



1. EUROMONTANA'S ANSWERS ON THE PUBLIC CONSULTATION ON AGRICULTURAL PRODUCT QUALITY POLICY

Euromontana is the European multisectoral association for co-operation and development of mountain territories. Euromontana brings together organisations of mountain people: development and environmental agencies, agricultural and rural development centres, territorial authorities, research institutes, etc. It includes organisations from Western Europe as well as from Central and Eastern European countries with the aim of developing international co-operation. Currently 72 organisations from 17 wider European countries are members of Euromontana.

Euromontana's mission is to promote living mountains, integrated and sustainable development and quality of life in mountain areas.

In order to achieve this, Euromontana facilitates the exchange of information and experience among these areas by organizing seminars and major conferences, by conducting and collaborating in studies, by developing, managing and participating in European projects and by working with the European institutions on mountain related affairs.

Introduction

For several years, Euromontana has been working on mountain quality food products: we strongly believe that although mountain areas suffer from some handicaps such as remoteness, climate, low population density, they have on the other hand a comparative advantage on quality. This is why the association initiated in 2002 a two year research project on the specificities (regarding the product itself but also its condition of production) of mountain quality food products. The results of that programme showed that:

- there is a strong link between the mountain origin and the products attributes
- the mountain argument is seldom used as a selling argument as such, although pictures of mountains are frequently displayed on the products packages
- but the term "mountain" is also seldom and unevenly protected throughout Europe.

For Euromontana, the comparative advantage of mountain in quality must be exploited through different strategies: the existing quality schemes (especially PDO and PGI) are part of the possible strategies, as well as the organic label, but they should be improved and complemented by other specific to mountains, in order to protect the use of the mountain image.

Our answer to the consultation

Question 1:

How could the requirements and standards met by farmers that go beyond product hygiene and safety be made better known?

What would be the advantages and disadvantages of

– developing new EU schemes with one or several symbols or logos indicating compliance with EU farming requirements, other than those related to hygiene and safety? Should a non-EU product which complies with EU production requirements be also eligible to use such an EU quality scheme?

– having an obligatory indication of the place of production of primary products (EU/non EU)?

The advantage of such schemes indicating compliance with Eu requirements are not obvious but on the contrary raise the problem of their implementation: if there is a lack of communication towards consumers, it is on the norms them-selves, on their content. The fact of using a logo on all European products will not solve the problem of lack of communication. On the contrary, such a scheme would raise problems for its implementation. A labelling scheme informing on the respect of European standards would require setting up as well a system of control, with an administration and costs. In the case a label "European standards" is created, with associated controls, it seems not very realistic to envisage to control food production beyond EU, because all the costs it would imply and because of the complexity of comparing European standards with the ones of the exporting country. On the issue of the content of standards, it seems therefore preferable to communicate to consumers via other medias than a label (television, newspapers...) and to teach consumers how to read existing indications on products.

Indicate the place of production of raw materials seems interesting to improve information to consumers on the origin of products, especially with objectives of sustainable development and of reduction of food miles. However, this would also raise problems when dealing with its implementation (traceability within the supply chain with need to distinguish product 100%EU from other products). to

better answer the demand for information by consumers, we think it is possible to go further than a simple indication EU/third country by indicating the country of origin.

In any case and before considering implementing any indication, consumers must be informed on the conditions of production of the European agriculture, that justify possible difference of price that may exist between European products and products coming from a country beyond EU.

Question 2:

How does laying down product identities in marketing standards in EU legislation affect consumers, traders and producers? What are the benefits and drawbacks?

The advantages of products identities in EU legislation are real for all the actors of the supply chain and for consumers: they allow a diminution of transaction costs (benefiting both supply chain stakeholders and consumers) and a protection not only for consumers against possible deceit, but also traders and producers.

Should the retail sale of products that do meet hygiene and safety requirements, but do not meet the marketing standard for aesthetic or similar reasons, be allowed? If so, should such products require specific information for the consumer?

For Euromontana, the recent decisions aiming to authorise the selling of products withdrawn from the market for only aesthetic reason go in the right direction. In addition to avoid an unnecessary waste of products not in accordance with aesthetic standards, the decisions also allow producers to sell more of their products, which will result in lowering production costs, thus encouraging the maintaining of small scale agricultural producers. That measure is very important for mountain area where small scale production is important, because it makes easier accessing to market for producers, who can then benefit from improved revenues, with the already known positive consequences for regional development.

Could compulsory quality and size classifications be made optional as 'optional reserved terms' (as set out in the section 2.2 below)?

Euromontana is against the idea of making optional the marketing standards that have been developed little by little. Marketing standards, as well as products identities, are insurance for actors of the supply chain and consumers: standards and identities are a way to ease negotiations and the purchasing of products, by preventing misunderstanding or even deceit on the products. Suppressing the marketing standards could result in making the system more complex instead of simplifying it: each retailer could decide to set up his own new standards. This would be detrimental for producers, who will have additional costs to adapt to the retailers standards, and also for consumers, who will not have to keep in mind that classes of products vary from one retailer to another. According to Euromontana, it would be more interesting to keep the existing standards and classes, and to add one or two additional classes for products that do not meet the requirements of the current classes.

Question 3:

To what extent is it necessary to lay down definitions of 'optional reserved terms' in marketing standards at EU level?

Optional reserved terms allow a segmentation of markets and in this way favour the valuation of quality products. As it has been précised in the introduction of the Green Paper, European products have as an advantage their good quality, especially thanks to the high hygiene standards. However, quality goes beyond hygiene rules and geographical indications for instance are a way to promote further the quality of products. For Euromontana, the possibility of having optional reserved terms is another asset for European products. Those terms allow a direct identification of the type of products

bought, which benefit both consumers looking for products with specific production processes of particular taste, and benefit as well producers who can obtain a better reward for their production.

Moreover, we recall the role of quality productions for regional development: they not only allow to maintain added value in territories, benefiting to local economies, but in addition they bring an image to territories, with positive repercussions on other economical sectors (tourism especially).

Should definitions for general reserved terms describing farming methods in particular sectors, such as 'mountain product', 'farmhouse' and 'low carbon', be laid down by the EU?

It is absolutely necessary for the EU to legislate regarding certain sectors, since only a EU-level definition is able to deliver a true protection to specific sectors, and the credibility needed to gain the confidence of consumers.

Regarding mountain products, Euromontana has been working on this subject for nearly 10 years, in part with the help of the European Commission, since DG Research financed a research project on the characterisation of quality mountain products (2002-2004) and is currently financing another project, EuroMARC, which started in 2007 (6th Framework Programme) and whose goal is to study the distribution and consumption of mountain quality products. Even though this second project is not yet finished, the first results collected demonstrate that consumers have **strong expectations regarding the term "mountain"**, which is linked to concepts of quality, tradition, purity. At the same time, however, consumers tend to suspect deceptions and cast doubt on the assertions written on product labels, in particular regarding the true origin of the products. Studies done in the frame of EuroMARC show that there is a real suspicion from consumers toward the fact that products really come from mountains. Because of that, consumers tend to buy mountain products when they are assured of the provenance of products and of their raw products. They will therefore buy mainly at local level (during their stay in mountain areas) or in specialised shops. This consumption behaviour reduces the potential market of mountain products and the possibility to obtain a better added-value the whole year round. This is due to the fact that tourism is often seasonal, and purchases done in speciality shops are occasional, linked to festive events. For producers, this is a problem since, for at least some products, they need to sell them regularly and not only for local markets. Innovative solutions of long distance selling through TIC could for example be envisaged. For that kind of solution, it would be interesting for producers to benefit from a better visibility through a specific sign indicating that the production is from mountain area, that could be given credibility thanks to a European scheme reassuring for consumers.

Consumers are currently right to be careful with the origin of products since we have seen that several products make use of the term mountain or of the mountain image whereas the products are not directly linked to a mountain production, or whereas only a small part of the raw material comes from a mountain area. However, those products benefit sometimes from a price premium. This can therefore be considered as a deceit for consumers, and the capital of image of mountain benefit to those products instead of really benefiting to mountain products.

It is therefore essential to protect mountain products and the term and image "mountain", in order to avoid abuses towards consumers and to ensure a fair income to producers for their productions and their farming methods, benefiting from the positive image of mountain. The "mountain" protection will have to be envisaged at the European level (see below).

Besides, the reflection over the protection of the term "mountain" will need to be accompanied by a reflection on **the codification of the use of mountain images (photos, drawings), as well as the names of summits and mountain ranges**. Indeed, consumers will have the same expectations regarding the characteristics (quality, respect for environment, production conditions, taste...) of a product identified with a mountain image than with any product that benefits from the mention "mountain". (results from the EuroMARC project)

Euromontana has developed a **Charter on mountain quality agricultural products** that was launched in December 2005 at the European Parliament. 5 criteria are defined: origin and transformation of products in mountain areas, respect of the environment, protection of diversity, traceability and transparency of information. The European system that will allow the protection of “mountain product” will absolutely need to respect these principles in order not to deceive consumer expectations and tarnish the image of mountains. Beyond the need of consumers, the respect of the principles of the charter is also the best way to ensure, through selling products at a fair price, that there is an impact as strong as possible for territorial development, as well as the continuation of production of positive externalities, that are in a large extend produced by mountain farmers who are currently not enough rewarded for that. Products are another way to partly ensure, through the market, a good management of farming land and of the landscape, the prevention of natural hazards, the maintenance of an economical life in mountain areas as well as all the other functions ensured by agriculture in mountains. The rewarding of farmers is only possible if a frame favours it, allowing the communication on mountain agriculture and on its assets for the whole society. It is necessary to take into account the fact that the recognition of mountain products is vital for mountain territories. It will allow the promotion of a system that ally on one hand production and methods linked to their environment, and on the other hand processing in those territories. It is the whole economical chain that enhance a specific agricultural system: the mountain agricultural system, that could disappear if not distinguished from other systems.

In 2006 Euromontana had submitted a research project proposal to study the conditions of the implementation of the Charter, but the proposal had not been accepted. We are ready to improve this project proposal or to develop any form of co-operation with the European Commission to study the modalities of the implementation of the Charter through the protection of the term and the image of “mountain”. The form that the protection will take is still to be defined, but it will at least be a reserved term to satisfy both the expectations from consumers and the needs of producers of mountain areas. A new project will be enriched by the results from the EuroMARC project and would allow the optimisation of proposed solutions to stick to market’s expectations.

Question 4:

To what extent could the drafting, implementation and control of marketing standards (or parts of them) be left to self-regulation?

If marketing standards (or parts of them) remain governed by EU law, what would be the advantages and disadvantages, including in respect of the administrative burden, of:

– using co-regulation?

– referring to international standards?

– keeping the current legislative approach (while simplifying the substance as much as possible)?

Euromontana do not believed that market self-regulation is a good solution for all the stakeholders. Indeed, our objection stems from the simple observation that small producers are less likely to defend their interests because they lack the means to do so (both in terms of financial means and in terms of time to get represented and participate in negotiations). It is legitimate to fear that they could be disadvantaged, if not damaged, during the process of establishing the rules and systems to control their implementation. We are therefore in favour of European regulations, guaranteed by public authorities, which are subsequently applied by member states or regions.

Question 5:

Is there a need to clarify or adjust any aspects of the rules laying down the rights of geographical indication users and other users (or potential users) of a name?

What criteria should be used to determine that a name is generic?

Are any changes needed in the geographical indications scheme in respect of:

- the extent of protection?**
- the enforcement of the protection?**
- the agricultural products and foodstuffs covered?**

Traditional recipes are already distorted from the original recipes, at the expense of the producers of products traditionally used and of consumers. For instance, the French recipe “tartiflette” is traditionally made of Reblochon cheese. However, so-called tartiflette ready-made meals made of less expensive cheeses are easily found on the market, in order to cut production costs. Consequently, Reblochon producers suffer from a loss of market shares and income, while consumers are deceived.

Of course, Euromontana understands that a potentially important number of candidate ready-made meals could claim the GPI label. However, we think that it is possible **to implement a simple procedure that ensures both the protection of traditional recipes and sufficient flexibility to allow variations and gastronomic innovation.**

Should the use of alternative instruments, such as trademark protection, be more actively encouraged?

For Euromontana, protection of quality products must be done first of all through European quality schemes. The numerous private brands that have developed in the last years are very various in their

Specifications and in the ways to promote them. For instance, some of the private brands have not specific requirements on quality beyond the minimal standards of production. Moreover, problems linked to the financing of private brands have to be tackled (see also answer question 16). It has to be noticed that protection of brands require high amounts of money that can not easily be raised by populations of small scale producers, who would have a product with common characteristics in separated fabrication units. Also, good promotion of a brand needs a high budget that again, small scale producers may not be able to bring. On the other hand, GPI could bring from its obtaining the acknowledgment and credibility in the long run, reducing the necessary promotion.

Moreover, Euromontana consider that in order to better promote them, the Geographical indications have to be better promoted to consumers. They will be all the more recognised by consumers that only GI can use geographical names.

Instead of favouring the development of private brands, the Commission should envisage the possibility for the States to create national systems that would promote local productions with the same potential as GPO, given their qualities and the methods of production, but that are too small-scale to obtain such a label (cost, too long procedure). That system of “local denomination” would allow productions to accede to a national public system, authorised by the Commission, that would guarantee a legal protection. A legal recognition is necessary for the protection of local products, that are else not completely protected.

Question 6:

Should additional criteria be introduced to restrict applications for geographical indications? In particular, should the criteria for protected geographical indications, as distinct from protected designations of origin, be made stricter to emphasise the link between the product and the geographical area?

From the point of view of Euromontana, the fact that some 3 000 PGIs exist demonstrates the success of this system to protect and valorise European quality products, and that is a good thing.

Regarding PGIs, we are favourable to the maintenance of the possibility to define the area of origin of raw materials, even when the definition of the area of origin is not justified by the product's specific characteristics but by a logic of basin of production. Indeed, even though the final product is produced in a small, well-defined region, raw materials come from a larger area, around the processing region. In addition to the fact that this local origin is important for consumers, because it is in conformity to the essence of PGIs, 2 arguments must be taken into account. Firstly, it is absolutely necessary to take into account the importance of the production for the local economy. Indeed, since raw materials come from a limited area, the whole region benefits from the production of a GPI product. In the case of Iberic ham for instance, its way of production and the origin of the raw products allow the maintainance of specific ecosystems (*dehesa* in Spain and *montado* in Portugal), characteristic to the regions. Furthermore, since environmental considerations are becoming increasingly important, the regional implantation of GPIs limits the transportation of raw materials.

Question 7:

What kind of difficulties do users of geographical indications face when trying to ensure protection in countries outside the EU?

What should the EU do to protect geographical indications in the most effective way in third countries?

For Euromontana, all geographical indication users must be defended in the same way by the EU during negotiation with third countries, whatever the volume of production: they all have gone through the same (long and difficult) procedure to obtain a GI, and therefore, obtaining a geographical indication must lead to the same rights to all producers. The EU should not defend GI one by one, but on the contrary make the concept of products geographically differentiated accepted by the third countries. It is not conceivable to create different categories of GI products.

Question 8:

Have any difficulties arisen from the advertising of PGI/PDO ingredients used in processed products/prepared foods?

In order to protect consumers and also producers, the use of PDO/PGI in process products of prepared foods should be indicated on the final product only if the PDO/PGI is used in an exclusive way, that is to say without being mixes with products of similar type but that would not be PDO/PGI. An authorisation from the producers will have to be requested prior to mentioning the name of the PDO/PGI.

Question 9:

What are the advantages and disadvantages of identifying the origin of raw materials in cases where they come from somewhere else than the location of the geographical indication?

It should be compulsory to indicate the origin of raw products of geographical indications, when they do not come from the GI area, in order that producers wishing to highlight the local or regional origin of the raw material. It would help to raise the awareness of consumers on the specific character of the products. It also answers to need of sustainable local development.

Question 11:

Given the low take-up of the TSG scheme, is there a better way of identifying and promoting traditional speciality products?

The question is less to look at the number of TSG which have been attributed than to consider the impact the label have had on the development of the products and of the enterprises that produce them. Before envisaging changing the system, it is advisable to question the communication that is done on the TSG schemes. A better communication on the objectives and on the functioning of TSG could improve the understanding of the scheme by the stakeholders and raise the number of demands. Besides, several STG demands are in preparation in the different European countries.

Euromontana considers that the definition of traditional products, which is important for TSGs, is not taken into account in the Green paper. Currently, the only European guidance to define traditional products is in the TSG 509-06 regulation. This regulation introduces for the products recorded as TSG the rule of a minimum of 25 years of existence. Each Member-State can then define additional criteria, which means for example that a product traditional in Sweden could not be considered traditional in Denmark.

Euromontana considers that the criterion of length of existence is far from being enough to define traditional products and **a precise, relevant and demanding European definition of traditional products is needed**. The issue is important since the “traditional” label is very positively connoted by consumers, who would consequently have a higher willingness-to-pay for traditional products than for products without the label. Therefore, **the current situation can lead to distortion of competition and to misinformation to consumers**, since the definition used varies from one country to another. Some producers face an unbalanced situation compared to producers from other countries where it is easier to obtain the “traditional” label.

The question of the definition of “traditional” products is all the more important that it has consequences on the rights to obtain hygiene derogations (hygiene pack). In that respect, the procedure to assess what products are traditional is also important. Currently, each Member State then defines the rules it will apply (choice of criteria + choice of procedure to select the traditional products: establishment by the national authorities of a list or specific demands by producers or establishment of a list of necessary derogations by branches). There are therefore unequal possibilities throughout Europe to be classified as “traditional products”. There is therefore **a real problem of heterogeneity of rules and procedures to obtain derogation to the hygiene pack**, to the detriment of the smaller and most fragile enterprises for which the procedure is relatively heavier. Many products from fragile and mountainous areas are concerned. In addition to a European definition of traditional products, a homogenisation of procedures must be undertaken.

Question 12:

What factors might inhibit the development of a single EU market in organic products?

How can the single EU market in organic products be made to work better?

Organic production suffers from a lack of knowledge of its characteristics by consumers in some European countries, and also by producers. Moreover, it is a poor relation of conventional farming when talking about funding research. To improve the state of organic research, the technologic platform "organics" has identified three axis on which investments are necessary in order to develop organic farming and the market of organic products (see documents "vision for an organic food and research farming agenda to 2050 », available at IFOAM-EU).

Besides, Euromontana welcomes the European harmonisation of the regulation on organic agriculture that will come into force from 1 January 2009. The harmonisation will permit to avoid having a distortion of competition and to improve the circulation of products within the European market. However, the European organic label is still very little known by consumers, used to national labels. A better promotion of the European label and of the associated logo is necessary. Moreover, it is necessary to avoid the multiplication of logos on organic farming, because they are confusing for consumers.

Question 14:

Are there any pressing issues for which existing schemes and arrangements are inadequate and for which there is a strong case for an EU level scheme?

Beyond the question of geographical indications, the question of the use of geographical names has to be raised. Indication of the origin of a product can be used either individually (ex: a producer who would use the name of its village displayed on the product) or in the frame of a collective brand (ex: development of a regional brand that some producers would agree to use provided they meet some requirements) . The problems would then be:

- **What are the rules to use a local name?** A European frame on the use of names as brands is necessary, especially in order to have tools to protect small productions that can not go through the procedures to obtain GPO/GDI denominations. If private groups wish to use local names as brand, what will then be the conditions to do so?
- In the case of **regional/territorial branding**, the questions **of financing the promotion of the brand** is to be raised (see answer to question 16)

Question 15:

To what extent can certification schemes for quality products meet the main societal demands concerning product characteristics and farming methods?

To what extent is there a risk of consumers being misled by certification schemes assuring compliance with baseline requirements?

Since all products must respect baselines production standards, the added value of a certification on baselines standards seems to bring more disadvantages than advantages (see answer question 1). Such a certification would certainly be misleading for consumers, who believe that a label or a logo goes with a "plus" in the quality of the product. A label or logo on the baseline requirements would bring nothing but confusion to consumers.

Question 16:

Could EU guidelines be sufficient to contribute to a more coherent development of certification schemes? What criteria would need to be included in such a guide or guidelines?

In the answer to question 5, Euromontana already expressed its doubts regarding self-regulation and therefore calls upon a minimum EU-level legislative framework. We consider that the same position should apply to certification schemes, for which a EU-level framework, whose implementation measures might subsequently be decided by every country/region, would be welcome.

For Euromontana, a distinction must be made between regional/territorial brands, set up by local authorities, and private brands created by processors or retailers, both however requiring a European framework.

Concerning regional/territorial brands, two aspects in particular must be taken into account :

- a- the use of a regional/territorial brand must bring added-value to the region and play a role in the development of a sustainable local economy

There is **no rule regarding the link between the use of the regional/territorial brand and specific requirements regarding the quality or the processing mode of products**. There is therefore a problem of misinterpretation from the consumers, who may identify the use of regional/local brands as a quality label.

Any local/regional label or brand should be linked to criteria that go beyond simple compliance to EU/National regulation. Thus, the interreg III B RegioMarket Alpine Space program proposes a very clear guideline about the use of the “regional” term in regional brands (www.regiomarket.org). According to the study, products under regional/ local brand should meet requirement on:

- Quality (compliance with national/EU criteria);
- The local origin of products, with a limited amount of raw materials coming from other regions and preferably from neighbouring regions;
- The processing of the product, to be achieved locally;
- The added value, which should primarily benefit the particular region;
- The animals raised (2/3 of their lifetime should be spent within the region);
- Ecological criteria.

- b- Access to financial support for products under a regional/territorial brand must be regulated to avoid inequalities and distortion of competition

Some regions implement programmes to actively promote their local labels and regional products, or to encourage the production of local products. This situation creates **a distortion of competition** since promotion programmes vary from one region to another, with some regions allocating high amounts to finance the promotion of the local brands when it is not a priority in other regions.

Question 19:

Respondents are invited to raise any other issues concerning agricultural product quality policy that have not been covered.

The Green paper addresses many relevant issues and questions on quality products policy. However, Euromontana regrets that no mention is made of this policy as a tool of territorial development. Indeed, quality products are of capital importance for territories, both because of their direct added value and because of the image they give to a specific area. In this respect, small producers play an essential role. However, they often do not have access to the existing certification schemes, notably because they lack the means to implement the certification procedures. A certification scheme

adapted to small productions should be implanted in order for these productions to be better identified and recognised.

Finally, Euromontana wonders about the will to go for more self-regulation of the market. From our point of view, it is essential to set up rules that will benefit producers of quality products (quality understood here as being more than just complying with European standards, but implying also specific taste, production methods, intrinsic qualities...), not depending on the size of their productions, and will also benefit consumers. In order to avoid drifts, the role of institutions is essential, in spite of the cost and the bureaucracy it requires.