Analysis of the implementation of the EU optional quality term "mountain product"

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Introduction

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- **Aim of the report**: to deepen analysis of both the **implementation and the impact** of the OQT based on the need identified by previous Euromontana study

1. To update the **legislative status** of the OQT at national level and the **figures on farmer uptake**.
2. To analyse the **actual impact** of the OQT assessing the following aspects:

- **Have the expected advantages of this scheme been realised?**
- **Consumer perception**
- **Impact on farmers revenues**
- **Impact at the territorial level (incentive to relocate or develop value chains in mountain areas?)**
- **Interaction with other quality schemes**

Methodology

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In collaboration with Euromontana and HCC, AREPO realised a **double survey directed both to regional/local administrations and producers** to collect information on the implementation and on the impact of the scheme

➢ National and regional administrations

AIMS:

- to gather information concerning the implementation of the OQT at national level;
- to collect good practices by regional producers and/or producer associations;
- to assess its impact at territorial level.

➢ *Sent to 30 AREPO regions* **/ 12 replies:**

- 7 from Italy, 2 from Germany and 2 from France
- other regions confirmed their MS did not implement the OQT

➢ Producers

AIMS:

- to gather qualitative and quantitative data to collect **preliminary feedback on the impact of the OQT for producers**.

➢ *Disseminated mainly through AREPO and Euromontana networks and MOVING social media* **/ 210 replies:**

- 150 from Italy, 57 from Romania and 3 from France.

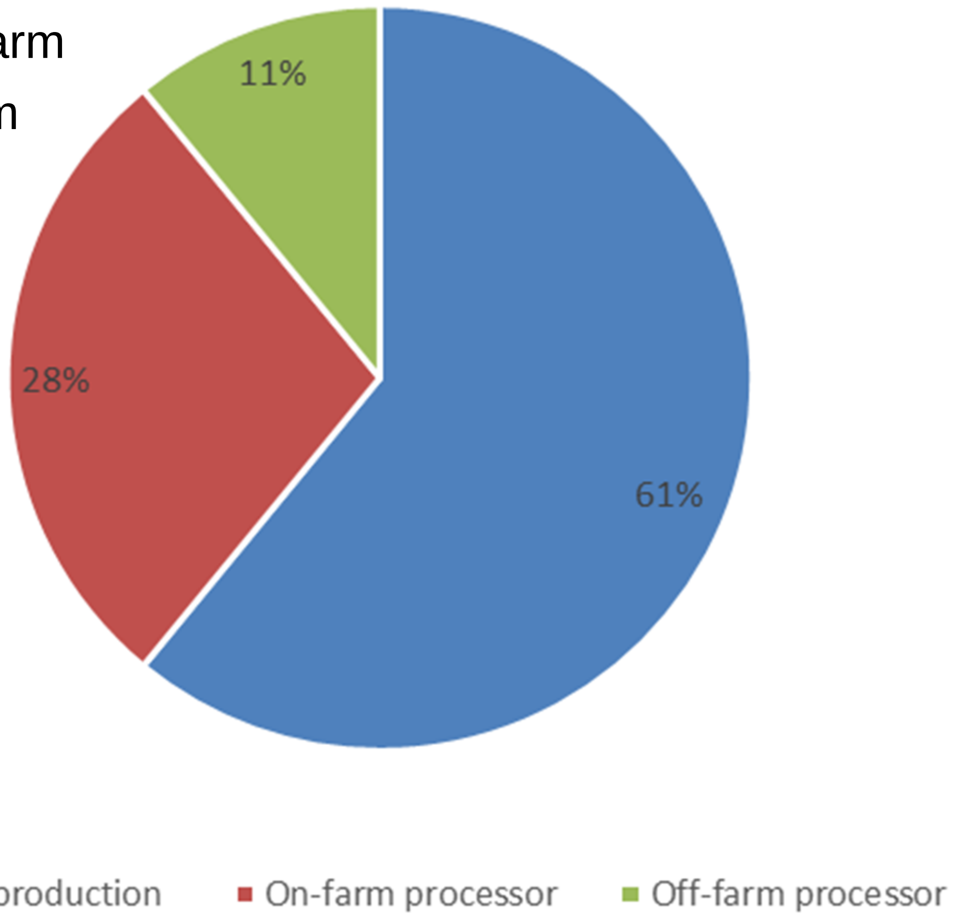
Limits of the analysis

- **Limited geographical representativeness with only 3 MS included** and a minimal response from France (3 replies), out of a total of 9 MS that implemented the OQT at national level (1/3). **The results should be tested with further research on the other MS.**
- **Focus on producers** → consumer perceptions analysed through producers' view and experience.
- Limited data on **territorial impact.**

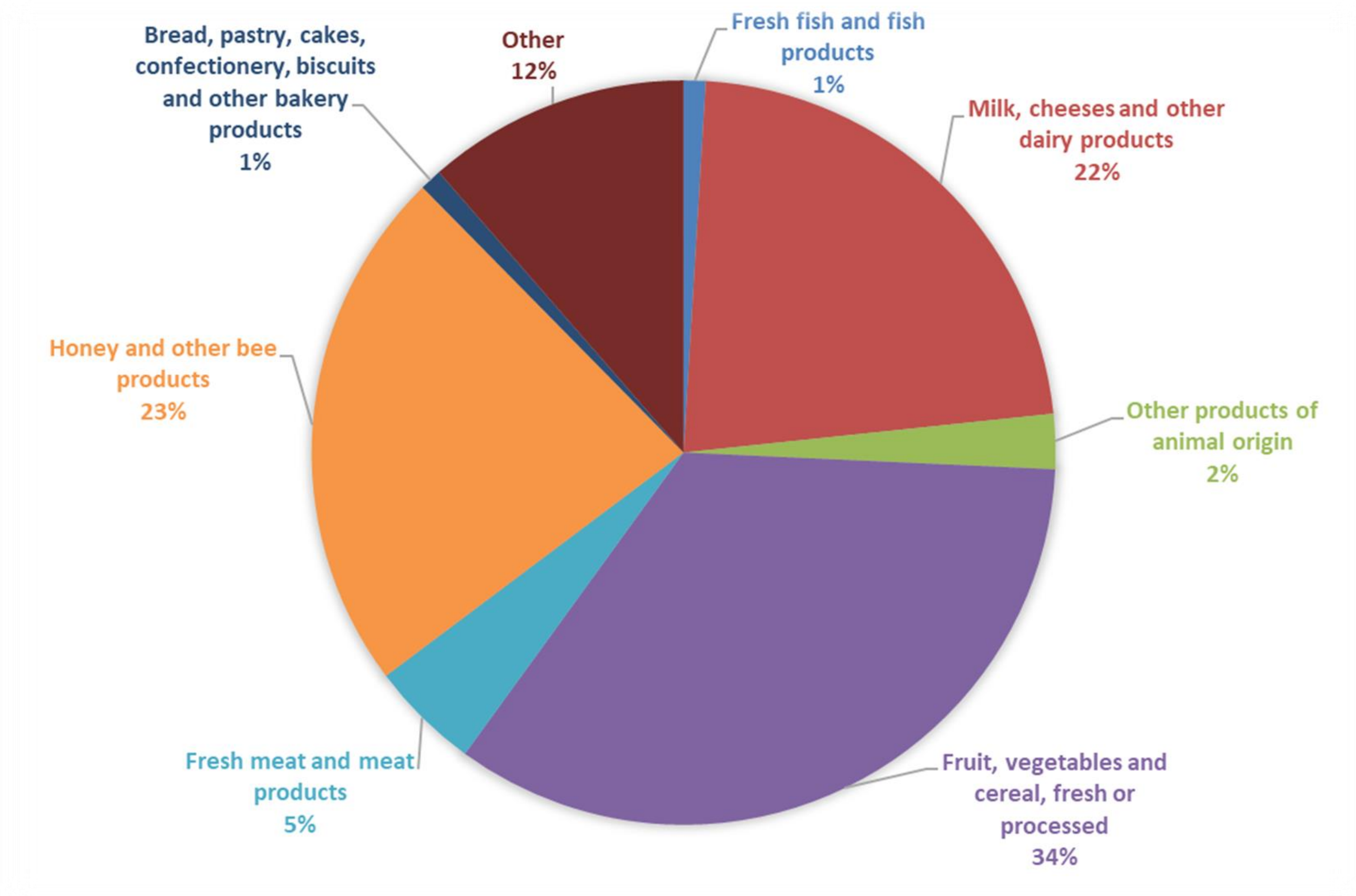
Despite these limitations, **valuable insights** can still be gleaned from the survey findings and some **key messages** can be identified providing initial indications and areas for further exploration.

Producers & production

Majority of primary producers (61%); on-farm processors (28%); off-farm processors (11%).



Producers & production



Product categories:

fruit, vegetable, and cereal products, whether **fresh or processed** (34%); honey and other bee products (23%); milk, cheeses and other dairy products (22%).

Producers & production

Primary target market:

	Italy		Romania		France	Total	
	N	%	N	%	N	N	%
Local	118	79%	38	67%	1	157	75%
Company shop	55	37%	11	19%	-	66	31%
Retailers	47	31%	24	42%	1	72	34%

Producers & production

	Italy		Romania		France	Total	
	N	%	N	%	N	N	%
0-50.000	**100**	**85%**	**31**	**84%**	**1**	**132**	**84%**
50.000-100.000	**5**	**4%**	**3**	**8%**	**-**	**8**	**5%**
100.000-150.000	1	1%	-		-	1	1%
150.000-200.000	0	0%	-		-	-	-
>200.000	11	9%	3	8%	2	16	10%

Value of production under the OQT "mountain product" indicates a predominance of **smaller to medium-scale producers**, with a limited number of high-value producers.

Producers & production

Percentage of production using the OQT	Italy	Romania	France	Total	%
0-10%	15	1	-	16	9%
11-20%	1	1	-	2	1%
21-30%	6	2	1	9	5%
31-40%	3	-	-	3	2%
41-50%	10	6	-	16	9%
51-60%	4	1	-	5	3%
61-70%	6	3	-	9	5%
71-80%	15	4	-	19	11%
81-90%	11	4	1	16	9%
91-99%	4	-	-	4	2%
100%	54	22	1	77	44%

Extent of production using the OQT: 44% of producers indicating that they apply the label to the **entirety of their production**.

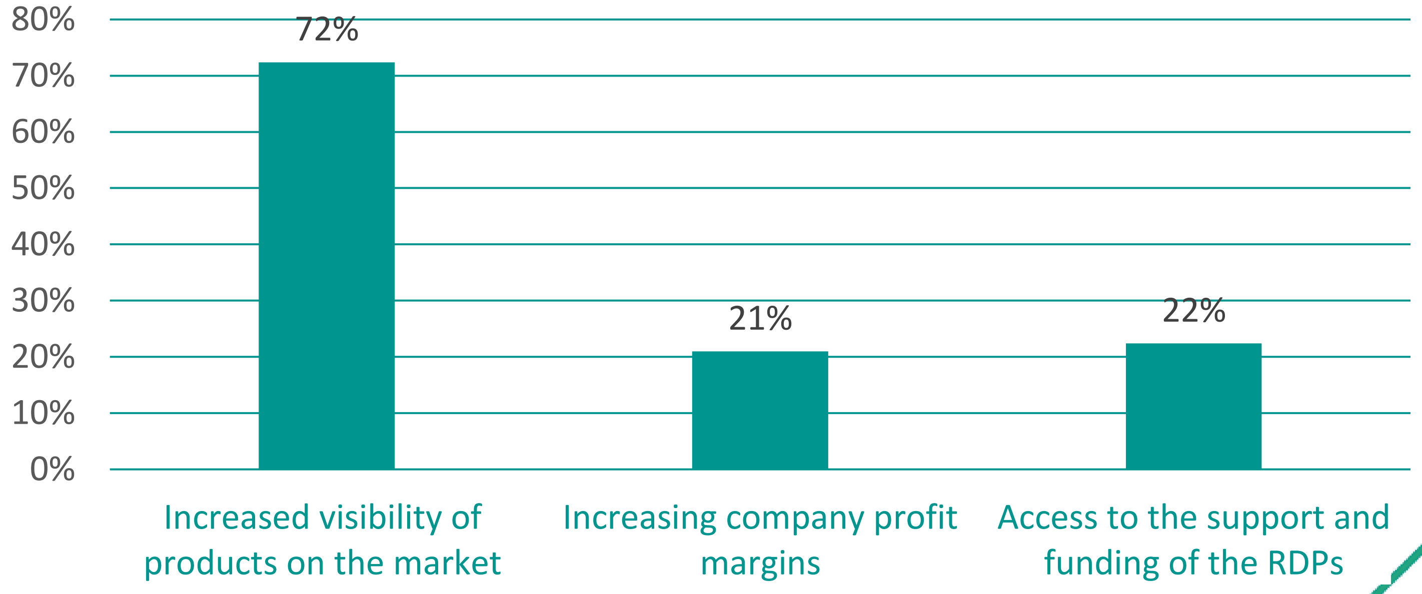
Adhesion to OQT

➢ Knowledge of the OQT:

Online sources and traditional media (33%)

Word of mouth between operators (30%)

➢ Motivation for joining the OQT



Adhesion to OQT

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Additional costs:

OQT did not result in increased costs (85%)

Categories of costs	Italy	Romania	France	Total
Administrative	11	5	1	17
Controls	7	3	1	11
Adaptation of company structures	2	-	-	2
Adaptation of production processes	6	4	-	10

Controls:

Inspections by the relevant authorities (44%)

Interaction with other quality schemes

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Interaction	Italy	Romania	France	Total
Positive Interaction and Complementarity	46	31	2	79
Concerns about Overlapping	9	1	-	10
Lack of interaction due to lack of recognition of the OQT	10	-	-	10
Not interested in integrating the OQT with other quality certifications	2	-	1	3
Don't know	8	4	-	10

- Adhesion to other quality schemes,

- Participate in **additional quality schemes** (22%);
- **Perception of a positive synergy and complementarity** between different quality schemes.

Public support and assistance

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Only 24% of respondents declared having received **support or assistance from public administrations** in joining the scheme:

- **clarifications** concerning the **requirements** to be met for joining the schemes (31 replies);
- support in retrieving and filling the **forms** (30 replies); and
- **financial support** for the promotion of the OQT “mountain product” (5 replies).

The **existing rural development measures** dedicated to support of quality schemes **failed to address the needs of OQT producers in terms of financial support**.

- RD measure supporting producers’ adhesion to quality schemes by covering the **certification costs** (like ex-measure 3.1) is *de facto* excluding the OQT “mountain product” from its beneficiaries; and
- RD measure supporting promotion of quality products (like ex-measure 3.2) focus on **producer associations** as beneficiaries of the support for promotion activities. Therefore, the possibility to promote "mountain product" is **limited or even impossible due to the lack of mountain producers associations**.

! AT THE MOMENT THERE IS NO SPECIFIC MEASURE CAPABLE TO TARGET THIS SECTOR.

Evaluation and Impact

➢ Impact at territorial level:

- Minimal business relocations linked to the OQT in Italy (3) and Romania (9), with no detailed explanations provided.
- Responses from regional administrations' survey align with the survey findings, suggesting that the OQT has not yet spurred significant relocation of businesses to mountain areas.

Instead, it appears that **operators using the OQT are already established in these regions and are seeking opportunities to enhance the value and promotion of their products**.

Nevertheless, collective initiatives to develop value chains in mountain areas, as observed in Occitanie, indicate ongoing efforts to leverage the OQT for regional development.

To be further explored.

Evaluation and Impact

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Expectations

- **Expectations fulfilled** (60%): increased sales, expanded channels, and higher prices;
- **Expectations not fulfilled** (40%): no increase in sales, lack of rise in selling price and administrative burdens.

It seems that the OQT has a greater impact in **generating more demand for the product and accessing new markets** that in term of generating price premiums (confirmed by World Bank study in Romania), thanks to an increased interest from customers.

Long-term commitment to the OQT

- **90% of producers plan to continue using the OQT;**
- Only 1% intend to stop using the OQT;
- 9% did not respond to this question.

Among the 83 respondents that affirmed that the OQT did not met their expectations, the majority (67) **declared that they intend to continue using the OQT** (13 blank answers and only 3 negative replies).

Positive outlook and trust in the scheme's potential benefits: recognition of the OQT's value and its potential to enhance the visibility and consumer appeal of mountain products over time.

Main challenges and obstacles

- Critical lack of awareness and understanding among consumers.
- Inadequate institutional promotion.
- Lack of coordination between public and private initiatives.
- Logistical challenges inherent to production in mountainous areas.
- Absence of a designated public support measure tailored to aid promotion of the OQT mountain products.
- Lack of collective governance to advocate for mountain producers’ interests.
- Insufficient awareness among producers concerning the OQT existence and conditions of use.
- Gap in legal framework in prohibiting other references to mountains allows for exploitation of the mountain image without restraint → unfair competition for producers.

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Thank you!

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