

FINAL REPORT CIVIL DIALOGUE GROUP ON QUALITY

24TH FEBRUARY 2017

Welcome by the Chair of the group. Indications of languages available during the meeting.

1. Approval of the agenda and the minutes of the meeting of 6/12/16

The agenda of the meeting is approved with one addition under AOB regarding the Commission position on the use by of quality labels or traditional terms specific of the meat sector by vegan or vegetarian products (i.e. vegan or vegetarian hamburgers).

The minutes of the previous meeting were approved without amendments.

PROMOTION

2. Annual Work Programme for 2018 – request for written contributions

The Commission invites participants to contribute in written to the drafting of the Promotion Annual Work Programme for 2018. Reference is made to the message sent to the group on 1 February via the CIRCA system.

On this basis, it is reminded that this will be the third AWP since the new legislation came into force. The objective of the work programme is to have a dynamic and targeted promotion policy, aligned each year with the changing needs of the sectors, and identifying a limited number of targeted countries or products with a dedicated budget. The preference for the Commission is to maintain a geographical approach, and therefore they ask to identify the most promising countries/geographical areas. Contributions should be sent before 15 March 2017 at AGRI-B1-PROMOTION@ec.europa.eu

On the basis of the contributions, a draft Annual Work Programme for 2018 will be then discussed during the next Civil Dialogue Group on Quality and Promotion meeting on 30 June 2017.

QUALITY

3. New Official controls regulation: Update¹

3. New Official Controls Regulation (OCR): Update²

- The philosophy of the new regulation is simplification, harmonisation, efficiency and transparency. Risk based approach of the current Regulation 882/2004 will apply to an enlarged scope It moreover focuses on fraud, enhancing consumer confidence and transparency. It will in principle also apply to quality labels.
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¹ For more detailed information, please refer to the Power Point presentation provided to participants.

² For more detailed information, please refer to the Power Point presentation provided to participants.

- Commission presentation: since the last meeting in December 2016 nothing changed in terms of substance and content of the OCR but that procedural process has been made The Council on 19 December 2016 formally endorsed the political agreement of 15 June 2016. The European Parliament: the ENVI committee has voted on 31 January 2017 almost unanimously endorsed the agreement of 15 June 2016. The vote in Plenary is expected for 15 March 2017. No amendments are expected. Publication in the Official Journal is expected for April 2017. The OCR will enter into force in 20 days after its publication. Most rules will apply as of 14 December 2019 (same day as Regulation 2016/2031 - Plant Health Law).
- The OCR will be amended, supplemented and implemented by tertiary legislation (implementing and delegating acts). It contains 84 respective empowerments. Priority will be given to obligations ("shall" provisions) and functionally necessity (e.g. reference laboratories for plant health and EU Reference Centres for animal welfare). DG SANTE will consult stakeholders in due course.
- New developments will be made available in the dedicated website: http://ec.europa.eu/food/safety/official_controls/review/index_en.htm

Comments and questions from participants:

Participants requested a more harmonised application of the risk based approach and hygiene rules, in particular as regards flexibility for small producers .

Wine: how will it work for wine between DG SANTE and DG AGRI?

Commission response:

Different networks (e.g. on fraud) have been established to connect Member States, but interaction between Member States can still be improved.

On PDOs and PGIs for wine and marketing standards checks are performed in accordance with Regulation 1306/2013. In case of suspected fraud however the rules of the Official Controls Regulation will apply.

The Official Controls Regulation contains no empowerment for the Commission to establish further rules on the financing of the controls. It provides Member States with the option to reduce the fees for operators with low throughput or in regions subject to specific geographical constraints. The Regulation stresses that the control should be performed in a manner that reduces the administrative burden for operators to the minimum necessary.

4. Making GIs a true European story

The Chairman introduces the topic, relating to the discussions in the last meeting. Three speakers have been invited to bring different point of views to steer the discussions.

a) Presentation by a representative of a quality scheme or/and Member State representative in using the “European toolbox”

Massimo Vettori, OriGin³ (please refer to the presentation that has been distributed)

Questions by the participants and answers:

The members of OriGin are single GIs or umbrella associations or both? Answer: both are possible.

³ For more detailed information, please refer to the Power Point presentation provided to participants.

Number of potential GIs in China, is an extraordinary number. Difficult to believe they would all be recognised in EU. Answer: Indeed 2000 GIs are already recognised in China. In the bilateral treaty 250 have been recognised in EU.

What about protection of GIs when it comes to introduction of names in the internet? The commission has to do more for protecting all GIs.

EU law on GIs is increasingly there to protect trademarks rather than GIs. The GIs should not just become a tool for larger exporters. Problem with intellectual property rights and infringements.

Answers: domain names is very difficult. OriGin is part of a working group for the revision of people's right to protect domain names. Need to identify how GIs can enter the trade mark world, and have protection in trade. System for dispute regulations. There is no specific protection for GIs in dispute regulations. Intellectual Property rights in Geneva.

Alberto Ventura, AREPO⁴ (please refer to the presentation that has been distributed)

Questions by the participants and answers:

Regarding "mountain products", the problem in Emilia Romagna is that there is no legislation in this area. This means that the optional quality term cannot be used for the moment. Answer: is true. What they want to do is facilitate the administration but they have actually made it more difficult.

Does AREPO have an umbrella organisation in Emilia Romagna? Answer: no, there is a consortium for protection of POs, the biggest ones in the area, but no specific umbrella organisation.

Regarding the event on 11-13 April all the information is on the website of the event (Origo event: www.origoglobforum.com). The participation of the Commission, is still to be decided, the Commission is considering the patronage of the event.

Gabriel Tavoularis, Credoc⁵ (please refer to the presentation that has been distributed)

Questions by the participants:

Difference between what is declared by the consumers and the real behaviours in practice. It would be interesting to have quantitative data on the share of quality products in people's shopping baskets.

What sample did the study take to establish representativeness per country? Was people's income taken into account? It would be interesting to know if they would really give more importance to quality over price in low income countries. Have food scandals influenced consumers concerns?

Private labels: Did the study looked at what consumers thought about labelling and the development of labels that suggest quality of products?

It is important to make people aware of EU products outside the EU. A system of EU made labelling would help with this. Consumers want products of quality, we should focus on EU system, costs are higher here. European labelling.

It is clear that local seems to be the future and what consumers are asking for. For small producers it is difficult to sell their products legally, since there are so many procedures and standards that need to be complied with. It is therefore key that the Commission takes on board the needs of small producers.

Can the speaker give any suggestions to producers to orientate in the future, while protecting their future and jobs?

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Differences between EU countries: are organic products important in all EU countries? Difference between intention and behaviour, how big is the gap? And, can we assume that when it comes to the offer, producers need to take these trends into account?

Have you compared the link (or lack of it) between what consumers feel is quality food, and what we are doing in terms of policy and food policy?

Answers:

Regarding the differences between attitudes and behaviour, in the presentation we talk about attitudes, not behaviour. When it comes to what they do in the market, there are studies, like the Eurobarometer survey, that has done samples of thousands of individuals.

Impact of food scandals on quality label products: when there is a food scare, within hours of news being spread the demand of the products in question collapses. Properly labelled products are seen as being reassuring. Slight increase on quality products following up to these scandals.

Quality indications v trademarks: there needs to be a promotion of quality labels to help the increase of uptake by consumers.

Differences between EU countries: the presentation showed averages, but there are differences between countries. In France the generational factor was crucial. Young people attach less importance to quality labels. Maybe this is a question of promoting to targeted groups.

The study didn't compare the consumer answers and current policy, but it can help influence the latter.

On this point the Commission comments: The EU Commission conducts every two years a Eurobarometer survey, with the participation of over 25.000 citizens answering to questions on agriculture and the CAP. This provides the possibility to see the trends and the evolution over time. The Eurobarometer includes concrete questions on the awareness of quality labels. The aim is, based on various sources of information the Commission gets, such as the Eurobarometer Survey, to feed the discussions on the common agricultural policy but also on quality policy or other policies touched upon. The Eurobarometer is published on the website of the Commission: https://ec.europa.eu/agriculture/survey_en

General discussion: How to make GIs a true European story?

Questions by participants:

About Eurobarometer: Difference between what consumers say they are going to do and then what they do. This should be taken into account if this is to influence policy. For example, in the UK animal welfare was supposed to be of high importance to consumers, but despite a big improvement in this area, the actual request for these products by consumers has fallen significantly.

It would be interesting to know if this happens also with GIs? Do they pay off? Differences between countries.

Do GIs increase farmers' income? The feeling is that the income decreases.

Importance of raising awareness of consumers to invest in high quality products. But for low income people the important is price...

Quality is important for consumers, and in Nordic countries not so much involved in GIs. But in Nordic countries they also produce quality food. If we talk about the future CAP, we should also discuss about other quality schemes and not only GIs. Origin is not the only sign of quality. Animal welfare, transparency, authenticity are also important.

There is a difference between the use that is being made of PDOs, is it possible to have changes to the regulations to make small changes, so that GIs don't become trademarks.

Gap between intention and behaviour. All of the consumers that don't have access to quality products, they should have that. Price perception.

Future of CAP in the quality area. Sustainability is an important aspect of food production: when the regulations and the new CAP, could we get something included on sustainability along the lines of a quality scheme? Could help promote the origin of products.

How much money is spend on GIs by consumers? They are not accessible to everybody, they should. Very concerned about the reality. These products are elite products.

Answers by Commission:

The simplification and modernisation of the CAP: the Commission has just launched a very significant consultation process on the future CAP, and they would appreciate if everyone would make their views known. The consultation aims at simplification and modernisation (not reform), but many questions can and should be addressed (issues such as small farmers, overregulation, difficult rules etc.). Already 15.000 responses were received so far. The objective is to receive qualitative rather than quantitative input. Important decisions to be taken soon on the multi annual financial framework for the coming years which also affects the agricultural policy. Agricultural policy must reach all consumers and tax payers.

It is essential to avoid the commodity trap by distinguishing your specific product on the market.

There are several hundreds of private certification schemes for distinguishing various aspects of production. At EU level there is the organic scheme and the one on GIs. The added value of such schemes is that, if you get the market hooked and you reach the consumers, the profits will go back to the place of origin. Whereas other schemes look at types of production. But there is place in the market for different schemes. Production must keep up with market trends to satisfy the consumers.

Hygiene and safety: In Europe there are concerns with pesticides. On the comment that was made that poor people cannot afford quality and therefore only have access to food that is not good for their health, it is important to make clear that absolutely all foods in the EU (whether produced here or imported) are absolutely safe regardless of their 'quality' status. Consumers are very sensitive to this and it is important to defend the EU system (that also imported products have to comply with). But we also promote "made in Europe", for example EAT (European Authentic Taste) and now "Enjoy It's from Europe". This is the way to promote the European origin in a positive way.

Sustainability label or logo: there are already existing private certification schemes in this area, more could be created. For example: high natural areas origin. The legal framework provides a number of criteria for a Producer Group to comply with. That is the beginning of a GI. If they want to put in sustainability criteria this is possible, too. The producer groups decide which elements they want to focus on. All products have to comply with hygiene, safety, marketing standards, but then it is up to the producer groups how they produce and how they market their product.

There is some evidence of value added of GIs for the farmers. A study was carried out three years ago, based on a selection of 13 case studies, : result positive in 12 cases and neutral/negative only in one. The study is available here: http://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2013/added-value-pdo-pgi/exec-sum_en.pdf

There is funding available to promote the use of quality schemes by farmers. There is support available under the rural development policy - measure 3 to encourage the entering into a quality scheme or the creation of a quality scheme. Certain costs are covered during the first five years, notably the costs on controls. Under the same measure the possibility exists for the producer groups to promote their products on fairs and other occasions. Since this is rural development policy, Member States decide which measures to implement, but the majority of the rural development programmes has this measure included.

Questions by participants:

In Austria they have an overview on how GIs are organised and there are very different ways this happens in different countries. In Austria support for some GIs and the also for umbrella

organisations with different measures. This year for the first time working with the EU promotion.

In Italy, complexity associated with the request for a GI. The number of GIs would be higher but very restrictive rules. If they want to be successful in the market (and not the current 2/3%) promotion is needed. Quality maybe need to focus on proper adherence to the rules, also from the view of market access. Many standards require higher standards than those requested by the Commission: then why bother with EU standards if supermarkets ask for higher ones?

Price is important. The more GI producers there are, the more difficult will be to bring added value. Once the registration process is finished, they might not achieve their objective. The more there are the less value.

The link with the local area is particularly important. The real heritage and value of EU GIs should lie in a kind of part of a European identity and success story. If we recognise this value, we understand how important this is for the local area, and that can attract tourism to enjoy local delicacies. They also add life to these areas. There seem to be inconsistencies between PGIs and PDOs and the difficulties that exist when it comes to small scale production. Policy for quality and the promotion rules, very much in favour for very large consortiums. So if we decide to stress the regional/local level, we need to help those producers that although they are not large, they are important to bring value to the region. Also when it comes to farmers' income. Think about this also environmental problems, develop things together between DG AGRI and DG Environment.

Management of the PGI system both by Member States and the Commission: is very important that PGIs are allowed to develop quickly in light of new technologies. Make sure that the implementation cooperates well with local producers, no years of waiting before new rules are implemented. This casts doubts in the system. Producers like the system, but we need to allow it to develop.

A PGI is a typical product with reputation. And it relates to environment. Other regions don't have this creativity and environment. Not all products need to be PDO or PGI. There are some products with great reputation in a region, that don't need PDO or PGI, is not always necessary. On income, it is true that sometimes PGIs don't bring higher returns, but without them, some products would not even be produced. So remuneration should not only be market oriented but larger on benefits the PGI brings. Tradition is an innovation that stood the test of time.

Answers by Commission:

Takes note of all the very useful interventions. Regarding private standards there is not much that can be done, it is how the market works. The Commission can make sure that they are not misleading the consumer, some tools exist for this, but the reality is that the European rules allow you to market your products. Therefore the Commission cannot force the supermarkets into doing anything unless they are not respecting the EU legislation or they are taking market-distortive actions.

Questions by participants:

Today promotion policy focuses on crises products (diary, meat). But we have seen crisis and the solution is always promotion... The main objective of promotion should be the quality of products.

In EU legislation, can you stop a producer from having a PDO? If you have an animal product protected, can you stop it if it is not fed correctly? In June, can we touch upon small producers and their challenges to answer to consumers requests?

Origin mention is becoming an important topic. On the one hand PDOs and then origin mention to favour the national consumption and production. Difficult for internal market free movement. What is the Commission going to do about this that goes against the free movement and also make PDOs weaker?

Answers by Commission:

Mandatory vs voluntary labelling is an issue for DG SANTE. It is about implementation of the food information to consumers' regulation (Regulation N° 1169/2011).

Concerning the question whether cheese can be made from pasteurised milk, it is for the Producer groups to decide on the specificities of the product they want to see protected. Changes can be made to an existing product specification, however the link has to be respected. Consultations take place at national/regional/local level on all these aspects, including an opposition procedure. The main role for the national administration is to decide which applications to put forward. The compromise proposal is presented to the Commission but the Commission cannot go back on the decisions taken prior to the submission of the file. What the Commission can do is check whether the correct procedures were followed at national level and whether the interests of other EU producers are safeguarded.

4. Geographical indication protection for non-agricultural products at EU level – Update

There was no update available on this point.

5. AOB

Mountain products label: The EU foresees the voluntary mention of "mountain product" (as an optional quality term) under very strict rules (Article 31 of Regulation No 1151/2012). Since two years, "Mountain Partnership" under the FAO, has developed a "Mountain Partnership Product label" for developing countries. This can help developing countries and is fine, but some concerns arise: what happens when these products arrive in the EU? What happens if an EU producer wants to use this label? Consumers will be misled since they will not be able to understand the difference between these two systems, and identify the rules behind these two systems, which are very different. Euromontana is organising an event in October about the EU system.

Commission: Consumers should not be misled, so indeed we should be careful in order to prevent confusion. We should all strive to prevent any misleading and use the optional quality term "mountain product" as defined in the EU legislation.

Vegan and Vegetarian products: Regarding the AOB raised at the beginning of the meeting on the use of meat quality labels or traditional terms by vegan and vegetarian products, and given the lack of time to deal with the topic, it is agreed to bring this up in the next meeting on 30 June which will allow the Commission to better prepare the topic and input.

The Chair thanks the Commission for the meeting and their valuable contribution to all topics. The Chair thanks the translators and all participants.

The meeting is closed.

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at EU 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."