



REPORT OF THE MEETING OF AREPO SCIENTIFIC COUNCIL

29 April 2022

The meeting of the AREPO Scientific Council was held online, through the Zoom platform.

Following the welcome and the presentation of the agenda by the Secretary General of AREPO, Laurent Gomez, the Prof. Giovanni Belletti introduced the three topics to be discussed concerning the revision of EU GI system: sustainability criteria; role of regions and accompanying policies; role and powers of producer groups.

1. SUSTAINABILITY

The discussion developed from one of the provisions of the legislative proposal on the revision of EU GIs concerning the possibility to include sustainability undertakings in GIs product specifications.

Producers can already include some sustainability aspects in their product specifications, however up to now they have to justify the introduction of such criteria in terms of effects on the specificities of their GI product. According to the formulation of the article 12 of the new proposal, producers seems to be allowed to introduce new rules on sustainability without any specific justification linking the new rule to the specificity of their PDO-PGI product.

If producers will have to include sustainability criteria in product specification, this should be certified by third parties certification bodies, **thus implying further costs for producers.**

The proposal for a regulation leaves to the European Commission (EC), at a later stage, the possibility to provide a definition of sustainability standards or of the criteria for the recognition of existing sustainability standards through **delegated acts.**

This aspect of the proposal led members of the AREPO Scientific Council to explore whether a definition established by the EC might result in **an orientation towards standardization of sustainability** referring to some general criteria but not always appropriate for products of origin. The multidimensional and territorially contextualised nature of sustainability must be recognised, true especially for origin products and their production systems. As a matter of fact, **a standardization might produce some challenges for producer groups who should have the possibility to define sustainability standards according to their local needs and territories.**

The choice of the voluntary inclusion, which was also supported by AREPO during the public consultation process, replies to the need of **encouraging and accompanying producers, so that the already existing practices in relation to sustainability can be further acknowledged and promoted.**

Although it might sound like a lack of ambition of the EC since it does not give a precise direction to the future of GIs, the voluntary inclusion of sustainability undertakings opens the possibility to explore which type of sustainability criteria and aspects producers should include in their product specification and how to include them. It offers a tool to producers who are ready to explore all the dimensions of sustainability but also to national administrations sometimes reluctant to accept new proposals of sustainability criteria from producer groups when they refer to social sustainability.

It should also be stressed that the approach to sustainability must be holistic, considering its environmental, social and economic dimension and that producers will have to bear some costs to guarantee and certify

their compliance with sustainability. As a result, **the CAP framework should provide the financial incentives and support for producers to comply with sustainability and its multifunctionality.**

Nonetheless, the **issue of control and evaluation of these sustainability criteria** arises, as well as **how sustainability will be managed by producer groups.**

In fact, the sustainability rules in the product specifications can affect **the power relation of the value distribution along the chain**, because the benefits of highlighting the environmental sustainability aspects of a product are gained by the end seller while the costs are borne by producers. Hence, the decision making process is very relevant and it is linked to the configuration and role of producer groups.

Furthermore, it must be avoided that, with the voluntary introduction of sustainability, consumers may be misled into thinking that GIs up to now have not been sustainable products. GIs *per sé* have many sustainability aspects and this should be at least mentioned in the proposal. GIs have already a reputation of sustainable food system thanks to their link with the territory.

However, one should question whether such sustainability criteria for GIs make a difference to consumers. A GI is already a differentiated product compared to a conventional one. Does a sustainable criterion for a GI add to the level of differentiation to a conventional product? Do consumers have the perception of this difference? Otherwise the risk is to make GIs more homogenous to conventional products rather than differentiated.

Likewise, showing the sustainability of a product through claims or labelling added to the EU GI logo, risks confusing consumers and degrading the vision of the GI logo. Thus, in the view of the EC future proposal on a sustainable food labelling system, it could be interesting to investigate the advantages and disadvantages of a multicertification and the implications for the multidimensional nature of GI.

The voluntary inclusion of sustainability undertakings leaves a certain degree of **flexibility** to producer groups in the interpretation of sustainability and the elements that they should include.

A mandatory inclusion and an harmonized view of sustainability could hinder producers on their path to greater sustainability. Every effort should always be adapted to the local context.

Moreover, the EC is not asking producers to demonstrate that they are complying with a complete set of sustainability criteria. Through the voluntary inclusion, producers can emphasise a specific dimension of the sustainability of their GI.

With respect to sustainability, the role of producer groups is also important in marketing campaign aiming to inform consumers on the sustainability of their GI and support the increase in their willingness to pay.

2. ROLE AND POWERS OF PRODUCER GROUPS

Sustainability allowed for a link with the role and powers of producer groups according to the new provisions contained in the proposal for revision of the EU GIs.

The main novelty is the introduction of the **recognised producer groups**. They will have to be recognized by Member States, provided a prior agreement concluded between at least **two-thirds of the producers of the product covered by a GI, accounting for at least two-thirds of the production of that product** in the geographical area referred to in the product specification. Recognised groups will be empowered to manage, enforce and develop their GIs, notably by having access to anti-counterfeiting authorities and customs in all Member States.

This is what is happening already in some Member States, where there are groups who are more representative of the production system and who also have more power of action, as well as normal producer groups left with some minor activities to be performed.

The reflection of the AREPO Scientific Council **focused on the decision making process within the producer group and the level of representativeness**. Particularly, the debate unfolded around the **criteria set by the EC to define the level of representation of recognised producer groups and how to guarantee that a group is operating in a transparent and democratic manner**.

The principle at the heart of the EC proposal seems to be good, because many empirical research highlighted a good degree of correlation between the strong collective organisation of a GI and its good performance. The individualistic approach to GIs is not successful.

However, further clarifications are needed, especially concerning the **balance of powers within the recognised producer groups** and also concerning **the representation of the different categories of actors involved in the chain and represented in the producer group** (farmers and producers, first and second processor...).

The threshold of 2/3 of producers representing 2/3 of the production volume of a GI is seen as quite complicated to be achieved in certain configurations of GI producer groups and not the best option to guarantee a democratic and transparent decision making process within the recognised producer group (risk of abuse of dominant position or a sort of veto power from producer with major production volumes).

The main consequence could be the loss of some specific characteristic of the GI as a result of the predominant position of one big producer responding to the criteria set. The risk might be that big groups, with the intention to exploit economies of scale, will change some aspect of the product specification and then the quality of the product.

As a result, the following questions arose:

- What would be the distribution between producer groups and recognised producer groups? In Italy, for example, it is not mandatory to adhere to a producer group. Not all GI producers are part of the “*consorzio*” but when the consorzio is representative in terms of 2/3 of the production then the decisions taken will apply as well to all the producers of the GI.
- What about the constitution of the groups and the distribution of power?
- Will recognised producer groups be the only one allowed to act on behalf of the GI?
- With respect to internal rules governing the functioning of producer groups, will they still be decided at national level?

3. ROLE OF REGIONS

Another item discussed by the AREPO Scientific Council was the possibility for regional or local public bodies to help in the preparation of the application and in the related procedures.

This has been considered as a positive addition to the text of the regulation since it formalises the contribution of regions in the preparation and the preliminary steps of the process for registration of a new GI. As a matter of fact, this is something already happening with many regions that help producers in several ways in elaborating the product specification and in modifying it.

4. OVERALL GI GOVERNANCE SYSTEM

Furthermore, the setting of the scene of the actors in the regulating system and technical definition of GIs is very relevant in orienting the logic of the GIs in a country. So, where the power is in the hand of intellectual



property offices we observe different evolution of GIs than countries where GIs are in the hand of the Ministry of Agriculture, as also highlighted by some recent scientific investigations¹.

Consequently, any delegation of competences, including the preliminary assessment, to EUIPO must be carefully considered and appropriately governed, so as to maintain full consistency of the system with the dual role of GI, as an instrument for the protection of intellectual property and as a lever for the development of rural areas and local agri-food systems.

4. FUTURE ACTIVITIES OF THE SCIENTIFIC COUNCIL

1. [FAO-CIRAD Worldwide perspectives on Geographical Indications](#), Montpellier (France), 5-8 July 2022: Registration open until 31 May 2022;

2. [9th World Conference on Localized Agri-Food Systems \(SYAL\)](#), Vila Real (Portugal) 14-16 November 2022: Submission of abstracts on topics related to localized agri-food systems, including production approaches, consumers' behavior, food heritage strategies, alternative and sustainable food systems, food innovation, the role of institutions and local organizations, markets, gastronomy, health and nutrition challenges, and the relationship with territorial development is open until 20 May 2022.

3. AREPO General Assembly in Würzburg, 25-27 October 2022.

Conclusions

The European Commission opened a public consultation to receive feedback on the proposal for a regulation on the revision of the EU GI system.

AREPO is planning to present a position paper. For this reason, Prof. Belletti proposed the following to the members of the Scientific Council:

- Sharing with AREPO scientific papers or other publications with empirical evidence about the topics discussed during the meeting, to contribute to the position that AREPO will elaborate;
- A report of this meeting will be shared with members of the Scientific Council. This document will gather the highlights of the meeting that will feed into the position that AREPO will submit to the public consultation. It will be shared in a Google Drive document where the members of the Scientific Council can add comments or any relevant reference to documents and papers. (Preferred option)
- If the above mentioned document will reach a good level of analysis and will be complete, it could be added as annex to the AREPO position paper and also published in the AREPO website.
- As researchers, members of the AREPO Scientific Council can give their individual contribution to the public consultation.

At the conclusion of the meeting, Giorgio Trentin, representing Veneto region, informed the Coordinator of the Council, prof. Giovanni Belletti, that the region will invite some professors from Ca' Foscari University and University of Padua to participate in the AREPO Scientific Council. The former realised a study on business model of organic producers and actors while the latter realised a study on the regional quality system.

Furthermore, Ca' Foscari University has an agri-food management and innovation lab whose interest follows 4 research trajectories: digitalisation of the food industry; business model evolution and innovation in the agrifood industry; consumer behavior in markets for food; food and wine industry from the point of view of entrepreneurship and they also manage a master in food and wine.

¹ Penker M., Scaramuzzi S.; Edelmann H; Belletti G.; Marescotti A.; Casabianca F.; Quiñones-Ruiza X.; [Polycentric structures nurturing adaptive food quality governance - Lessons learned from geographical indications in the European Union](#), Journal of Rural Studies, Volume 89, January 2022, Pages 208-221