

## AREPO CONTRIBUTION TO THE DEFINITION OF PRIORITIES IN THE ANNUAL WORK PROGRAMME 2021 CONCERNING PROMOTION OF AGRICULTURAL PRODUCTS

The **Association of European Regions for Products of Origin (AREPO)** brings together 33 European regions and more than 700 associations of producers for over 50% of European GIs. AREPO aims to promote and defend the interests of producers and consumers in European regions committed to promoting quality agri-food products.

As **member of the Civil Dialogue Group on Quality and Promotion**, AREPO welcomes the Commission's request for inputs from stakeholders to the definition of priorities in the Annual Work Programme 2021 concerning the promotion of agricultural products.

European Union Quality Schemes, covering so far 1448 Geographical Indications (GI) for foodstuffs and 1607 GIs for wine - PDO and PGI registered by the European Commission (EC)- **contribute to deliver public goods to the whole European society** in several ways. As a matter of fact, EU GIs account for an **estimated sales value of €77.15 billion** and **represent 15.5% of the total EU agri-food exports<sup>1</sup>**, providing an export-promotion mechanism through which the EU can compete **on quality rather than price**. Their higher sales premium is redistributed along the value chain activating a **virtuous circle that benefits the territory** contributing to the economy at national and regional level and to sustainable development of rural areas.

Nevertheless, confronted with a changing environment, **these products need the support of the European Commission for promotion in the internal market and in third countries.**

The sector, **already suffering for US retaliatory tariffs and the uncertainties related to Brexit, is one of the most affected by the COVID-19 pandemic**, as a result of the closure of the Horeca channel, the loss of export opportunities and the contraction in consumption of fresh products penalized by stockpiling behaviour as well as spending methods that privilege long-term products. Therefore, in view of the upcoming drafting of the 2021 Annual Work Programme, this call should strongly prioritise the promotion of EU quality scheme in the internal market.

### INTERNAL MARKET

AREPO calls on the European Commission to:

- **Allocate a sizeable budget dedicated to EU quality schemes.** We acknowledge the importance of the budgetary lines currently dedicated to these topics, both for single and multi programmes. However, **we encourage the Commission to increase funds in order to allow producers to mitigate the damages of the Coronavirus outbreak;**
- **Simplify the participation with a streamlined bureaucratic process,** easy to access and manage, **in particular for small GIs groups.** In fact, it should be noted that the majority of stakeholders involved in promotion of products under EU quality schemes are small associations who can't access such complex instruments. Consequently, the selection process favours big projects with high budgets and big partnerships;
- Encourage and fund the implementation of **small projects** in order to reach more producers.

<sup>1</sup> Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialties guaranteed (TSGs), 2020. AND-International, Directorate-General for Agriculture and Rural Development (European Commission), ECORYS

## THIRD COUNTRIES

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With regards to third countries, the unpredictable evolution of the pandemic hampers GIs export possibilities. Particularly, **it will make difficult to explore new market opportunities**, so that turning to consolidated markets that have seen recent strong growth, could be strategic. Furthermore, **US tariffs make necessary to still target United States** as market for EU quality schemes.

Nevertheless, **Brexit imposes to consider United Kingdom as a new third country** in which GIs producers will need support from the European Commission for promoting their quality products.

All this considered, AREPO encourages the European Commission to:

- **Allow for flexibilities in the use of the aid for the promotion** of EU quality schemes in third countries. In addition, **there should be an increase of funds** so that EU GIs producers do not lose their market shares on the long-term despite the negative effects of the COVID-19 crisis;
- **Target consolidated foreign markets**, confirming particularly United States and including United Kingdom;
- **Introduce a specific topic for simple programmes in third countries on “Information provision and promotion programmes on EU GIs”**, as it was done for beef and veal in the 2020 AWP;
- Include **among Commission’s own initiative, a promotion campaign regarding GIs in the USA** (communication or promotion seminars, storytelling, masterclasses, especially for the Horeca sector), with the aim to offset the impact of the 25% *ad valorem* tariffs.