

AREPO POSITION ON THE SUSTAINABLE FOOD SYSTEM FRAMEWORK

INTRODUCTION

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 33 European regions and over 700 associations of producers for over 60% of European GIs.

Agriculture and the agri-food industry are essential pillars of our regional economies and they are rooted in our culture and identity. These two sectors play a major role in maintaining economic and social activity in rural areas and are therefore crucial in preserving the territorial balance at regional level. However, agriculture and the food industry also contribute to greenhouse gas emissions and they are particularly concerned with the challenges related to mitigating the effects of climate change.

In this context, **AREPO advocates the emergence of a truly sustainable European food policy, that guarantees access to high-quality and sustainable food to all EU citizens, while ensuring food security and sovereignty, the protection of our environment and a decent living for farmers.**

AREPO considers that the initiative to adopt a Sustainable Food System Framework at EU level represents a unique opportunity to promote more equitable, democratic and sustainable agricultural and food systems, capable of tackling climate change and contributing to the preservation of the environment, by pursuing a bottom-up approach and thus renewing the link between farmers and consumers.

In this respect, **EU quality policy already contributes to several fundamental objectives of Farm to Fork strategy**: addressing citizens demand for traditional products with the **highest possible standards of food safety and quality**; ensuring economic sustainability thanks to conditions of fair competition and **higher producers income**; ensuring **sustainable food production** through the protection of rural landscape and sustainable management and reproduction of natural resources; and providing **clear communication to consumers** concerning product characteristics and origin. Furthermore, geographical indications (GIs) traceability and protection mechanism represent an important and efficient tool to **combatting food fraud**.

Additionally, GIs protection is often associated with the production of public goods, such as conservation of **biodiversity**, contribution to **animal welfare**, protection of **cultural heritage**, socio-cultural and rural **development** and reduction of poverty (Vandecandeleere et al., 2010), in particular in mountainous and remote regions, where the farming sector accounts for a significant part of the economy and production costs are high.

For this reason, **EU quality policy** should be considered as a “**public policy aiming at delivering public goods to the whole European society**” (Arfini et al., 2019) and its contribution to the transition toward a sustainable food system should be evaluated from this perspective.

The present position paper describes GIs contribution to the transition toward a sustainable food system and points out some policy recommendations, adopting the localised agro-food systems (LAFS) approach, which constitutes an effective analytical tool to consider the specific characteristics of geographical indications and their potential in generating public goods.

THE LOCALISED AGRO-FOOD SYSTEMS APPROACH

Localised agro-food systems (LAFS) are defined as “*production and service organisations (agricultural and agro-food production units, marketing, services and gastronomic enterprises, etc.) linked by their characteristics and operational ways to a specific territory*” (Muchnik J., 1996; Muchnik J., Sautier D., 1998).

This concept appeared for the first time in the 90s, at a time when rural societies were in crisis and bigger issues emerged such as food and environmental problems and sustainable development. The originality of the LAFS focus arises largely from the analysis of **social networks that develop links between local resources, including agriculture, food and the territory**. Thus, the **territory** is approached as a ‘**region-resource**’, defined as a group of interrelated territorial specific assets, not only a place for the location of economic activities. Under this concept **three meanings** can be identified for LAFS:

1. a **concrete object**, i.e. a group of visible agro-food activities that are territorially established;
2. a **conceptual approach**, i.e. a way of analysing *in situ* the development of identity based agro-food local resources and their systemic interactions;
3. an **institutional tool**, which can be used by administrative bodies in their planning programs.

The LAFS conceptual approach aims at understanding the **processes of territorial anchorage of agro-food activities**, representing the **variety of their forms** and identifying the **driving forces** of their evolution in time. It adopts a **dynamic focus** on the links between food and territory, resulting from the interaction of products, people, institutions and social relations.

Furthermore, the **qualification process** of territorial products, the **collective actions** developed to obtaining the recognition of the origin, as well as the **territorial governance** are fundamental for LAFS studies which investigate the effects of localized agro-food systems economic-institutional activity upon **rural development**.

The research on LAFS requires a multidisciplinary approach integrating different disciplines from natural and biotechnical sciences to social sciences. Furthermore, LAFS approach is not exclusive but interacts and dialogues with others approaches in the same territory, i.e. multifunctional agriculture, agroecology, sustainable intensification, with the common aim to build local sustainable food systems.

This conceptual approach is extremely relevant in the present context to cope with new economic, environmental and societal challenges for European food systems, namely global food and nutrition security, environment and climate change and growth and jobs in rural territories.

Thanks to its multiple dimensions and dynamism, **LAFS approach constitutes both an effective analytical tool to study GIs and their potential in generating public goods** (Arfini et al., 2019) and a **useful institutional tool to elaborate policy recommendations** for a transition toward a sustainable food system.

EU QUALITY POLICY: A PILLAR OF FARM TO FORK STRATEGY

Localized agro-food systems are a relevant part of the EU agro-food system. Thanks to their characteristics and qualities, LAFS offer interesting opportunities in supporting rural development strategies able to include family farmers, small and medium enterprises operating in other stages of food supply chains, and other small firms operating in connected activities like the rural tourism ones.

Production processes in LAFS are based on a territory, meaning places of production characterised by specific resources. These resources determine the peculiarities of product quality attributes offering opportunities to differentiate the product on the market. Local enterprises and other local actors are therefore required to define the identity of the product specific characteristics, i.e key features of production process and its links with local, including human resources. Innovation and competences are very important in this step. Once local

stakeholders collectively agree on a common strategy the product has to be “validated” by the outside. The society (consumers, citizens, public institutions, etc.) has to recognize the values connected to the product; this qualification can be supported by communication and quality signs.

The valorisation of products whose quality characteristics are linked to their territory of origin is of paramount importance for LAFS. In this perspective, **the EU quality policy is a very important tool that contributes to origin and quality products qualification and valorisation.** It recognises that the quality and diversity of the production in the EU is one of its important strengths, making a major contribution to its living cultural and gastronomic heritage.

Furthermore, **EU quality policy** is a public policy aiming at delivering **public goods** to the whole European society. As such, it already contribute to several objective of Farm to Fork strategy and it should be considered **a major pillar of the transition towards a European sustainable food system.**

Sustainable rural development, growth and employment: Based on the EU experience, this recognition of origin or quality products through protected GIs allows the market to remunerate producers, through the price mechanism generating an **added value that is redistributed along the value chain.** The extra-price for producers allows them to further develop their farms and firms and enhances the collective action on GI promotion and control. Thus, both individual and collective investments activate a “*virtuous*” circle (Belletti and Maressotti 2011) able to effectively reproduce local specific resources connected to product quality attributes. This qualification process fixes and links the added value to the territory, keeping local production systems alive, especially those systems based on small and medium enterprises, and located in marginal areas (Bérard and Marchenay 2004; Barham and Sylvander 2011), where the farming sector accounts for a significant part of the economy and production costs are high.

Furthermore, it contributes to the **valorisation of rural identity** as well as cultural and gastronomic heritage, with a positive impact on country exports and appeal for tourism.

In this way, quality schemes safeguard employment and SMEs. They could as well prevent depopulation and contribute to territorial and social cohesion as well as to sustainable rural development, ensuring attractiveness of rural areas as places to live and work. In a nutshell, they can actually contribute to **territorial, local, regional and rural development** (Sylvander, Isla & Wallet, 2011; Barjolle, 2016).

Diversification of rural economy: The preservation of local specific resources, both material and immaterial, can exert positive effects on the local system as a whole. These **resources can be used in other production processes, mainly services production** (like tourism, restaurants, etc) or **bio-based production**, both on-farm and in other sectors in the territory.

This can generate important opportunities to other rural sectors and activities: e.g. tourism, agritourism, bio-based circular economy etc. This **multifunctionality and diversification** is fundamental for sustainable development as well as resilience of rural and marginal areas.

Protection of natural resources and landscape: GIs’ powerful local governance presents a great potential in terms of protection of **rural landscape and sustainable management and reproduction of natural resources.** GIs embrace and preserve **cultural and socioeconomic diversity** as well as **biodiversity**, respecting the need to create bottom-up solutions, adapted to the local specific context.

In particular, they can be thought of as ways of conserving biological resources such as animal breeds, plant varieties or types of ferment and of maintaining both biodiversity and traditional knowledge (Barjolle et al., 2011).

This may promote biodiversity conservation directly, through the use of a specific genetic resource, or indirectly through production and management practices that include landscape and ecosystem services. For

instance, in the Alpine region the PDO allows farmers to carry on the production of Alpine cheeses by heating milk over a wood fire, using wood harvested from the pastures around the cottage, even though electricity could displace this traditional technique. In doing so, the maintenance of Alpine forests is ensured, which is a great service rendered by alpine farmers.

Direct benefits in terms of sustainability derive from the fact that governance and market success contribute to the viability of rural livelihoods that are directly linked to sustainable use of specific biological resources (Larson, 2007; Thévenod-Mottet, 2010).

A study on olive oil sector (Belletti et al. 2015) demonstrates that even if protection of GIs cannot be considered an environmental tool per se, it can potentially play a positive role in environmental conservation, acting as a barrier to the increasing intensification of the olive-oil sector and thus preserving traditional farming systems. Furthermore, GIs provides the opportunity for territorialisation of environmentally friendly production rules, taking into account the multiplicity of local specific resources.

Contribution to the welfare of farm animals: Among public goods derived from GIs, the contribution to animal welfare is one of them. As a matter of fact, the way animals are bred and fed is fundamental for the very characteristics of some products to the extent that their Codes of Practice provide strict regulations concerning the breed and feeding of animals, i.e. forbidding substances that may interfere with the normal rhythm of growth and development of the animal, requiring a precise origin of forage and specific conditions for the transport of animals in order to prevent them from suffering for any alteration or discomfort that could affect their state or physical integrity. These elements can be considered as a positive improvement in the care of animals' health and physiology (Arfini et al., 2019).

Food security, food safety, and traceability: GIs can contribute to **food security**, both by delivering safe local and nutritious food, and by supporting the welfare of farmers, generating a higher income that allows producers to buy complementary food. Thanks to the mechanisms included in the specifications to assure product **traceability**, they also represent an important contribution to **food safety**.

POLICY RECOMMENDATIONS

To sum up the previous section, we would like to recall that due to their inherent link to a given territory, GIs cannot relocate elsewhere. Hence, they depend on the conservation and sustainable reproduction of local resources. Therefore, we can say that **sustainability is somehow encoded in the DNA of these productions to assure their survival**.

At the same time, GIs are not magic tools and EU quality policy *per se* is not sufficient in guaranteeing the functioning of GIs virtuous circle. For this reason, AREPO welcomes the intention of the European Commission to strengthen EU quality policy and maximise its contribution to F2F strategy, though the revision of the GI system.

In this perspective, we would like to point out that **coherence and consistency should be assured between different legislative initiatives falling under Farm to Fork**. In particular, AREPO stresses the utmost importance to **assure that the legislative initiative on the Sustainable Food System Framework takes into account the current revision of the EU system for Geographical Indications**.

Furthermore, AREPO would like to share the following principles and recommendations:

SUSTAINABLE FOOD SYSTEM FRAMEWORK

- **The transition toward a sustainable food system must embrace every sector and productive activity.** Nevertheless, the EC should **acknowledge the existing power imbalance** between the different actors in the food system, in order to adopt adequate actions for different actors and sectors.
- For instance, retailers, food and drink manufacturers, finance and traders are more powerful than primary producers and their actions would have a greater impact in terms of sustainability. For this reason, they should lead the transition. As a consequence, **the EU should impose obligations on these large corporate actors, while supporting primary producers, especially the smaller ones** trying to make the transition to more sustainable models.
- On that note, AREPO would like to recall that the great majority of GIs are small productions, based on small and medium enterprises, and located in marginal areas, where the farming sector accounts for a significant part of the economy and production costs are high. As pointed out in the previous paragraph, GIs already contribute greatly to the transition towards a sustainable food system, generating several public goods.
- Hence, the Sustainable Food System Framework on the one hand **shall represent the occasion to acknowledge and emphasise the existing contribution of GIs to sustainable food production.**
- The **traditional agricultural practices** protected by GIs should be recognised as **sustainable practices**, in light of their important contribution in terms of protection of rural landscape, sustainable management and reproduction of natural resources, and preservation of biocultural diversity.
- On the other hand, it shall support further efforts of GI producers towards sustainability through a **voluntary approach. Sustainability is a continuous improvement process**, a path, that should be encouraged and accompanied.
- Furthermore, it is fundamental to adopt a clear definition of **sustainable food system** following a **holistic and multidimensional approach**, encompassing all three pillars of sustainability (environmental, economic and sociocultural).
- The focus on sustainability cannot be limited to health or nutrition, nor privilege these elements over a holistic approach. Furthermore, in this domain the Commission should address its efforts towards **more education and better communication** on the importance of a **diversified and balanced diet** and how EU Geographical Indications and quality products can contribute to it, combined with a more active lifestyle to reverse the consequences of sedentariness.
- The intention of the Commission **to stimulate product reformulation and to set up nutrient profiles** to restrict the promotion (via nutrition or health claims) of foods high in fat, sugars and salt could represent **a serious threat for GIs, often associated with specific diets recognized for their interest in terms of nutrition.** These actions should be limited to industrial products.
- Furthermore, products covered by a GI respond to very strict conditions and standards described in the product specification. They are low-processed and contain a low number of ingredients, with little or no use of additives or correctors. They derive their qualities from a careful dosage of basic ingredients. Because of their composition and traditional characteristics being detailed in the product specification, reformulation is seldom possible for GIs. Their nutrient profiles and production techniques cannot be altered without changing the very nature of the product.

- Finally, in order to assure a **just transition**, costs incurred by producers should be supported by adequate accompanying measures. In particular, a new dedicated funding is needed, since the transition of the food sector as a whole cannot be covered by the Common Agricultural Policy.
- It is extremely important to **assure the right support to GI producers** in finding solutions that ensure both product quality and sustainability, in all its three dimensions. In fact, most producers are either not aware of GI contribution to sustainability or lack the capacities to integrate all sustainability elements into the management of their GI system. They need **public financial support**:
 - To carry out **ex-ante evaluations of the impact** of registering a new GIs, as well as strategic diagnostics concerning the application process and GI products characterisation;
 - To carry out **ex-post evaluation of the impact** of a registered GI in order to update product specifications addressing eventual sustainability issues and taking into account consumers expectations, developments in scientific and technical knowledge, evolution in market and marketing standards, as well as climate change adaptation and risk management;
 - To introduce **training** for GIs producers and producer groups in order to accompany them through a **sustainability assessment**;
 - To increase the availability of statistical **data** on GIs at EU and MS levels;
 - To invest in **R&I on GIs** at EU level;
 - To encourage and support the potential of GIs in other **related sectors**;
 - To continue to support the promotion policy to raise consumer awareness on GI products and their impact in term of sustainability;
 - To strengthen the **exchange of good practice** and information among the different actors in the system.

SUSTAINABLE FOOD LABELLING

- Concerning the initiative for a **sustainable food labelling** framework, AREPO would like to warn the EC against the possible risk of information overload on the label. Going in parallel with the Revision of the Regulation on Food Information to Consumers, this initiative risk creating further obligations and costs for the producers, faced with serious difficulties in entering all the information on the label.
- Furthermore, on the consumer side there is a clear risk of confusion. **It is important to study the impact on producers and guarantee coherence between all the overlapping labelling initiatives.**

SUSTAINABLE FOOD PUBLIC PROCUREMENTS

- As regards **sustainable food public procurement**, AREPO encourage the EC to **include GIs within the minimum mandatory criteria**. In fact, the promotion of GIs consumption through public food procurement would help the development of more sustainable local and regional food production systems.

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