



Brussels
AGRI.DDG1.B/JO(2022)

MINUTES

MEETING OF THE «CDG QUALITY AND PROMOTION»

01/04/2022

Chair: morning session –European Commission, Head of Unit DG AGRI F1; afternoon session – European Commission, Head of Unit DG AGRI F3

Delegations present: All Member organisations were present, except EuroCommerce, EUROCOOP, EFFAT, EFNCP, EPHA, FOEE and WWF EPO.

Approval of the agenda: Agenda of the meeting approved.

Nature of the meeting: The meeting was non-public. Meeting was organised for the appointed CDG organisations and was not web streamed and took place via Videoconference (Webex).

List of participants – As registered in AGM

Next meeting: The next meeting will take place on 24 June 2022.

Policy points discussed during the CDG Quality Policy and Promotion

Morning session on Promotion

1. Revision of the Promotion Policy

The Commission gave an update on the review process, including the following points on the background, state of play and the timeline.

Background

- The Commission announced its intention to review the promotion policy in the Farm to Fork Strategy adopted in May 2020, with the objective to increase the promotion policy's support to sustainable agricultural production and consumption. In relation to meat, the review should focus on how the EU can use the promotion policy to support the most sustainable, carbon-efficient methods of livestock production.
- The review comes on the back of a policy evaluation that was completed in 2020, the publication of a roadmap for the review with policy options (9 February 2021), an online Public consultation between March and June 2021 (with more than 7500 respondents) and a Conference of Stakeholders (12-13 July 2021).

Current State of Play

- The Commission is working on the finalisation of the impact assessment (examines impacts of the different policy options) and preparation of the legislative proposal.
- The legislative proposal will be composed of an Amendment to Regulation (EU) 1144/2014 and accompanied by an impact assessment report (SWD);

Timeline:

- The Commission is working towards presenting legislative proposals by end of June 2022; (end of Quarter 2 of 2022);
- The ordinary legislative process will ensue with the co-legislators European Parliament and Council.

Questions / Comments from CDG members:

Several members of the CDG asked for the Commission to present the proposals according to the timeline presented and avoid delay in the start of the legislative process. The current context (Russia's invasion of Ukraine) makes it even more important to move forward with the proposals for the new policy, providing certainty for operators in the agri-food sector.

COPA-COGECA asked whether the Commission was also examining the implementation model (between shared management and direct management).

The Commission confirmed that also for the implementation model, different options were examined that included keeping the status quo, moving more programmes into direct management by the Research Executive Agency or increasing the autonomy of national competent authorities for simple programmes.

2. Selection Decision 2021

The Commission informed the participants that the 2021 selection decision selected 52 proposals for simple programmes and 12 proposals were put on the reserve list.

Member States notified the Commission that grant agreements have been signed for 38 programmes. For 13 programmes authorisation to sign the grant agreements beyond the prescribed deadline has been requested and that the grant agreement for one proposal would not be signed.

The Commission notified the Member States that the available budget allows co-financing the highest-ranking proposal from the reserve list and invited the Member State concerned to sign the grant agreement with the proposing organisation.

Concerning the multi programmes, grant agreements have been signed for all 33 selected programmes.

No questions / comments were made by CDG members.

3. Annual work programme 2023

The Commission thanked all members who sent their contributions to the 2023 AWP, and open the floor for questions / comments from the CDG members concerning the annual work programme currently in preparation.

Questions / Comments from CDG members:

CELCAA asked that fresh potatoes should have equal status to fresh fruit and vegetables.

EDA proposed that the 2023 AWP includes wider options for combining programmes, like fruit and vegetables programmes with other products such as dairy, considering dairy products and fruits and vegetables as complementary and joint programmes would help underlining the importance of balanced and proper diets.

COPA-COGECA pointed out that the objective of the promotion policy is to enhance competitiveness, without discrimination of products/sectors and called for the budget to be brought back up to EUR 200 million. COPA-COGECA agrees that organic is a priority for the Commission but all agricultural practices should have proportionate support also in light of food security issues due to the war with Ukraine. EU quality schemes should be covered relative to their market share.

Freshfel pointed out declining consumption of fruits and vegetables. Promotion policy should not be for niche products/consumers.

AVEC fully supports the comments from COPA and Freshfel regarding the affordability aspects when defining AWP 2023. AVEC considered disproportionate funds should not be granted to products that only a minority of consumers can afford.

EFOW considers that the new criterion introduced 2022 AWP is discriminatory for the wine sector, which has already been very affected by the Covid crisis. EFOW and oriGIn EU strongly support the importance to promote Geographical Indications and the need to have an adequate budget for the promotion GIs. Not all producers in a given GI follow the same sustainable practice and hence the difficulties to communicate on this front.

Europatat proposed to include potatoes among fresh fruit and vegetables topic as foodbased dietary guidance include potatoes whose consumption is declining and called for the budget for promotion of characteristics of EU products and production methods to be reestablish.

DAFC pointed out that rising food prices affect its affordability. AWP should promote and reward EU producers' investments into sustainable practices.

IFOAM supports ring-fenced organic and sustainable topics. IFOAM further highlighted that food security is not possible without food sustainability.

CEEV call for not excluding specific sectors. The 2023 AWP should not be discriminating against some sectors or products. The revised promotion policy has not been tabled yet by the Commission and the 2023 AWP should not pre-empt any conclusions of the policy discussions amongst co-legislators. Besides, the concept of sustainability has not been (legally) defined at EU level and is not expected to be proposed before 2023. Thus, considering specific sector or product as "non-sustainable" or "unhealthy" per se is likely to impact the whole sector, its competitiveness and global sustainability.

Regarding the issue of food affordability, BEUC welcomes that the Commission encouraged Member States to use social and fiscal policy measures to protect vulnerable households from food poverty. They do not see food affordability as directly related to the promotion policy, or in any case not counter to the objective of promoting organic food. On the other hand, they supported Freshfel's intervention regarding the need to step up promotion of fruit and vegetables, especially in current times. This could go hand in hand with VAT reductions on fruit and vegetables being considered in some Member States. BEUC added that if food affordability is deemed to be a concern in relation to promoting organic food, the same logic could apply to the promotion of GI products, as these products often come with a price premium.

DAFC asserted that the scientific link between human health and negative effects of meat consumption is not established. The Commission should not allow criteria that will discriminate against EU produced meat only to open the door for cheap meat imports from non-EU countries.

FIAB highlighted that every food and drink product should be eligible for promotion funds. Promotion policy should keep its focus on enhancing competitiveness and awareness of EU food and drink products, both at European level and on the global stage. A wider range of food and drink products could become eligible for the Promotion policy. They agree that sustainability should be considered a priority in the promotion policy, however, there are many sustainable practices. They noted that high value products have also suffered a decrease in their consumption

during the pandemic due to the saving effect.

4. Commission own initiatives update

The Commission debriefed the members on recent actions and updated on future own initiatives. The given presentation is published on CIRCABC.

Questions / Comments from CDG members:

Freshfel suggested that the Commission produces in the future Market Entry Handbooks for selected African countries or regions, such as Nigeria, East Africa.

5. Any other business

The Commission informed the CDG members that the frequently asked questions & answers (FAQ) have been moved from the REA promotion webpage to the EU funding & tenders portal (as is the case with other EU calls for proposals) [Funding & tenders \(europa.eu\)](https://eufunding.eu). Feedback on the FAQs may be sent to AGRI-Promotion@ec.europa.eu.

Concerning promotion programme covering Ukraine, Belarus and Russia, the Commission informed the CDG members that a small number of programmes (targeting these countries) were impacted by the war in Ukraine. The Commission has informed the Member States concerned by SIMPLE programmes of options that beneficiaries have at their disposal to suspend or terminate the grant agreement. The executive agency REA has also been in contact with the beneficiaries of MULTI programmes affected.

Concerning the situation in China related to compliance with the Foreign NGO law, the Commission clarified that as is the case for all programmes implemented in third-countries, the beneficiaries need to comply with the requirements of target countries and therefore costs to comply with the Foreign NGO law are not eligible for co-financing.

Regarding the possible launch of crisis calls in response to the war in Ukraine, the Commission clarified that applicable rules to trigger these calls are in the annual work programme, and require *inter alia* that exceptional market measures are adopted under Articles 220 to 222 the CMO Regulation for the sectors affected.

Afternoon session on Quality

1. Revision of geographical indications, notably sustainability and producer groups – presentation by AGRI F3

The Commission representative presented the proposal for a Regulation on GIs and informed about its adoption on 31/03/2022.

The proposal aims to strengthen the EU system of GIs by increasing the protection concerning the internet and domain name systems and by strengthening the powers of GI producer groups. These measures should increase the uptake of GIs across the EU. This legislative proposal is part of the REFIT actions, it hence introduces other provisions to decrease administrative burden and shorten time to register the names and approve amendments to the product specifications.

Four building blocks of the proposal were briefly introduced. The first one concerns the scope of the Regulation, definitions, and procedures for registration, amendment and cancellation. The second building block entails protection, enforcement and controls. The third is specific to agricultural products and amendments to Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787, and the last one is about Traditional Specialities Guaranteed and Optional Quality Terms; it also includes the transitional and final provisions.

The Commission explained the harmonisation of the rules across sectors. Furthermore, the Commission explained details of novelties introduced in the proposal concerning:

- The scope of the Regulation extended according to WTO definition,
- Encouragement of producers to adopt or enhance their sustainable practices,
- Ingredients in processed products,
- Recognised producer groups,
- Domain names system,
- Flexible use of the Union symbol for wine and spirits GIs,
- Technical assistance by EUIPO,
- Certificate of authorisation to produce,
- Committee procedure.

Comments from the CDG delegates:

- Copa-Cogeca representative congratulated the adoption of the proposal and recognised that it has many elements that stakeholders have demanded over years, and especially appreciated the strengthening of the role of producer groups, increased internet protection, and harmonisation of procedures and controls. Reservation towards the role of EUIPO was expressed and more clarification on this subject would be welcome to better understand the repartition of role between the Commission and EUIPO. The question about the requirements concerning the recognition of producer groups was raised.
- Slow Food representative: How can we make sure that quality schemes will contribute to the objectives of the Farm to Fork Strategy and the Green Deal? How can we make sure that sustainability criteria will become a pillar of the quality schemes, and not remain voluntary?
- AREPO representative observed some improvements in the proposal, notably on ingredients, the protection and the logos. The questions on the use of delegated acts and the involvement of EUIPO was raised. The delegate would welcome clarification about the distinction of producer groups and recognised producer groups, and also about the limitation of supply exclusively to recognised producer groups. Another enquiry concerned Article 48 of the legislative proposal on the definition of origin and GIs. The delegate also asked for a clarification of the language and the structure used in the proposal – does it mean that PDOs and PGIs will not be considered as EU quality schemes, did something

change in this sense?

- EFOW representative reminded of its utmost respect for the GIs Unit and underlined that GIs are a success story. In their view the revision is not up to the organisation's standards and expectations. It seems that a proposal has no new vision compared to the CMO reform and the delegate would like to see the Memorandum of Understanding between DG AGRI and EUIPO to restore trust with GIs groups and Member States that have been surprised by a proposed shift of file examination. EFOW believes that the system of wine works well because of the delegated act, and not because of EUIPO. They also believe that EUIPO doesn't have a good enough understanding of GIs, considering a growing number of appeals by GI groups to the EUIPO board of appeal regarding the trademark registrations infringing GIs. EFOW also had question regarding the producer groups – who is a right-holder when there is no recognised producer groups, and what happens to producer groups that are already recognised? Finally, EFOW welcomes improvements on ingredients and the fact that sustainability criteria remain voluntary. GIs groups need to develop a culture of sustainability, and a possible basis to improve that aspect would be Article 210 of the CMO Regulation.

Commission's representative responses:

- On the definition of the producer groups: The definition in itself stays the same, but the difference is that others can participate in the work of the producer group – e.g. in marketing, preparing applications, analyses, etc. This is meant to create links with local/regional authorities and stakeholders and thus contribute to rural development. Membership in the producer group is voluntary, but the novelty for recognised producer groups is that two thirds of participation is required because the powers given to the recognised producer groups will significantly affect all producers (e.g. contacts with police, enforcement authorities, customs, etc.).
- On details of the role of EUIPO: In last years, EUIPO has been doing initial assessment of the applications, and treated over 1300 files, prepared examination fiches and provided recommendations for improvements in documentation. In the new Regulation, EUIPO will continue with this task and will also publish the applications for opposition. If there will be no oppositions, application will go to the Commission which will proceed with the registration. In case of oppositions, the Commission will receive EUIPO's recommendations. The process will be similar as now; the main objective is to give a legal basis to the work done by EUIPO, which so far has been based on the Memorandum of Understanding.
- The main objective of the technical assistance is to improve efficiency of the GI system, maximise the capacity to treat GI files and reduce the time needed for assessing the files.
- On EUIPO's underperformances: The Commission is willing to put as much resources as necessary to improve their work, and we have been working on an intensive training on GIs. The Commission does not see any bad faith neither a prevalence of trademarks over GIs in EUIPO's performance but rather the result of a misstep in case of deficiencies. EUIPO is on the other hand very helpful in providing resources for expanding our international agenda on GIs, resources that the Commission lacks.
- On sustainability: There was an option analysing mandatory approach but DG AGRI will not pre-empt the SANTE's proposal on food sustainability framework. It is too soon to determine the outcome of the latter. DG SANTE asked EFSA to provide the scientific analysis. The Commission will keep CDG updated.
- On sustainability and producer groups: Sustainability is an issue that concerns producer groups, they should hence discuss it, explain the measures they are already putting in place in a comprehensive way, use it for promotion or include it in GIview in the sustainability statement. The producer groups are the motors of the GIs, and as a matter of fact, of their current and future sustainability contribution.
- On the delegating act: The Commission considers that this is the best way to deal with the items intended for the delegated powers; it is up to co-legislators to give them to the

Commission or not.

- On the supply management: The proposal does not limit the supply management to the recognised producer groups. The proposal contains just a repetition of the same rule from the CMO Regulation.
- On the products produced in the restaurants: These products should not be subject to GI registration.
- On the EU quality schemes: In the spirit drinks and wine legislation, the EU quality schemes are never mentioned. Therefore, the legislative proposal aims at harmonisation – also for agricultural products it now speaks about GIs.
- On the issue of a right holder: The notion of a right holder only exists in the Article on the recognised producer groups. DG AGRI does not consider that it is in the interest of the producers that only a few producers would come together and claim that they are the right holder, while there are many producers of that GI.
- On already recognised producer groups: Recognition will be left to Member States – they may recognise them now and in the future, according to their administrative rules.

2. Update on the initiatives related to the Farm to Fork Strategy and links with food security issues – presentation by AGRI E1

The Commission representative informed the group about the two recent Communications related to the food security, adopted by the Commission.

Communication on the contingency plan to ensure food supply and food security in times of crisis focused mainly on stepping up preparedness of the EU to face any crisis that could threaten food security. This Communication concluded that during the Covid, the food supply chains have been resilient and have relied on diverse systems of production and thus enabled the EU to avoid the risk of food security crisis. Single market, CAP, CFP have all the tools necessary to address risks of food security.

Areas for improvement were noted as well. During the Covid, there was a lack of coordination between public authorities, interdependences in the supply chains resulting to shortages, complexity of the chains and need to well communicate with stakeholders and public. The Ukraine war is now a new threat.

This Communication announced the creation of a **European Food Security Crisis preparedness and response Mechanism (EFSCM) that is now functional. The mechanism also aims to be a channel for communication between the Member States and stakeholders during the crisis. Since the start of the war, there has already been** two meetings with stakeholders to identify concrete problems (sunflower oil, feed, etc.).

On 23rd March, the **Food Security Communication was adopted in order to propose the short-term responses** in three main areas: humanitarian aid in Ukraine and actions for global food security, ensuring supply at a reasonable level of food prices in the EU on the short term, and fostering the transition to sustainable and resilient systems.

In the long term, resilience goes hand in hand with the sustainability of food systems. Thus, F2F Strategy and Green Deal are a solution for food security, not a problem (lower use of fossil fuels, fertilizers, use of biogas, etc.)

Comments from the CDG delegates:

- Copa-Cogeca representative: Concerning sustainability and GIs, short and shorter supply chains represent mainly regional producers and these are more resilient than global chains. Diversification is one of the means that counter all threats we see today and GIs are one possibility of how to diversify.

Commission's representative responses:

- On short supply chains: There is a difference between a short chain and regional/local chain. GIs are part of the regional economy but they often enter global chains. In the Covid times, the regional and/or short chains were more resilient, but this was because Covid was affecting transports and logistics that are important for global chains. The level of resilience does not depend on the type of the chain but on the character of the crisis. At the moment, the threat of food security does not exist in the EU but in the North Africa and the Middle East and there we have to rely on global chains and diversification.

3. State of play of the revision of marketing standards – presentation by AGRI E1

The Commission representative presented the state of play of the revision of marketing standards – the revision is still ongoing. The inception impact assessment was published a year ago, followed by the public consultation. The technical workshop with experts and academics was organised by JRC, the report was published. More targeted consultations with Member States were carried out.

Impact assessment is being prepared and it should be finalised until the end of this year. Some questions that are discussed, namely because they were raised by the Member States and are expected to have a significant impact: reducing plastic packaging for fruit and vegetables, reducing sugar level in juice, origin labelling of honey blends, etc.

Provided references:

- Agricultural products – revision of EU marketing standards. Have Your Say. <https://europa.eu/!fpU7dy>
 - Areté et al. (2020). Evaluation of marketing standards contained in the CMO Regulation, the 'Breakfast Directives' and CMO secondary legislation. <https://doi.org/10.2762/475831>
 - Evaluation of marketing standards. Commission Staff Working Document SWD/2020/0230. <https://europa.eu/!RU43Ky>
 - Russo, C. et al. (2022). Workshop on Marketing Standards: Benefits and costs of EU marketing standards for agri-food products. JRC Technical Report. <https://europa.eu/!Dg3cwc>
- Nes, K., Ciaian, P. (2022). Marketing standards: A review of the literature. JRC Technical Report. <https://doi.org/10.2760/991707> mments from the CDG delegates

4. State of play of the initiatives on food labelling (front of pack nutrition, origin and wine labelling) – presentation by AGRI B3

The Commission representative presented the state of play of the initiatives on food labelling, lead by SANTE. The initiative includes the setting of the nutrient profiles, the origin labelling for certain foods and ingredients, the revision of date marking, and the labelling of alcoholic beverages.

The impact assessment is ongoing. EFSA opinion is expected to be published in the coming days. JRC scientific reviews are due in May. The public consultation launched in December closed on 7 March and there was also a targeted consultation of the Member States and stakeholders.

More than 3000 contributions were received in the public consultation, mainly from citizens. After analysing, the work on legislative proposal will start. Adoption of the legislative proposal is scheduled for the end of this year.

Comments from the CDG delegates:

- Copa-Cogeca representative: What is the share of tasks between AGRI and SANTE?
- La Cooperation Agricole representative:
- There should be a harmonised legislation on origin labelling and nutrition labelling. The wine labelling has been discussed for 3 years and it is surprising to hear about it in this context. There is already a Regulation, which is not enforced. Same questions raised by EFOR and CEEV.
- As regards the health issue, discussion should focus on education in schools – courses and seminars to promote a healthier way of life, balanced diet and physical activity. The Commission should finance such activities.

Commission' representative responses:

- On wine labelling: This is not an initiative on wine but on the alcoholic beverages, it was announced in the European Beating Cancer Plan. The Commission will launch an impact assessment.
- On the working practice: There is no particular setting, AGRI is involved in the interservice group. All initiatives important for AGRI are closely followed.
- On the education: This is done mainly via the schools schemes on distribution of fruits, financed by the CAP. The rest is a competence of Member States. The point on the shift to healthy diets was raised in the CAP strategic plans as well. It is also an important pillar of the F2F Strategy.

5. Any Other Business

No points were raised.

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."

p.p. Christina GERSTGRASSER
for
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List of participants– Minutes
MEETING OF THE «CDG QUALITY AND PROMOTION»
1 April 2022

MINISTRY OR ORGANISATION

AREPO - Association des régions européennes des produits d'origine
BEUC - Bureau Européen des Unions de Consommateurs
CEJA European Council of Young farmers
CELCAA European Liaison Committee for Agriculture and agri-food trade
COGECA European agri-cooperatives
COPA European farmers
EEB European Environmental Bureau
EFOW European Federation of Origin Wines
ELO European Landowners' Organization asbl
EUROMONTANA
FACEnetwork - Farmhouse and Artisan Cheese and dairy producers' European network
FoodDrinkEurope
IFOAM Organics Europe
oriGIn - Organisation pour un réseau international d'indications géographiques
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations
Slow Food