

## FINAL MINUTES

### Meeting of the Civil Dialogue Group HOS - SPIRITS sector

21 February 2020

Chair: Sarah Melina SIEBEL (FoodDrinkEurope)

Organisations present: All Organisations were present, except BEUC, BirdLife Europe, ECVC, EFNCP, IFOAM EU Europe, SACAR and TomatoEurope.

#### 1. Nature of the meeting

The meeting was non-public.

#### 2. List of points discussed

##### 1. Approval of the agenda

The agenda of the meeting was adopted without any changes.

##### 2. Spirit drinks regulation - *update on ongoing discussions on the draft Commission's Guidelines on certain provisions on spirit drinks labelling*

The COM clarified that the latest version of the revised draft Guidelines was circulated ahead of the previous CDG in November 2019. The next discussion with Member States will take place at the Spirits Committee of 28 April. Industry is invited to share comments by the end of February, so that the COM can consider them in the updated version of the draft which it intends to distribute to MS before the end of March. It is envisaged to finalise the Guideline document after the April Committee (provided that the discussions are conclusive) in view of launching an inter-service consultation before starting the formal adoption procedure. The Guidelines aim at avoiding different interpretations, particularly useful for control services but also for producers. The COM indicated that it will not be possible to introduce any further change in the final draft after the inter-service consultation. The COM looks forward to a timely sector's input – both at association level and bilaterally.

The discussions on the draft Guidelines focussed in particular on the applicability of the QUID rules to spirit drinks. The COM confirmed that QUID rules apply to all foods including spirit drinks unless where they benefit from an exception. It will be for the producer to assess if, by application of the QUID rules, QUID is required or not. If QUID is required, it must be indicated in a way that does not confuse consumers.

The COM is aware of attempts by a certain national control authority to prohibit the use of terms such as “premium/luxury” on the label of spirit drinks, which may have implications in the smooth functioning of the EU’s internal market. The burden of proof is with the producer and indeed, labels must be truthful and not mislead the consumer.

There are a number of remaining open questions regarding “allusions” which will be looked into in more detail in the weeks to come. Especially GI holders expressed concerns.

The COM stressed that it cannot go beyond existing EU provisions in guidelines and that the Spirit Drinks Regulation may need to be amended, where possible, to address some aspects. There are mechanisms in place to do so (time/scope-limited empowerments are included for some provisions). However, for the COM to propose amendments, a MS needs to submit a formal request with the support of the majority of the other MS.

### **3. Labelling - ingredient / nutrition - implementing the March 2018 commitment & the MoU – update from FoodDrinkEurope**

FoodDrinkEurope provided an update on the Memorandum of Understanding (MoU), expanding its ongoing rollout among the spiritsEUROPE membership. There are currently 15 signatories (most recently Finland and Sweden) and Portugal is to sign up in the coming weeks. There has also been interest from external stakeholders – with the spirits associations of Denmark/Estonia signalling their intent to sign.

The sector has confirmed that 25% of products (by volume) placed on the EU market are to have the new labels by the end of the year. spiritsEUROPE is helping SMEs to make the switch/calculate energy, etc., in what can be a costly process. Consumers can already now see the results of the ongoing work as bottles with the agreed label are hitting the shelves of supermarkets already.

### **4. Implementing and Delegated Regulations on spirit drinks GIs – update from the COM**

The COM explained that the third round of discussions of the topic took place mid-February. Further, the COM has updated the CDG regularly on this issue over the past few months; the main issue that remains is that of “checks/controls”.

The COM is hopeful to achieve a solution, which is beneficial and helpful for all sides, and recognises the need to establish an easy way to show certificate/confirmation of GI which does not burden industry unnecessarily whilst ensuring a thorough control scheme.

The COM clarified that the process is controlled, not the product and that therefore controls need to be executed regularly, e.g. every three years.

Concerns were raised by a representative of small distillers, who may find the control process burdensome and expensive. In some Laender in DE, 8000 small distillers would need be checked in 3 years, which is burdensome. Due to the “bureaucracy” associated with the GI designation, some small distillers have expressed a desire to leave the scheme.

The COM stated that it is ready to consider any proposal to ease controls for small distillers. While understanding the need to facilitate controls on small distilleries, the COM stressed that such checks cannot be dismissed or ignored, and must be satisfactorily fulfilled to maintain the GI designation. FoodDrinkEurope mentioned practices in certain MS, which have sought to overcome some of the logistical difficulties/lack of resources, etc., - this information is to be shared with the COM.

The COM has no intention to add additional layers of control and to burden the sector unnecessarily. If a MS has a well-functioning control process in place, there is no need to add a parallel process.

Examples of controls in France (Cognac) and in the UK (Scotland) were discussed and the COM restated its interest in exploring options to find a well working compromise. FoodDrinkEurope and CELCAA thanked the COM for their openness and pragmatism. The exchange between industry and the COM will continue.

## **5. Upcoming Study on the economic importance of GIs in the EU trade with external partners – update from the COM**

The COM informed about a Study on economic data (volume, value and trade) of GIs and TSGs, commissioned by the COM, which is currently in its final phase prior to publication.

The COM also informed on the recently launched Evaluation of GIs and TSGs to be carried out in 2020. The COM shared a presentation, which can be found in [\[Annex 1\]](#)

## **6. Impact of the US additional import duties – *Presentation by the sector***

The COM outlined the current situation, and discussed the involvement of agricultural products (including spirits) in these tariffs. The main objective of the COM negotiators is to reach a solution for a compliance agreement on subsidies for large aircrafts, which should end the current sanctions. As a leverage to incentivize the negotiations the EU has both proposed a “positive agenda for economic cooperation” and declared its intention to make use of a similar possibility of applying additional duties as soon as the WTO would adjudicate the quantity to retaliate on the EU/Boeing case (most probably in June).

SpiritsEUROPE expressed their gratitude to the COM for their continued efforts towards de-escalation, and noted the positive development of 14<sup>th</sup> February (where tariffs were not raised on spirits). The spirits sector feels it is unfairly targeted in a dispute with which it has no association or connection. The measures are having an impact on the sector, with clear and sobering figures emerging: 27% decline on the import of US whiskey into Europe, for e.g. spiritsEUROPE is currently collecting data on the impact on European exports (there has been a 25% decline in the export of scotch whisky to the USA) – but expect it to be broadly similar to that of the USA. Such declines will result in the cessation of investment, introduction of cost-cutting measures and job losses. SpiritsEUROPE reiterates its hope that the proposals it has presented can be of assistance.

COPA expressed its concern that its membership could potentially lose its market share in the USA should these trade tensions continue.

The COM expressed an understanding that the main issue for the sector is uncertainty. However, no commitments were made regarding an aid package for the moment (beside the flexibility provided to wine promotion measures), with an insistence upon the mutual desire for a swift resolution. The COM recognises the concerns of all stakeholders, and in particular SMEs who may not have the capacity to withstand such shocks in the long term.

## **7. Brexit – *update from the COM***

The COM informed that the Agreement on the withdrawal of the United Kingdom from the EU foresees a transition period lasting until 31<sup>st</sup> December 2020, which could be extended up to two years by 1 July 2020. Considering that the UK repeatedly stated that they do not intend to request an extension to this period – the COM is working under the assumption that the transition period will not be extended.

DG AGRI is involved in the implementation of the Withdrawal Agreement (WA) and the negotiation of the future relationship. The Northern Ireland protocol, attached to the WA, provides for no border on the island of Ireland – all checks applicable to imports into the EU will have to be carried out upon the arrival of the goods into Northern Ireland, including from Great Britain. Checks will have to be carried out by the competent UK authorities but under appropriate supervision of the EU. Products entering into NI will therefore have to pay EU tariffs unless it can be reasonably demonstrated that these will not move onto the EU. DG AGRI is currently working on a number of issues linked to the implementation of the Northern Ireland Protocol.

The UK task force will soon issue an update of the notice to stakeholders on food labelling.

As regards the future partnership – as per the WA the parties shall endeavour to conclude a future partnership agreement by the end of the transition period. In order to meet this deadline, negotiations must be completed by October 2020, to allow for ratification. The Political Declaration accompanying the WA sets out the framework for the future relationship. Building on this political declaration, the COM has adopted a Recommendation for a Council decision on the negotiating directives on 3 February 2020, with possible adoption by the Council on 25 February and negotiations expected to start in the first week of March. An important political stocktaking on progress of the negotiations will be in June 2020.

SpiritsEUROPE reiterated the importance of achieving tariff-free trade between the EU and the UK, and expressed its hope that both parties maintain the same level of protection on GIs. SpiritsEUROPE is currently preparing their “priorities” document regarding the future relationship with the UK, this will be shared with the COM in due course. SpiritsEUROPE commended the COM for averting a no-deal situation, and encourage a swift resolution with close alignment and a level playing field; as regards Ireland, issues remain regarding country-of-origin, etc. It was further reported that the

UK will be reluctant to accept fixed regulatory alignment, and therefore a regulatory framework will be necessary. Concern was expressed that GIs will not be a priority for the UK government.

The COM confirmed that the future relationship will be based on a free-trade area, with no tariffs, no quotas but conditioned to robust level playing field commitments. There will be common standards, which cannot be lowered – on environment, employment, state aid, competition, etc. the COM reminded that the ‘stock’ of existing GIs is already protected under the WA. The negotiating guidelines will be published, to have a process as transparent as possible.

#### **8.The European Green Deal – *the impact of the upcoming Farm-to-Fork strategy on the spirit drinks sector – update from the COM***

Presentation can be found in [\[Annex 2\]](#)

COPA requested that sustainability is defined to encompass both social and financial aspects, and asked for further information on how consumer empowerment will be promoted (with what tools, etc.)

FoodDrinkEurope commended on the work of the COM, and hopes to complement this with a publication of their own on the sustainability of the sector, the dependence on the agricultural sector, etc. Caution is recommended however on issues surrounding the carbon border tax and how such issues will impact on trade, etc.

The COM confirmed that the intention is to build on already-established best practice, and to develop further using technology/innovation. The COM appreciates the points raised on international trade, and stated that focus must be on the social and economic aspects of sustainability.

#### **9.AOB - *and end of the meeting***

#### **4. Next meeting – tbc**

#### **5. List of participants - Annex**



**Civil Dialogue Group HOS – SPIRITS sector  
21/02/2020**

MEMBER ORGANISATION	NUMBER OF PERSONS
<b>Bureau Européen des Unions des Consommateurs (BEUC)</b>	<b>--</b>
<b>European agri-cooperatives (COGECA)</b>	<b>1</b>
<b>European Coordination Via Campesina (ECVC)</b>	<b>--</b>
<b>European Council of Young Farmers (CEJA)</b>	<b>2</b>
<b>European farmers (COPA)</b>	<b>6</b>
<b>European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)</b>	<b>1</b>
<b>European Forum on Nature Conservation and Pastoralism (EFNCP)</b>	<b>--</b>
<b>European Liaison Committee for Agriculture and agri-food trade (CELCAA)</b>	<b>4</b>
<b>European Public Health Alliance (EPHA)</b>	<b>1</b>
<b>FoodDrinkEurope</b>	<b>5</b>
<b>International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)</b>	<b>--</b>
<b>Pesticide Action Network Europe (PAN Europe)</b>	<b>1</b>
<b>SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)</b>	<b>--</b>
<b>Stichting BirdLife Europe (BirdLife Europe)</b>	<b>--</b>
<b>TomatoEurope</b>	<b>--</b>
<b>Total: 22</b>	



**Annex 1:**



  
European  
Commission

*Agriculture  
and Rural  
Development*

***Study on economic value of EU quality schemes, Geographical Indications (GIs) and Traditional Specialities Guaranteed (TSGs)***

Brussels, 21 February 2020

*Aniko NEMETH  
DG Agriculture and Rural Development  
Unit B.3. Geographical Indications  
European Commission*



## Study on economic data (volume, value and trade) of GIs and TSGs

- *Study under finalisation*
- *Collection of economic data on all EU 28 GIs and TSGs over the 2011 – 2017 period (3,207 GIs/TSGs)*
- *4 sectors covered*
  - *aromatised wines (Reg. (EU) No 251/2014)*
  - *agricultural products and foodstuffs (Reg. (EU) No 1151/2012)*
  - *wines (Reg. (EC) No 1308/2013)*
  - *spirits (Reg. (EC) No 110/2008)*



## Study on economic data (volume, value and trade) of GIs and TSGs

- *Novelties compared to the previous study:*
  - *54 TSGs*
  - *Accession of Croatia*
  - *Registration of 520 new product names between 2010 – 2017*
- *Outputs: report, database, executive summary, leaflet, country fiches*



## Study on economic data (volume, value and trade) of GIs and TSGs

- **Sales value** of EU GIs/TSGs: **€77,1 billion** in 2017 (estimated at wholesale stage in the region of production)
- *7% of the total EU food and drink sector (5,7% in 2010)*
- *Estimate of EU GI/TSGs **exports** value to non-EU countries: **€ 17,03 billion***
- *15,5% of EU food and drink industry exports*





## Evaluation of GIs and TSGs

- Objective : assess legal framework for GIs and TSGs
- Geographical coverage: GIs and TSGs (EU MS) and GIs (3C, registered in the EU)
- Sectoral coverage: all 4 sectors
- Launch evaluation 18 December 2019
- Public questionnaire was available till 3.02.2020 on:  
[https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6538977/public-consultation\\_en](https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6538977/public-consultation_en)



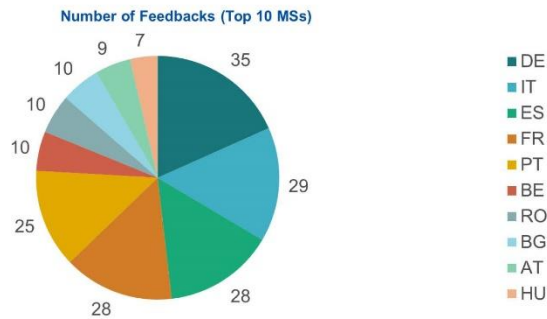
## Open Public Consultation

- Available between 4.11.2019 and 3.2.2020
- 233 feedbacks received
  - **Consumer / citizen: 66**
  - **Supply chain: 77**
  - **Public authorities: 41**
  - **Others: 49**

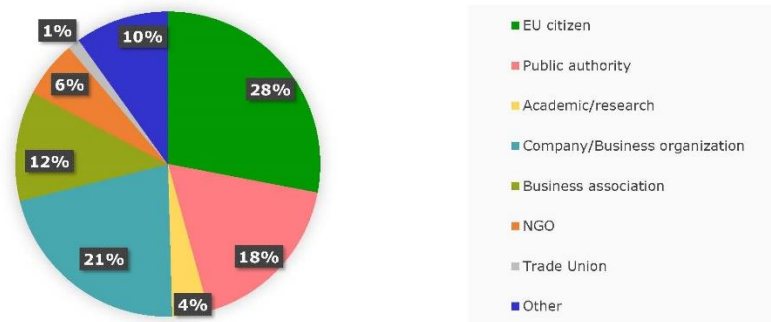




## Open Public Consultation



## Type of respondents



## Next steps

- Analysis of feedbacks
- Feeding into ongoing evaluation
- Commission working document (2021)



Annex 2:

  
European Commission

# Farm to Fork Strategy - the path to sustainable food systems

CDG Spirits  
21 February 2020

  
European Commission



Health and Food Safety





In spring 2020, the Commission will present a **Farm to Fork Strategy** to:

-   
 make sure Europeans get affordable and sustainable food
-   
 tackle climate change
-   
 protect the environment
-   
 preserve biodiversity
-   
 increase organic farming

***Design a fair, healthy and environmentally-friendly food system, covering all stages in food supply chain***

3

Health and Food Safety



## Challenges of EU food systems



4



## *Towards sustainable food systems*

- ✓ **Primary production:** the CAP, organic farming, pesticides, fertilisers, animal welfare, AMR, ...
- ✓ **Food processing, distribution, food services:** new innovative food and feed products, packaging, environmental footprint, food environment...)
- ✓ **Consumers' empowerment:** food information -> food environment that stimulates balanced choices and sustainable consumption
- ✓ **Food loss and waste**
- ✓ **Combat food fraud**
- ✓ **International dimension** (support global transition)

2

Health and  
Food Safety



## *Timeline*

- ✓ **Targeted consultations – Q1 2020**
- ✓ **Feedback on the Roadmap by 16 March**
- ✓ **Farm to Fork strategy:** Communication and action plan to be adopted by end March.
- ✓ **Further consultation** on individual initiatives announced in the Action Plan

Health and  
Food Safety