



Committee of the Regions

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**OPINION
of the
Committee of the Regions
on
TOWARDS AN AMBITIOUS EUROPEAN POLICY
FOR AGRICULTURAL QUALITY SCHEMES**

THE COMMITTEE OF THE REGIONS

- considers that the quality of the EU's agricultural products is one of the main added values of the CAP and one of the EU's key assets on international markets; considers, therefore, that quality policy must form one of the key strands of the CAP after 2013 and calls for the appropriate tools under the future CAP to consolidate, promote and support the development of quality schemes;
- believes that it is essential to maintain a balanced distribution of economic activity throughout the European Union by means of differentiated development models; the least favoured rural areas can maintain agricultural production through differentiation on the markets, making use of existing quality schemes, which must be strengthened and developed; this differentiated approach on agricultural markets is particularly relevant for mountain products and for local products likely to be promoted under low-food-mile systems;
- considers that the protection of the term 'Products of mountain farming' would make a lasting contribution to economic development, land-use planning and environmental protection;
- stresses that the development of local food systems requires the creation of a distinctive European sign and the development of tools under the second pillar of the CAP in order to encourage producers to adopt this approach and therefore calls on the Commission to make proposals to complement the regulation regarding the Union's policy on the quality of agricultural products in this regard;
- believes that the economic success and sustainability of agricultural products promoted under specific quality schemes is inextricably linked to supply management;
- recommends, in line with its previously-adopted opinions, that GMOs be excluded from the specifications for official quality signs;
- calls for the international protection of geographical indications to be consolidated.

Rapporteur

René Souchon (FR/PES), President of the Auvergne Regional Council

Reference document

Proposal for a Regulation of the European Parliament and of the Council on agricultural product quality schemes
COM(2010)733 final

I. ISSUES AND OBJECTIVES

THE COMMITTEE OF THE REGIONS

A. Quality policy, a crucial element of the CAP and a key asset for European agricultural products on international markets

1. notes that the European Union's standards in relation to food safety and quality are amongst the most rigorous in the world;
2. considers that the quality of the EU's agricultural products is one of the main added values of the CAP and one of the EU's key assets on international markets;
3. points out that quality schemes implemented collectively are integral to the European Union's cultural, agricultural and culinary heritage. These quality schemes represent a shared heritage that must be protected and developed;
4. notes that differentiation by quality maximises added value within sectors, meeting strong demand from EU consumers and producers;
5. stresses that, in a situation of crisis regarding the price of agricultural raw materials, differentiated quality production chains have a stabilising effect on the regions. The establishment of differentiated quality production chains makes it possible to develop investment, research and innovation and to ensure that producers receive a fairer share of the added value;
6. considers, therefore, that quality policy must form one of the key strands of the CAP after 2013;
7. deems it essential and therefore urges that the common agricultural policy continue to play an active role beyond 2013 in promoting high standards for European agricultural products;
8. believes that the economic success and sustainability of agricultural products promoted under specific quality schemes is inextricably linked to supply management. The disproportionate growth of product volumes, outside of the market segments in which these products are usually consumed, results in products losing their distinctive nature. This leads to a fall in prices, which may mean that the product quite simply disappears. The economic models of quality schemes are only of economic interest insofar as they differ from the standard model. If they become widespread, and hence lose their distinctive nature, the most fragile regions will eventually become depopulated;
9. notes that the current mechanisms do not allow for sufficient involvement by European, national and regional funds in joint operations by groups and regions. Only the main

geographical indications are able to raise the self-financing required to access European funds;

B. Quality schemes, a key tool for land-use planning and the development of rural areas

notes that:

10. quality schemes provide a means for many agricultural regions to participate in globalisation, through the recognition of specific know-how and high-quality products for consumers;
11. rural development is a crucial element of the discussion on quality schemes. These schemes make a direct contribution to the economic dynamism of the rural regions in which they are located;
12. the European Union's rural regions are heterogeneous and are made up of many highly diverse types of land. Their agronomic, soil and climatic capacities, not to mention logistic and market conditions, therefore, vary greatly;
13. against the backdrop of globalisation and in today's world of international competition, mechanisms must be provided for the least favoured regions, enabling them to develop specific models and to ensure that their agricultural products are differentiated in the eyes of consumers. It is therefore essential that: the current measures compensating for the competitive disadvantages faced by the least favoured regions are maintained; all of the Union's rural areas have access to tools for promoting and differentiating their products on local, European and international markets;

highlights that:

14. the specific more rigorous production standards of quality schemes entail higher production costs and extra work for the producer. Consumers are willing to pay a fair price for this effort in exchange for a product which they consider to be better and/or typical;
15. the competition rules currently in force favour the regions that are most advantaged in terms of production costs. Conversely, the least favoured regions are at a disadvantage when it comes to cost-competitiveness;

considers, therefore, that:

16. it is essential to maintain a balanced distribution of economic activity throughout the European Union by means of differentiated development models;

17. the least favoured rural areas can maintain agricultural production through differentiation on the markets, making use of existing quality schemes, which must be strengthened and developed;
18. this differentiated approach on agricultural markets is particularly relevant for mountain products and for local products likely to be promoted under low-food-mile systems;

II. POLICY RECOMMENDATIONS

C. Protecting and promoting quality in international trade

19. stresses that the recognition of quality schemes is essential in the context of international trade. This recognition must not be dealt with in the same way as private labels. The principle of designations of origin is one of shared heritage and ownership, which is not the same as private ownership. The international protection of geographical indications should thus be consolidated;
20. reiterates, therefore, the calls it has made in previous opinions for the recognition of geographical indications and the international legal framework applicable to them to be strengthened. This must lead to the genuinely effective and sustainable protection of quality schemes at international level;
21. believes, in particular, that the European Union must step up its efforts to ensure improvements in the protection of geographical indications (PGI and PDO) in WTO negotiations and within the WIPO;
22. recommends in particular:
 - a. extending the protection provided under Article 23 of the TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights to all agricultural products;
 - b. creating a multilateral register of geographical indications (GI) at international level;
 - c. concluding bilateral EU-third country agreements with a view to mutual recognition of all registered PDOs and PGIs;
23. is concerned, however, about the possible risks resulting from certain bilateral agreements being negotiated regarding the mutual recognition of products covered by geographical indications. The conclusion of these agreements must not result in the arrival onto the European market of non-EU country products which have geographical indications, but do not meet European standards in terms of requirements and controls;
24. calls for specific measures to be taken in order to avoid the sale within the EU or export to non-EU countries of products whose labelling does not comply with the legislation governing the quality of EU agricultural products;

D. Clarifying and strengthening the definition of geographical indications

25. wonders whether the change to the definition of PDOs and PGIs proposed by the European Commission in its draft regulation is justified;
26. expressly calls upon the European Commission, in relation to the possible impact of removing references to production steps, to ensure that this change does not lead to a lower level of protection or to misuse;
27. also wonders whether it is appropriate to draw up specific definitions by type of product and emphasises that taking account of the specific characteristics of the production steps for certain types of product must not jeopardise the unity and coherence of the geographical indications system at European level;
28. asks the European Commission to specify the procedure it intends to follow for delegated acts and recommends the prior consultation of all interested parties;

E. Promoting and differentiating mountain products

29. points out that amongst consumers, mountain farming products have a strong identity, mostly involving extensive and/or traditional production systems. These products are a public asset and bring considerable value to the local economy;
30. points out that mountain areas represent some 40% of European territory as a whole¹, 18% of agricultural households and 15% of Europe's usable agricultural area². Furthermore, the proportion of mountains within the European Union will only increase with enlargement³;
31. believes that the recognition and specific labelling of mountain products should be subject to a policy which must be incorporated as soon as possible into the European Union's overall policy on the quality of agricultural products. This should be done in a manner which is consistent with the recognition of mountain areas under the common agricultural policy;
32. considers that the capacity of mountain producers to draw the greatest benefit from their products within quality schemes is the absolute prerequisite for maintaining their activities, in

¹ "Mountain areas in Europe", study by NORDRegio for the European Commission (DG REGIO, 2004).

² "Peak performance: New insights into Mountain Farming in the European Union", Commission staff working document, December 2009.

³ Europe's ecological Backbone: recognising the true value of our mountains » September. 2010, EEA No. 6/2010.

view of their lower rates of productivity⁴ which brings direct benefits in terms of quality⁵ for consumers;

33. stresses that mountain products are unique, due to their location and their production and processing methods⁶;
34. believes, therefore, that the protection of the term 'Products of mountain farming' would, for a relatively low cost, make it possible to better promote and protect mountain products (including agricultural and livestock products, as well as their on-the-spot processing), boosting the creation of a market segment dedicated to promoting these products in all Member States. This would ensure that the traditions, culture and heritage of mountain regions are maintained and developed, strengthening production and processing facilities' ties to those regions;
35. considers that this protection, in the form of a "product of mountain farming" designation, would make a lasting contribution to economic development, land-use planning and environmental protection. These issues are extremely important in regions where the abandonment of agricultural land is synonymous with the deterioration of the environment, the development of 'natural' risks and the impoverishment of the social, economic and cultural fabric;
36. points out that it is difficult to provide EU-wide figures on the mountain products market, since the term is not defined at European level. However, a genuinely positive impact can be seen in certain sectors where operators are given the specific opportunity to promote their products. An example of this is the milk sector in the Massif Central in France⁷;
37. points out that it has on several occasions expressed its support for the introduction of optional reserved terms for mountain farming products and in this opinion reiterates its call for mountain farming products to be taken into account as soon as possible in the European Union's future quality policy;

4 "Peak performance: New insights into Mountain Farming in the European Union, Commission staff working document, December 2009: productivity of mountain LFA farms is lower by 28% as compared to non-mountainous LFAs and 40% as compared to non-LFA areas.

5 "La composante milieu physique dans l'effet terroir pour la production fromagère: quelques réflexions à partir du cas des fromages des Alpes du Nord" [The physical environment as a factor in the impact of "terroir" on cheese production: a discussion relating to cheese from the Northern Alps]. Jean-Marcel Dorioz, Philippe Fleury, Jean-Baptiste Coulon, Bruno Martin. Courrier de l'environnement de l'INRA n°40, June 2000 <http://www.inra.fr/dpenv/pdf/DoriozD27.pdf>.

6 Mountain Food Products in Europe: results, findings and outputs of the project, November 2004, pp 7 and 17.

7 A new mountain milk mark which has just been established should cover 3 to 4 million litres of milk, i.e. one-third of the Massif Central's production: <http://www.leprogres.fr/fr/region/la-haute-loire/haute-loire/article/3939334,183/Une-marque-Montagne-pour-le-lait-du-Massif-central.html>. The Swiss examples show that added value as much as 30% higher than in the case of generic milks (Revue Montagna, July 2010). Mountain milk represents 11.5% of milk produced in Europe and 1 out of every 5 or 6 dairy farms. The cost of production is 12% greater than in the case of lowland milk and work pay is EUR 10 000/ALU lower. Subsidies only compensate for 34% of these handicaps 'European mountain milk: a symbol under threat', Institut de l'élevage-CNIEL, May 2009, p.7.

38. also stresses once again that the regions should play a prominent role in defining these "mountain" terms and in supporting the creation of sectors in the context of a regionalised rural development policy;

F. Promoting low-food-mile systems and direct selling

39. considers, in line with its previously adopted opinion on local food systems⁸, that promoting and direct selling is essential. In that opinion, the Committee defined the 'local food chain' as a combination of four factors: a short distribution chain; a short physical distance between the place of production and the place of consumption; a method which also takes account of transport, distribution, residual waste processing, renewable energy, marketing, promotion and quality management; a method which must be managed at local and regional level. Stresses that low-food-mile systems make it possible to relocate agricultural production and to anchor it in its region of origin by facilitating consumption on local markets. Low-food-mile systems contribute to the even distribution of agricultural activities throughout the EU and have a positive impact on the environment, as long as care is taken to ensure that production is suited to the natural production capacity of the region;
40. also stresses the economic benefit of low-food-mile systems, which can enable some producers to increase their income by undercutting the margins of an excessively long chain. These producers are not usually in a position to compete with the negotiating capacity and marketing ability of agri-food chains, which have the greatest commercial power;
41. points out, in relation to the promotion of low-food-mile systems, that:
- a. this involves promoting proximity between the places where foodstuffs, whether processed or unprocessed, are produced and where they are consumed, and hence to encourage the geographically shortest production, processing and marketing chains. This proximity reduces the unnecessary emission of greenhouse gases caused by overly long and complex chains;
 - b. systems of direct selling by small-scale producers on local markets form part of these low-food-mile systems and must be fully integrated into the European Union's overall agricultural production policy. These low-food-mile systems restore a strong link between producers and consumers. They also ensure that products are more easily traceable, reassuring consumers as regards the origin of the products they consume;
 - c. the principle of low-food-mile systems does not simply consist of reducing the number of intermediaries between producer and consumer. This principle must above all revitalise the food sector at local and regional level. These low-food-mile systems include

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OUTLOOK OPINION of the Committee of the Regions on LOCAL FOOD SYSTEMS adopted in plenary session on 27 January 2011. Rapporteur: Ms Lenie Dwarshuis-van de Beek, Member of the Executive Council of the Province of South Holland.

producers, processors and distributors established locally, who all contribute directly or indirectly to the revitalisation of rural regions;

- d. this measure must go hand in hand with a more even distribution of added value throughout the chain, first of all restoring that added value to producers;
- 42. considers that the development of local food systems requires the creation of a distinctive European sign and the development of tools under the second pillar of the CAP in order to encourage producers to adopt this approach;
- 43. calls on the Commission, therefore, to make proposals on creating a new logo and on establishing a distinctive identity for local products which are marketed within the local food system. These identifying features will complement the regulation regarding the Union's policy on the quality of agricultural products;
- 44. would strongly support Commission initiatives for the extension of compulsory labelling of '*place of farming*' on produce and would encourage similar compulsory labelling initiatives designed for the catering trade;
- 45. stresses that this new sign could also offer a solution for thousands of traditional products from the European regions which are not necessarily destined to hold geographical indications;
- 46. wishes to draw the attention of the European Commission, the European Parliament and the Council to the need to adapt the provisions on public contracts, making it easier for local and regional authorities to purchase local farm products. In this regard, Article 26 of Directive No 2004/18/EC states that contracting authorities may include conditions concerning social and environmental considerations in their specifications;
- 47. calls for Article 53 of Directive No 2004/18/EC to be amended to take specific account of the criteria of proximity and/or reductions in CO² emissions resulting from the transport of goods;
- 48. stresses, lastly, that the regions could manage the aforementioned new "low-food-mile" sign, since they are in a good position to take account of the local and cultural nature of products. The regions are also the most logical partner for promoting these products, complementing European funds;

G. Promoting and developing traditional specialities guaranteed

- 49. notes that the system of traditional specialities guaranteed makes it possible to preserve and develop certain traditional food products. In the case of these traditional specialities guaranteed, most of the value is provided by the producer, in contrast to the great majority of

current industrial food products. These products therefore help to ensure the diversity of foods available and to promote the wealth of Europe's gastronomic heritage;

50. believes that it would be useful to carry out an EU-wide census of all products representing European traditional gastronomy. This would create a basis for the recognition of traditional specialities guaranteed. It would also be consistent with the initiative taken by UNESCO at international level and would lead to the widespread implementation of measures such as those already implemented by several Member States;

H. Excluding genetically-modified organisms from quality products

51. recommends, in line with its previously-adopted opinions, that GMOs be excluded from the specifications for official quality signs. This exclusion could be implemented gradually by Member States, within a reasonable maximum timescale of five years, in order to allow producers to take the necessary technical measures. This time-period would be used to establish alternative supply chains, replacing the use of GMOs in raw materials, particularly in the case of animal feed;
52. considers it essential that the use of genetically-modified organisms be explicitly prohibited at all stages in the manufacture of products bearing official quality signs. This prohibition would ensure the sustainability of traditional production methods and distinctive characteristics within quality schemes;
53. also believes that banning GMOs in specifications is a prerequisite, in the short term, for preserving the transparency and credibility of quality schemes amongst consumers;
54. stresses that amending the specifications for official quality signs has become increasingly urgent, since private initiatives, not involving quality products, are being developed to guarantee "non-GMO" products;
55. emphasises furthermore that the development of a guaranteed non-GMO market for products bearing official quality signs provides an opportunity of producers since there is extremely high demand amongst European consumers in this regard;
56. believes that products bearing official quality signs, free of GMOs, may, like organic farming products, be fully appreciated by consumers. This will ensure the sustainability of a better outlet for products, thereby compensating for any excessive costs which producers may face in the short term;
57. emphasises that the exclusion of GMOs from products bearing official quality signs must be accompanied by an aggressive strategy at European level concerning the production and supply of non-GMO vegetable proteins. This strategy is inseparably linked to the coherent development of non-GMO crops in Europe. In this regard, it offers an important opportunity

to develop protein crops in Europe, the agronomic and ecological advantages of which are widely recognised. The policy on developing non-GMO protein chains should be implemented under the CAP by adopting specific agri-environmental aid;

58. therefore recommends that a study be undertaken into the development of high-protein non-GMO crops (peas, field beans), which would appear to be the best options⁹ for establishing non-GMO protein production;
59. feels that the additional costs generated by excluding GMOs from the specifications of all products bearing official quality signs could be kept to a minimum by introducing the system progressively over five years, that the additional costs for the consumer will be minimal – around a few Euro cents per kilo¹⁰ – if they are spread through the whole supply chain, and finally that the environmental benefits of these non-GMO protein-rich vegetable crops will, in the medium to long term, fully cancel out these additional costs¹¹;
60. stresses the need to label quality products made from GMO-derived raw materials (meat, eggs, milk, etc.) in order to avoid a form of unfair competition between EU GMO-free products and GMO-derived products from the international market;

I. Controlling production

61. considers that regulating high-quality agricultural products and controlling their supply are key challenges for agricultural policy¹² and that, whilst not covered by the operating laws of standard markets, quality schemes are no less vulnerable to the whims of the markets;
62. is of the view that developing and maintaining quality schemes form part and parcel of a concerted supply control policy. Increases in productivity and/or quantities produced are usually incompatible with showing due regard for the environment and with preserving the quality and characteristics of the product;
63. also considers that, without control of production, the uncontrolled development of quantities sold may in some cases lead to a significant reduction in prices paid to producers, cancelling out any benefit this production may have for the producers in question. Moreover, it is not

⁹ These crops are currently largely produced by France (peas) and the United Kingdom (field beans).

¹⁰ **Milanesi J:** *Quel avenir pour les filières animales "sans OGM" en France? Illustration par le poulet Label Rouge.* [The future of non-GM policies in animal production chains in France. The example of Label Rouge chickens] 3rd social science research days. INRA SFER CIRAD, 9, 10 and 11 December 2009 – Montpellier, France. <http://www.sfer.asso.fr/content/download/2981/27271/version/1/file/B3+-+Milanesi.pdf>

¹¹ *La relance des légumineuses dans le cadre d'un plan protéines: quels bénéfices environnementaux?* [The re-emergence of leguminous crops as part of a protein plan: the environmental benefits] Commission on Sustainable Development, France, 2009. http://www.developpement-durable.gouv.fr/IMG/pdf/E_D15.pdf

¹² Eric Giraud-Héraud, Louis-Georges Soler. *Quelle légitimité à des mécanismes de régulation de l'offre dans les appellations d'origine protégée?* [The legitimacy of supply regulation mechanisms in designations of protected origin] In: *Économie rurale*. No 277-278, 2003. pp. 123-134. http://www.persee.fr/web/revues/home/prescript/article/ecoru_0013-0559_2003_num_277_1_5441

possible for producers in areas with natural handicaps to compensate for falling prices for high-quality products by increasing production volume: if they cannot adapt, they will disappear;

- 64. consequently feels that quality systems in the agricultural sector must move beyond the principle of competition based solely on price, and that the long-term future of a quality system cannot be based on an increase in volume, but must instead be based on the inherent quality of the product, justifying a higher price that consumers are willing to pay;
- 65. therefore calls, in line with previous opinions, for production control instruments to be put in place for differentiated quality sectors and urges the European Commission to propose specific instruments for the management of these markets;

J. Improving communication and promoting the development of quality schemes

- 66. considers consumers to be equal partners in the process of relocating and preserving agricultural production, since it is they who pay for it;
- 67. believes that it is crucial to improve communication regarding production conditions so that consumers can derive tangible benefit from the advantages offered by quality schemes. Consumers must be given all the tools required to recognise the four official European logos and to distinguish them from the marks of private enterprises associated with geographical names;
- 68. considers that the logos established by the Council or the Commission for the labelling of quality agricultural products should be used systematically by operators and that consumers should be better informed of their meaning and importance;
- 69. calls for the appropriate tools under the future CAP to consolidate, promote and support the development of quality schemes;
- 70. calls in particular for measures to be adopted under the second pillar of the CAP to improve or replace the existing EAFRD measures supporting and promoting quality schemes, via:
 - a. greater consideration of the constraints on producers in relation to quality products
 - b. greater assistance for producer groups as regards certification, monitoring, promotion and prior studies
 - c. the possibility of funding temporary protection for PDOs and PGIs
 - d. the possibility of funding collective measures by several PDOs and PGIs and of making use of national and regional co-financing

K. Simplifying and improving the implementation of quality policy

71. points out that EU action on the quality of agricultural products is essential to ensure that these products are effectively protected and that consumers have reliable information;
72. welcomes the European Commission's proposals to update the rules and cut red tape for producers, particularly in relation to the registration of products;
73. also welcomes the recognition of the role and responsibilities of producer groups in the management of geographical indications;
74. supports the Commission's proposal to simplify and better target the scheme for traditional specialities guaranteed.

Brussels, 12 May 2011.

The President
of the
Committee of the Regions

Mercedes Bresso

The Secretary-General
of the
Committee of the Regions

Gerhard Stahl

III. PROCEDURE

Title	Towards an ambitious European policy for agricultural quality schemes
Reference document	COM(2010)733 final
Legal basis	Art. 307(1) TFEU
Procedural basis	Optional referral
Date of Council referral	26 January 2011
Date of President's decision	10 December 2010
Commission responsible	Commission for Natural Resources
Rapporteur	Mr René Souchon (FR/PES), President of Auvergne Regional Council
Analysis	22 December 2010
Discussed in commission	10 March 2011
Date adopted by commission	10 March 2011
Result of the vote in commission	Adopted by a majority
Date adopted in plenary	12 May 2011 by unanimous vote
Previous Committee opinions	<ul style="list-style-type: none">• Opinion of the Committee of the Regions on the Communication from the Commission to the Council and the European Parliament: European action plan for organic food and farming – CdR 310/2004 fin• Opinion of the Committee of the Regions on the Green Paper on agricultural product quality – CdR 349/2008 fin• Opinion of the Committee of the Regions on agricultural product quality policy – CdR 315/2009 fin• Outlook opinion of the Committee of the Regions on local food systems – CdR 341/2010 rev. 1