessive intake of which is associated with

ill-health. In the EU, average intakes of red meat, sugars, salt and fats continue to exceed recommendations, while consumption of whole-grain cereals, fruit and vegetables, legumes and nuts is insufficient.

- Responding on organic and sustainability, COPA COGECA reminded that Organic Agriculture, as established in the current EU regulation, is not a full Sustainability standard as well!

#### Commission responses:

- The “proper diet” is the abbreviation for the topic whose objective is to promote consumption of fresh fruit and vegetables.
- Organic topic in 2021 showed the highest level of oversubscription. Objective of F2F is to significantly increase organic farming in the EU, promotion policy should contribute in achieving it as also called for in the Organic Action Plan.
- Commission is taking note of the comments of CDG members.
- The notion ‘proper dietary practice’ is referred to in Article 3 of the delegated act (Commission Delegated Regulation (EU) 2015/1829).

The chair concludes this agenda item underlining the wide support for the statement as presented by COPA COGECA to be adjusted to reflect input namely from IFOAM.

### **3. Reform of the promotion policy, consultation of stakeholders (first evaluation) and sector position**

Presentation of the Commission on the promotion policy reform (Bruno De Oliveira Alves-AGRI B1). The review process is following the better regulation guidelines of the Commission with an evaluation, a roadmap, a public consultation (which attracted more than 7.000 responses), an impact assessment and towards the end of 1 Quarter 2022 the Commission will come on the basis of this process some policy orientations. Responding to a question on the respondents to the consultation, the Commission confirmed that as regards the public consultation, only those that registered were able to access the survey. The over 7000 respondents all met the requirements to access the survey.

The Roadmap for the review of the promotion policy under 'Objectives' states: "Strengthen the competitiveness of the Union agricultural and food sector, whilst enhancing coherence with other EU policies. Simplify programme implementation and maximise its impact." The legal basis for the promotion policy will remain Articles 42 and 43(2) of the Treaty on the Functioning of the European Union.

The Commission also underlines the programme of conference on the review of the policy, taking place on 12&13 July. The internet page for the registration is [here](#).

In regard to the reform, three main options are being considered:

- Option 1: Build on success of current policy in supporting the agri-food sector’s competitiveness while using the annual work programmes to also contribute to political priorities as was done for 2021;
- Option 2: Focus the policy scope: In EU, promotion in support of sustainable agricultural production and consumption, in line with F2F Strategy and Europe’s beating cancer plan, nudging consumers to healthier diets. On non-EU markets,



focus on F2F's international dimension and EU agri-food sector's competitiveness.

- Option 3: Review conditionality / eligibility: introduce new requirements and eligibility criteria that incentivize applicants to demonstrate support for the Farm to Fork Strategy or that exclude applications from certain sectors.

#### Comments from CDG delegates and Commission responses:

COPA COGECA presented a statement on key reform objectives that are widely supported by the organization part of the CDG. Key elements of the statement are as follows:

- The EU Promotion Policy was created with the aim to ensure the competitiveness of the EU agricultural products as stated in Article 2 of Regulation (EU) 1144/2014. This policy has successfully delivered on this objective as it has been underlined by both the Commission evaluation<sup>1</sup> and EU producers.
- In the context of the Farm to Fork Strategy and raising environmental pressure, it is now foreseen to revise the Promotion Policy to enhance its contribution to sustainability while maintaining its strong support for EU agriculture and food product competitiveness.
- The EU agri-food sectors believe that the Promotion Policy can absolutely remain a key tool to ensure the competitiveness of the EU agricultural and food products while also further contributing to enhance sustainability. However, it should be stressed that the promotion policy is first and foremost an agri-food competitiveness policy.
- In addition, if we are to ensure that this policy contribution to sustainability is optimized while remaining a strong tool to ensure competitiveness, the following elements should absolutely be taken into account:
  - No products or sectors should be excluded: all farm, food and drink products can be part of balanced diets and contribute to sustainability. Excluding specific sectors or products would discourage those producers who have already invested a lot in enhancing the sustainability of their production to go even further.

This statement is supported by several organization part of the CDG including CEJA, SACAR (Europatat, Freshfel) and CELCAA, ELO. Besides other comments are provided in addition to the statement:

- All sustainable agricultural practices should be equally supported in order to maximize the Promotion Policy contribution to sustainability, there are many sustainable practices - organic farming is only one of those.
- The future EU Promotion Policy deserves an adequate budget. Given the strategic importance of this policy for the agri-food sector<sup>2</sup>, it is absolutely necessary to ensure that enough funding is made available in this context, aligned with market

realities and realistic growth prospects. This is even more important in the COVID-19 and post Brexit context we stand in. Third countries have understood the importance of such policy and are strongly investing in their own promotion policies.

- IFOAM reiterate its position on policy coherence for agriculture.
- Building on the above statement, several organizations as above and BEUC reiterated their concerns that ending EU-funded promotional campaigns for certain products in the EU may favour third country imports, possibly with lower sustainability assets. Unfair competition from third country imports will be better addressed through more comprehensive origin labelling rules and ensuring that food that is imported into the EU complies with the relevant EU standards and regulations.

#### **4. Law of the People's Republic of China on Administration of Activities of Overseas Nongovernmental Organizations in Mainland China of 28 April 2021 and implications on promotion programme**

Freshfel Europe raised the concerns in regard to the adaptation of the sector to the Chinese law on NGO communication activities. After consulting with different parties including lawyers, it appears that:

- There is no synergies possible between different NGO to set up a representation office.
- Administrative costs to set up the representation office could be as high as 40.000 € and running / operational costs could be over 100.000 €/year.
- Timing is also a point of concerns for programme in the AWP 2021 as outcome will be known in early autumn and grant agreement to be signed early in the year, which make it impossible to set up a representation office to run the programme.
- The entity to be set up is the one to be responsible of the execution of the programme and not be outsourced.
- There is question if the administrative and operation costs could be included in the financing of the programme.
- So far there is still uncertainties if the matter is restricted to Shanghai and some agencies.

The Commission took note of all these difficulties and concerns but has no expectation of quick fix solution.

**Next meeting:** The next meeting planned in 2021 is set for 30 November 2021

#### **List of participants - Annex**

*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."*

List of participants– Minutes

**Meeting of the Civil Dialogue Group “Quality & Promotion”**

**Date: 9 March 2021**

MEMBER ORGANISATION	NUMBER OF PERSONS
Association des régions européennes des produits d'origine ( <b>AREPO</b> )	2
Bureau Européen des Unions de Consommateurs ( <b>BEUC</b> )	1
European Council of Young farmers ( <b>CEJA</b> )	2
European Liaison Committee for Agriculture and agri-food trade ( <b>CELCAA</b> )	3
European agri-cooperatives ( <b>COGECA</b> )	4
European farmers ( <b>COPA</b> )	3
European Coordination Via Campesina ( <b>ECVC</b> )	1
European Environmental Bureau ( <b>EEB</b> )	1
European Federation of Food, Agriculture and Tourism Trade Unions ( <b>EFFAT</b> )	1
European Forum on Nature Conservation and Pastoralism ( <b>EFNCP</b> )	1
European Federation of Origin Wines ( <b>EFOW</b> )	1
European Landowners' Organization asbl ( <b>ELO</b> )	1
European Milk Board ( <b>EMB</b> )	---
European Public Health Alliance ( <b>EPHA</b> )	1
European Rural Poultry Association ( <b>ERPA</b> )	1
<b>EuroCommerce</b>	2
Euro Coop - European Community of Consumer Co-operatives ( <b>Eurocoop</b> )	1
Euromontana ( <b>Euromontana</b> )	1
Farmhouse and Artisan Cheese and dairy producers' European network ( <b>FACE Network</b> )	1
Friends of the Earth Europe ( <b>FOEE</b> )	---
FoodDrinkEurope ( <b>FooddrinkEurope</b> )	1

International Federation of Organic Agriculture Movements EU Regional Group <b>(IFOAM)</b>	2
Organisation pour un réseau international d'indications géographiques <b>(Origin)</b>	1
Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations <b>(SACAR)</b>	3
Slowfood <b>(Slowfood)</b>	1
WWF European Policy Programme <b>(WWF EPO)</b>	---