

## REPORT

# EUROPEAN EVENT OF QUALITY AND ORIGIN PRODUCTS

## THE MEETING OF THE REGIONS AND PRODUCERS

Event organised by AREPO

**March 21<sup>st</sup>, 2018**

Common House of the Regions Emilia-Romagna, Hessen and Nouvelle-Aquitaine  
21, Rue Montoyer - 1000 Brussels



**Interreg  
Sudoe**



The event was organised in the framework of AGROSMARTcoop “Space for the integration, competitiveness and intelligent economic growth of agri-food cooperatives in the SUDOE rural areas”, a European project co-financed at 75% by the Interreg Sudoe Program which aims to revitalize the rural area of South-West Europe by reinforcing the competitiveness of its agri-food cooperatives.



**AGROSMARTcoop**  
European Regional Development Fund

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The **Association of European Regions for Products of Origin** - AREPO - is a network of Regions and producer associations that deals with products of origin and EU quality schemes. It represents 32 Regions from 8 European countries and 700 associations of producers for over 50% of European GIs.

### SESSION 1: TOOLS AND STRATEGIES FOR THE VALORISATION OF QUALITY AND ORIGIN PRODUCTS

After the welcoming greetings of Theano Vrentzou-Skordalaki, President of AREPO and Vice-Governor of Crete, Vincent Labarthe – Vice-President of Occitanie Region in charge of Agriculture and outgoing President of AREPO - introduced the first session of the conference.

#### OPENING SPEECH, VINCENT LABARTHE, VICE-PRESIDENT OF OCCITANIE REGION IN CHARGE OF AGRICULTURE AND OUTGOING PRESIDENT OF AREPO

Geographical Indications (GIs) protect know-how from different generations and are carried by populations that take the best possible advantage of the constraints of their territories, transforming them into assets. This is the case of Occitanie, one of the Regions with the biggest number of GIs within heterogeneous geographical areas: from the sea to the mountains. Natural constraints are strong, but they lead to the development of specific products that are often valorised through a GI.

At EU level, GIs represent 60 billion € in sales - 30 billion for wine, 10 billion for spirits and 20 billion for agri-food products - including exports and the internal market. Today, we count more than 1.400 registered GIs for agri-food products in the EU.

Finally, the agricultural heritage safeguarded thanks to the GIs can contribute to the valorisation of the territory via gastronomy and tourism. For example, a PDO cheese on a mountain area leads to the maintenance of the milk production as well as of the landscape, thanks to livestock farming, protection of biodiversity, control of erosion, avalanches or fires. As a result, this means that families remain in mountain areas, schools stay open and villages are maintained. All this leads to a coherent rurality that attract tourism and employment. In a word, a living mountain.

### AGROSMARTCOOP: OBJECTIVES AND MAIN RESULTS OF THE PROJECT, JOSÉ SEVERINO MONTES PÉREZ, PRESIDENT OF AGACA

José Severino Montes Pérez, President of AGACA – Federation of agri-food cooperatives of Galicia in Spain - presented [AGROSMARTcoop](#), a European project co-financed at 75% by the Interreg Sudoe Program 2014-2020 under priority axis 2: “boosting the competitiveness and internationalization of SMEs in South-West Europe”.

Its main objective is to create a virtual platform for promotion, intercooperation and interaction with structures, tools and advanced services to support agri-food cooperatives in Sudoe. The 3 main axes are the following:

- ✔ **Encourage eco-innovation** between Sudoe agri-food cooperatives to maximize their growth and value-added potential;
- ✔ **Support the intelligent marketing** of agri-food cooperative products and highlight their endogenous quality and characteristics;
- ✔ **Encourage the association of agri-food cooperatives from the Sudoe area** and the creation of alliances and strategic projects through **intercooperation**.

### THE KEY FACTORS OF THE INTELLIGENT MARKETING STRATEGY OF GIs, JÉSUS GONZÁLEZ VÁZQUEZ, PRESIDENT OF ORIGEN ESPAÑA

Jesús González Vázquez, President of [Origen España](#), presented the key factors that influence intelligent marketing. To structure effective campaigns, it is crucial to target first of all the goal of the promotion. **For GIs, the ultimate goal must remain the creation of added value for all operators in the production chain and for the territory as a whole.** For the intelligent marketing of GIs, there are 4 categories of key factors:

- ✔ **Origin / Territory – History / Tradition – Cultural values:** geographical area of production;
- ✔ **Product quality – Product reputation – Exclusivity:** inherent value of the product;
- ✔ **Guarantee / Traceability:** mutual trust with the consumer;
- ✔ **Environment - Animal Welfare - CSR:** societal demands.

Once the key factors are defined, intelligent marketing must translate concepts into messages, in order to convey to consumers the values associated with PGIs / PDOs:

- ✔ Tradition is modern and **GIs adapt tradition to innovation**;
- ✔ The unique and exclusive origin of GIs brings a **price that is ultimately reasonable and justified**;
- ✔ Traditional products **generate wealth, culture and innovation** and maintain people in rural areas;
- ✔ The quality of GIs implies improved **taste** but also a **healthy diet**;
- ✔ The notions of guarantee and traceability force **GIs to be certified and controlled**, which represents a guarantee in terms of food safety;
- ✔ GIs answer to environmental concerns, animal welfare and sustainable development by being linked to biodiversity, landscape, as well as to **the idea of proximity** between the consumer and the producer.

In addition, a good strategy should include two forms of messages: product **information** and **promotion** to support the sale and product's consumption. It must also generate proximity between the consumer and the producer. **The product is precisely the element that validates the link between them and generates emotions, promises and social cohesion.**

You can refer to some examples of advertising campaigns on GIs products that took place in Spain at the following links: [“Historias en tu mesa”](#) , [“Carnes únicas de tierras únicas”](#), [“Pura Ternura”](#).

## THE CONTRIBUTION OF GIS TO RURAL DEVELOPMENT DYNAMICS: THE EVIDENCES OF RESEARCH, CLAIRE CERDAN, CIRAD, SCIENTIFIC COMMITTEE OF AREPO

First, it should be emphasised that due to GIs specificities, **there is no systematic and complete study of their contribution to rural development**. Indeed, GIs are **complex objects**. They are legal instruments and intellectual property rights that aim to protect and valorise products of origin with a multidimensional nature (cultural and natural resources). These products are the result of a historical process with a traditional and collective dimension. Their valorisation through a GI (PDO / PGI) has multiple effects on the food chain as well as on the rural community.

GIs, as a legal instrument, protect consumers and producers (certification). In addition, GIs registration process has a collective dimension and, in some circumstances, the product itself can become a common good. For this reason, the EU is trying to promote GIs as a development tool, capable to change the balance of power within a food chain and a territory.

It is therefore important to see GIs **as a virtuous circle of quality and not a simple finished product**. Indeed, GIs contribution can be better understood through a **participatory evaluation and a dynamic vision**. It is also necessary to evaluate the impact of GIs on **several levels**: from the micro level of producers to the macro level of the EU countries, while considering the territory and the region (meso). Finally, we should analyse GIs coexistence and/or confrontation with the different models of agricultural and rural development in the same territory.

The foundations of GIs potential effects are related to their structure:

- ✔ **Legal instrument**: repression of fraud and imitation on the markets can contribute to the maintenance of GIs, if the measures are implemented effectively;
- ✔ **Product' specifications**: The future and success of one GI depends greatly on how the rules have been built / defined (definition of geographical limits of the production area, technical rules and control system);
- ✔ **GIs use in producers' strategies**: for example, if a GI is used only for a limited part of the production the impact will be limited as well;
- ✔ **Collective action, governance** and balance between the different actors;
- ✔ **Role of public policies/actions** that often accompany GIs.

To evaluate GIs impact, it is necessary to analyse 3 levels of use within a territory:

- ✔ **Participation/knowledge** of GI producers;
- ✔ **Commercialisation and use** of the product by producers: better price of the product, remuneration, better distribution of profits;
- ✔ **Strong use of GIs** causes indirect effects: tourism, collective well-being.

**Example of Brazilian hybrid wine** (a mix of local and Italian varieties): a flagship product of the region which suffered a loss of value because considered obsolete and was subsequently valorised by producers through the creation of a GI. Thanks to the support of a cultural tourism strategy and the improvement of the product quality, the producers have managed to develop the market and have obtained an increased income, as well as a positive effect in terms of attractiveness for the whole region that benefited other artisanal producers as well.

These cases demonstrate that the analysis of the **process**, the construction **strategy** of the GI and the management mode is fundamental to evaluate GIs effects. **This method of analysis can be applied also before the adoption of a GI (ex-ante) to identify the desired impacts and the paths to take in order to achieve them.**

## SESSION 2: HOW TO BETTER SUPPORT QUALITY AND ORIGIN PRODUCTS IN THE CAP?

### “A NEW CAP FOR HIGH QUALITY FOOD”: AREPO POSITION ON THE FUTURE OF CAP POST 2020, LAURENT GOMEZ, SECRETARY GENERAL, AREPO

AREPO reiterates the need to **keep the CAP budget at least at the current level** and supports the **CAP regionalization** to address local issues and needs with solutions more adapted to the challenges of the territories.

EU quality schemes play a fundamental role in the rural development policy, since the revenues of the sector benefit rural areas as a whole. Behind GIs, there is also the work of women and men who add social value to the environmental and economic ones. Relying on collective organizations of farmers and businesses, PGIs and PDOs are an important support for the sector in meeting consumer expectations.

**The issues at stake include the lack of communication and promotion of GIs to consumers and their protection on the internal market and in third countries.**

At the international level, AREPO supports the ratification of the Lisbon Agreement of the Geneva Act by the EU, as well as greater transparency regarding the development of restricted GI lists in bilateral and multilateral agreements. It would be useful to consult each PGI and PDO before drafting these agreements.

AREPO stresses the inadequacy of support for quality schemes within the current CAP and calls for more measures in the next programming period. First of all, measure 3 (support for certification costs and promotion) needs to be simplified to eliminate administrative complexities in its implementation. AREPO, which represents around 50% of EU GIs, certifies that several of its member Regions no longer provide support for GIs in their rural development programmes due to this administrative complexity.

AREPO would also like an additional measure to be proposed for GIs producer groups, to support their creation and development.

### NATHALIE SAUZE-VANDEVYVER, DIRECTOR OF QUALITY, RESEARCH & INNOVATION, DG AGRI, EUROPEAN COMMISSION

The director of DG AGRI quality service has recognized the fundamental role of GIs in term of their socio-economic and environmental impact, as well as their **underutilized potential**. The Commission has observed that civil society in Europe is paying increasing attention to products quality and traceability. The [results of a statistic survey](#) on this issue (February 2018) highlighted that:

- ✔ **62% of EU citizens consider that providing safe, good quality food should be the priority of the CAP;**
- ✔ Among respondents who know GIs, **77% say that certifications affect their purchases;**
- ✔ On the other hand, GIs logos recognition continues to be low: **only 18% know the European PDO/PGI certifications whereas 37% know Fair Trade.**

Concerning the CAP post 2020, the Commission is planning an evolution of the policy, not a revolution. EC aims to give **greater flexibility and subsidiarity to the Member States. Each Member State will have to take responsibility for the implementation and fulfilment of the objectives established at EU level.** Each Member State should therefore draw up strategic plans for the CAP and specify the actions it intends to implement. This should ensure greater flexibility and adaptation of the CAP to the specificities of countries and Regions. **The CAP will remain a common policy and the Commission does not intend to renationalize it.** However, this new implementation model will imply that lobbying actions to obtain targeted policies on quality and origin products should be carried out at Member States level.

Concerning **simplification**, the idea is to continue making GIs more attractive to farmers and consumers. The aim is to develop GIs and increase consumers awareness as well as the attractiveness of these types of products. Specifically, the EC aims to simplify some aspects of wine GIs, while a proposal on spirits is currently under consideration. In the context of the forthcoming reform, the regulation concerning GIs for agri-food products will be analysed to introduce some small simplifications.

Finally, at the international level, the EU wants to defend GIs via the **Lisbon Agreement** in the Geneva Act, which is on the verge of being signed. Regarding bilateral agreements GIs should lobby directly the Member States.

## HERBERT DORFMANN, MEP, MEMBER OF COMAGRI, RAPporteur ON THE COMMUNICATION ON "THE FUTURE OF FOOD AND FARMING"

Herbert Dorfmann, MEP and member of COMAGRI, presented a summary of [his report on "The future of food and agriculture"](#). Among the main considerations and proposals:

The **new delivery model**: it is difficult to predict the impact of the new model, but it must be emphasized that the CAP must be a common agricultural policy with a single market in Europe. The **market distortions that exist today must not be aggravated. In addition, the competences and responsibilities of the Regions must be respected.** If the Member States are too involved, regional competences will be hindered, especially in terms of rural development on which the State does not have the right competences.

**CAP funding**: the budget must be maintained. **With the Brexit and new policy burdens, the EU faces a diminished overall budget.** The reduction will probably concern cohesion policy and the CAP. The European Parliament will do its best to avoid this reduction and obtain the necessary funds, but this depends heavily on the decisions of the Member States.

Regarding the calculation of the **direct payments under the first pillar**, the report proposes to move away from the current system based on historical references.

**Young farmers are drivers of innovation**: a strategy must be developed that combines the first and second pillars with national strategies. **Rural development**: a strong rural development policy is needed to support GI producers, often operating in difficult areas and disadvantaged territories. **Greening**: according to the MEP, it is an excessively complex system that needs to be simplified.

**Measures for products valorisation: the CAP must also include a more comprehensive policy of support and valorisation of agri-food products, to ensure a fair income for farmers.** Thanks to the creation of added value, GIs are fundamental for the valorisation of productions. The promotion policy and the existing CMO measures (fruit and vegetables and wine) must be maintained and other measures should be introduced to support these products. It is important to pay attention to the production of processed milk in difficult areas. To limit the negative impact of the liberalisation of this production in mountain areas, a specific measure should be adopted.

**International agreements and GI exports**: GI exports outside the EU are very important at economic level, but also at cultural level by bringing tourists. This trend must be supported by promoting and, at the same time, protecting these GIs internationally.

## ROUND TABLE WITH REGIONAL REPRESENTATIVES

The roundtable was moderated by **Massimo Vittori, Director of oriGIn**, the international network of geographical indications producers based in Geneva, Switzerland. The aim of the round table was to debate with the Regions on two fundamental matters: how to promote quality products at regional level and what are the prospects of the CAP for the Regions.

## INTRODUCTION: CLAUDE VERMOT-DESROCHES, PRESIDENT OF THE COMITÉ INTERPROFESSIONNEL DU COMTÉ AND PRESIDENT OF ORIGIN

The volume-price-quality approach is no longer relevant today because society's expectations have evolved into an approach of pleasure, societal and environmental concerns, animal welfare and income equity. This is what makes GIs successful today, but the need for adaptation is great in order to stand the competition of private initiatives that have superior innovation capabilities, but not necessarily share the same ethical considerations.

The CAP should maintain a common basis at EU level to serve the interests of GIs. GI protection must be integrated within the CAP to be respected and strengthened. Introducing the possibility to **regulate GIs supply** (like planting rights in wine sector) would also be an essential point for the next CAP. If there is no way to regulate, the damage caused by excessive free competition and an influx of production would be catastrophic. In addition, the regulation of supply will allow sharing the added value.

A GI is synonymous with living territory and shared economy. A GI that does not serve its territory or serves only one link in its supply chain, without being useful to the territory and the community, does not fulfil its role.

**PATRICIA MAUSSION, VICE-PRESIDENT OF PAYS DE LA LOIRE IN CHARGE OF AGRICULTURAL PROMOTION AND VALORISATION OF REGIONAL PRODUCTS**

The Regional Council has implemented a policy to promote quality agriculture. In particular, regarding **public food procurements**, the Region encourages the purchase of up to 50% raw material coming from the Region and 20% of products with quality schemes. Training for cooks is planned to promote knowledge of quality schemes, while organising meetings with the producers. Furthermore, the Region also **support the economic structuring of quality food supply chains**, through the establishment of short and local circuits and highlighting geographical specificities.

**At EU level, support for quality food supply chains should be strengthened.** The steps to highlight the positive impacts of quality chains for the territory require a lot of time and reflection (on governance, market research, economic structuring). The EU should support and fund these accompanying measures to reinforce the work that already exists at national and regional level.

**SIMONA CASELLI, REGIONAL MINISTER OF AGRICULTURE, EMILIA-ROMAGNA**

The Region of Emilia-Romagna pursues a strategic vision of agriculture based on quality. To support this goal, it included in the Rural Development Program (RDP) a **cross-cutting priority for quality systems** (GI and organic farming) on all measures. Other priorities concern young farmers and the maintenance of agriculture in mountain areas. Regarding specific measures:

- ✔ **Investments:** Half of the resources are allocated through supply chain agreements, which are important to strengthening GIs supply chains, with priority given to innovative proposals;
- ✔ **Innovation:** Many resources are devoted to innovation to set up 95 operational groups. To ensure the competitiveness of quality, supply chains must invest in innovation, especially to respond to new societal challenges (e.g. animal welfare);
- ✔ **Promotion:** priority to projects submitted by more than one GI and including, where possible, products of different sizes and targeting foreign markets.

**New CAP:** the budget must not be reduced; the Member States should increase their contribution to EU budget. There is a risk of CAP renationalisation.

Finally, it should be noted that for the first time, the **Omnibus Regulation** goes beyond the limits of competition and opens significant possibilities in terms of **supply regulation**. This should lead to a reflection on the new role of GIs producer groups (consortia). Nevertheless, for now, EU legislation assigns this role to producer organizations (POs) and association of producer organisations (APOs). It is therefore necessary to consider whether the consortia can fit into these categories in order to assume this new function.

**OLIVIER ALLAIN, VICE-PRESIDENT OF BRETAGNE REGION IN CHARGE OF AGRICULTURE**

Bretagne Region has developed a large number of GIs as well as organic farming agriculture (8% of surfaces). Many of the EAFRD resources and regional funds are reserved for farmers who want to develop quality systems. Quality schemes (PDO, PGI, organic, etc.) are extremely important as levers of economic reinforcement. By focusing on quality and origin, these schemes support product valorisation, creating added value for farmers and providing them with a decent income. At the same time, they have the advantage of pulling up the rest of conventional production.

Regarding the CAP, Bretagne defined its position following a great collective discussion which involved all the stakeholders.

- ✔ **Regulation:** the amount of aid is higher than the farmers income, thus we must have a better regulation of prices to ensure a fair remuneration;
- ✔ **The management of the II pillar of the CAP must be left to the Regions**, which are closer to the citizens and the specific problems of the territories;
- ✔ **Importance of agroecology:** consumers are aware of the links between food/health and food/environment. At the time of purchase, the environmental and social impact of products is increasingly taken into account. Bretagne supports

the adoption of agri-environmental and climate measures (AECM) which allow a dual approach focused on competitiveness and agroecology. In addition, the contribution of agriculture to environmental and climate objectives helps to justify the aids to the sector.

In conclusion, the European market must be protected from imports that do not meet the same specifications in term of food safety and food security.

#### **PELI MANTEROLA, DIRECTOR OF QUALITY AND AGRI-FOOD INDUSTRIES OF THE BASQUE GOVERNMENT**

Concerning the **new CAP**, the Basque Country supports the **regionalization** of national strategic plans. For countries like Spain, the socio-economic realities are very different from one region to another. Subsidiarity is necessary, and decisions need to be much closer to the producers and the territory. This occurs when strategic programs are defined and implemented at regional level.

Regarding quality products, the need to simplify current measure 3 on certification and promotion support must be underlined. In addition, a priority for quality products should be included in other RDP measures such as cooperation and support for young farmers.

Finally, the Basque Country supports the development of quality products from the raw material supply chain to the final product consumed. The agri-food sector represents 10% of the Basque Country's GDP and 100.000 direct jobs out of 2 million inhabitants. The Region receives around 6 million tourists each year and about a third of them are motivated by gastronomic interests. This is an important opportunity to differentiate and promote local products.

#### **KOSTANTINOS AGORASTOS, GOVERNOR OF THE REGION OF THESSALY AND PRESIDENT OF THE UNION OF GREEK REGIONS**

Production is the base of the pyramid, without production, there is no marketing, finance, international markets. We must reconnect the base and the top of the pyramid and this must be done through a new form of collective governance. Regarding the CAP, the implementation must remain regional to be practical and applicable. In addition, the CAP budget should be maintained while assuring a better management of existing funds. The Europe of tomorrow being the Europe of collaboration and not of renationalization, Konstantino Agorastos has called for a discussion between AREPO Regions to clarify as much as possible a common positions.

Finally, Thessaly has implemented training and collaboration programs with agricultural schools that familiarise young people with these themes of production, quality and tradition, with the aim of rising interest because the agricultural world is attracting less and less young people today.

#### **MARCO REMASCHI, REGIONAL MINISTER OF AGRICULTURE, TOSCANA**

The CAP is a tool of territorial cohesion that can be used to respond to territorial challenges. It is therefore necessary to ensure the maintenance of the current budget as well as more flexibility for the management of these tools at the regional level. The role of the Regions is crucial and strategic for the implementation of the two pillars. Regions have a central role to play in the CAP to benefit from multi-level governance.

Marco Remaschi recalled the importance of another point: quality products represent an instrument of valorisation and protection of the territories and their biodiversity. They convey the history and culture of the Region and promote its touristic attraction. For this reason, it is necessary to pay attention to labelling on the origin of the raw material, giving information and guarantees to the consumer.

## CONCLUSIONS

### THEANO VRENTZOU-SKORDALAKI, PRESIDENT OF AREPO, VICE-GOVERNOR OF CRETE

The revision of the Common Agricultural Policy is currently the most important priority for AREPO, in order to obtain adequate support for GIs and quality products in the next programming period. Of course, GIs can contribute to EU socio-economic and environmental priorities as well as to the creation of public goods. To summarize AREPO's position:

- ✔ The CAP should continue to support quality and origin products through rural development, as well as to promote and improve the recognition of these products at international level;
- ✔ AREPO recommends the introduction of a strong horizontal priority for quality products in the context of rural development measures;
- ✔ In addition, rural development should include a specific and coherent measure for GIs and quality systems, while simplifying the existing measure 3 and adding the possibility of covering support to producer groups;
- ✔ Finally, it is very important to reconsider the place of agriculture and food in the EU's trade policy, given the crucial importance of this sector for the Regions and territories. In particular, EU quality systems should be duly taken into account in all EU trade negotiations and protected in all trade agreements with third countries.

### PAOLO DE CASTRO, MEP, FIRST VICE-PRESIDENT OF COMAGRI, EUROPEAN PARLIAMENT

**EU budget:** the gap created by Brexit and the resources needed for new policies put pressure on the EU budget. The debate on the EU's financial perspective must therefore address a need of around 25/26 billion euros to maintain the status quo. In this context, it is clear that the Member States must give more resources to the EU. Regions must commit to convincing European governments to take this decision, in order to avoid cuts in the CAP and the cohesion policy. The decision on the budget must be taken by the end of 2018 (max January / February 2019), in order to provide the EU with a solid financial framework by the end of this legislature.

**Innovations introduced by Omnibus for quality systems:** the Omnibus regulation is the result of a major effort to simplify the current CAP, which has introduced important innovations that are still little known and used. In particular, the regulation addresses an important issue for quality products, establishing for the first time the **legal superiority of the CAP over the competition rules**. This means that the competition rules do not apply to actions taken by consortia and producer organizations (POs) to regulate production, quantities and price. The scope of this innovation is very important because it will change the way the product is commercialised: quality products will be able to organise themselves and strengthen their position in the market without any risk.

**EC Communication on the future of the CAP:** The European Parliament is very concerned that the flexibility and subsidiarity proposed by the EC could be transformed into a renationalisation of the CAP. This involves 3 major risks:

1. Risk of introducing **co-financing** in the first pillar;
2. A renationalised CAP with national strategic plans may increase **distortions of competition**;
3. Risk of high volatility of national strategic plans, which could be modified according to political differences after each change of government.

In conclusion, Mr De Castro reminded that tradition is nothing more than a successful innovation. Quality products need to invest in innovation to keep pace with the development of new technologies and innovations, providing farmers with a fair income and growth capacity.