



**EuroMARC- European Mountain Agrofood products,  
Retailing and Consumers**

**Designation and promotion  
of mountain quality food products  
in Europe**

***Policy recommendations***



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This **Recommendation booklet** is an official output of the research project EuroMARC “European Mountain Agrofood products, retailing and consumers” (project no. SSPE-CT-2006-044279), funded by the European Commission as a part of the Sixth Framework Programme. The research project considered mountain food products in six different countries (Austria, France, Norway, Romania, Scotland and Slovenia) and was commissioned against a background of changing European quality food policies.

Recent developments regarding food labelling and quality policy at the European level introduce challenges and opportunities for all the actors of the food sector in mountain areas, from farmers to retailers. Important trends include the interest in clarifying the systems of quality certification and improving their communication to European consumers, the need to provide consumers with more information about the food products available on the market, and the increasing interest of consumers towards local and traditional foods. EuroMARC came to analyse the potential risks and benefits of these developments for the participants of mountain food supply chains and for mountain communities in general.

The varying interest of consumers regarding food products from mountain areas has been studied through interviews and focus groups organized by the EuroMARC research consortium. The opinion of consumers about mountain quality food products was established through a survey of some 1900 consumers and the study of some 1765 mountain products observed on the shelves of 338 outlets. This research has shown that, although the concept of mountain quality food is currently not well known or used, consumers have a very positive image of food products from mountains. Retailers were also surveyed and interviewed, in order to draw a picture of their interests, benefits and difficulties in relation to mountain products. In addition, existing mountain policies were analysed and different initiatives for the promotion of mountain products carefully studied.

The project resulted in the collection of a significant amount of data and information on mountain quality food products, which provided the basis for **practical guidelines dedicated to actors in the supply chains** and **policy recommendations, which are presented in this synthesis document**. Among these recommendations, EuroMARC underlines the **need to clarify the definition of mountain and mountain food products among EU countries and to support mountain producers to add more value to their products**, with the ultimate goal of enhancing regional development in mountain areas through the development of supply chains and markets. Each level of governance (European, national, local/regional) has their role to play for the sustainable development of mountain quality food products and is being addressed specifically.

## **TABLE OF CONTENT**

<b>WHY DID WE UNDERTAKE RESEARCH ON MOUNTAIN PRODUCTS? .....</b>	<b>4</b>
<b>RECOMMENDATIONS TO ENHANCE THE DEVELOPMENT OF MOUNTAIN QUALITY FOOD PRODUCTS.....</b>	<b>6</b>
<b>OVERALL RECOMMENDATIONS .....</b>	<b>7</b>
<b>EUROPEAN LEVEL RECOMMENDATIONS.....</b>	<b>19</b>
<b>COUNTRY-LEVEL RECOMMENDATIONS .....</b>	<b>25</b>
<b>LOCAL/REGIONAL LEVEL RECOMMENDATIONS.....</b>	<b>30</b>

## Why did we undertake research on mountain products?

Mountain areas cover 40.6% of the European territory (including the 27 EU Member States, Norway and Switzerland) and are inhabited by 19.1% of the European population<sup>1</sup>. In these areas, agriculture is an important economic sector providing not only jobs but also natural landscapes. The particularities of mountain geography and climates often make agricultural activity more difficult than in the lowlands. This can result in young people being reluctant to set up agricultural businesses in mountain areas. However, without agricultural activity in rural mountain areas, the existence of other activities is endangered and the risk of increasing out-migration to the larger cities becomes critical. The decline of agricultural activities in mountain areas can seriously impact not only the demographic situation of these areas but also the environment of mountains and surrounding valleys. In other words, agriculture in mountain areas plays a very important multifunctional role, as it enhances the quality of the environmental resources (water, air, soil), helps prevent natural hazards (landslides, avalanches, floods) and preserves historical and cultural landscapes<sup>2</sup>. As examples, people interviewed in the EuroMARC policy survey referred to biodiversity in pastures in the Alps and to the landscapes of Savoy, in France, being conserved thanks to the pastoral activities in these areas.

How may people living in these areas be encouraged in continuing their activity in such a difficult context? The production of foodstuffs can be a tool to give them the possibility of adding more value to their raw materials. Research carried out in 2006 on food link companies in Scotland<sup>3</sup> shows that local production in mountains is an essential factor for the development of these areas. The protection, promotion and certification of mountain products are therefore important steps to ensure local development - and much remains to be done.

However, as stated by some respondents interviewed in EuroMARC surveys, **existing certification schemes are not well suited to the specific conditions of most mountain areas**, mainly because they are accessible only through a procedure which is too lengthy and costly (in the cases of PGO and PGI) for many small- to medium -scale supply chains (located largely in mountain areas), or because their criteria are difficult for production in mountain conditions (Organic products). A previous project on mountain quality products, undertaken in 2002-2004, showed that only 39 of 122 products studied in mountain areas had a certification (PDO/PGI, organic label or national certification).

In this context, more and more associations, civil society, professionals as well as stakeholders are convinced of the importance of supporting value-added production and services in mountain regions. **Several local and regional initiatives exist** and some countries have defined, or are starting to define, specific legislation. French and Swiss legislation already include definitions of mountain food products; Romania created a mountain law for sustainable development of the mountain areas and Austria also started the legal delimitation of mountain areas. Furthermore, a number of cross-border initiatives like the Alpine<sup>4</sup> and Carpathian<sup>5</sup> Conventions, and the Charter for the Protection of the Pyrenees (1995) are starting to reflect on these issues. Finally, the European Charter for Mountain Quality Food Products was launched in December 2005 after an

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<sup>1</sup> *Mountain Areas in Europe, Analysis of mountain areas in EU Member States, acceding and other European countries*, commissioned by DG Regio from Nordregio, 2004.

<sup>2</sup> Robinson R. (2009). *Mountain Development based on cultural and environmental assets – European case studies and proposals to guide Carpathian and Balkan pilot projects*. Interim report of Euromontana – SARM-M work on positive externalities 2008-2009, 2009, 69p.

<sup>3</sup> McLeod J. (2006) *Report: Plugging the Leaks: The impact of keeping spending on the local economy*. McLeod Research showed that every pound spent by local population in local businesses is worth between 1.44 and 2.40 pounds to the local economy if buying locally produced food, as opposed to buying from national retailers where each pound spent is worth just 1.15 or less to the local economy in terms of expenditure – calculated on the basis of each pound being spent 3 times

<sup>4</sup> [http://www.alpconv.org/theconvention/index\\_en](http://www.alpconv.org/theconvention/index_en)

<sup>5</sup> <http://www.carpathianconvention.org/text.htm>

initiative of Euromontana<sup>6</sup> and has now been signed by 69 governments and organisations that aim at the protection and sustainable development of mountain areas.

The European Charter for Mountain Quality Food Products emerged as the result of a first research project on mountain quality products conducted by Euromontana between 2002 and 2004 (within the 5<sup>th</sup> Framework Programme) that involved 13 teams from 8 countries<sup>7</sup>. The results showed that **agricultural activity, generating raw materials in mountain areas, could contribute significantly to the creation of better jobs in the non-agricultural sector in these areas**. It also demonstrated that mountain food products had specific characteristics, making these products special, thanks to the qualities of the environment in which they are being produced or to their specific processing methods.

Based on these conclusions, Euromontana considered it important to study the interest of consumers in mountain quality food products (MQFP), and the conditions for the successful development of mountain food chains. The 6<sup>th</sup> Framework Programme presented the opportunity to undertake a new project, EuroMARC, with the objectives of:

- **assessing consumers' interest in such food products,**
- **analysing** through case studies **how successful food supply chains can impact the economic situation of a region;**
- **identifying difficulties along the supply chain regarding production, processing and retailing MQFP**
- **bringing forward material to clarify the definition of mountain products.**

EuroMARC has identified some current bottlenecks that hamper the further development of mountain quality food products. The present recommendations give some keys to policy-makers at all levels, from local to European, to overcome the obstacles restricting the development of these products.

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<sup>6</sup> <http://www.mountainproducts-europe.org/sites/Euromontana/CHARTER/>

<sup>7</sup> See [www.mountainproducts-europe.org](http://www.mountainproducts-europe.org)

## Recommendations to enhance the development of mountain quality food products

The EuroMARC project has shown that the opportunity for the development of mountain quality food products lies within the **great potential represented by the positive image of mountain products in the minds of consumers**. Depending on the specific context, consumers emphasise the local, healthy aspects of these products, and/or their pure, natural and special characteristics like link with the identity of the local communities, etc. Consumers are already interested, or potentially interested, in mountain products (with variations from one country to another). **There is a latent demand for mountain products that could be further developed** with the differentiation of an identified “mountain products” segment in the market.

EuroMARC has also shown that the primary obstacles to the development of mountain products lie in the **insufficient appropriation of this potential by mountain stakeholders**, from producers to retailers, and in the **lack of efficiency of existing supply chains**. Structuring and strengthening the supply of mountain food products and their promotion is therefore even more urgent than working on the demand.

And, above all, EuroMARC shows that the absence of official definitions of mountain products, and of the attributes that should be certified and promoted, slows their development, as does the lack of promotion. In particular, the absence of an EU framework for these products causes problems such as potential confusion among consumers regarding the origin of mountain products, and difficulties for producers in mountain areas to add value to their products. The lack of a European framework has led to the development of some schemes nationally (as in France through the Mountain law) and to the development of different private/regional labels. However, national protections are difficult to enforce at the European level and the multitude of brands and labels makes the market more complex without offering clear guarantees to consumers. As a start, **we suggest that an action plan must be adopted at the EU level for mountain quality food products, to clarify their definition**. This way, the actors in the supply chain could use it to support their development strategies, and consumers could rely upon product labels that clearly state the mountain origin of products. **This would contribute to the realisation of the Lisbon treaty’s objective of territorial cohesion through the development of mountain areas via markets and supply chains**.

All levels of governance have their role to play for the sustainable development of mountain quality food products. Therefore, this document includes, first, a general section with overall recommendations and, then, sections with specific recommendations for policy-makers at European, national, and local levels respectively.

## Overall recommendations

<b>Recommendation 1: Creation of a European legislative framework for the protection of mountain products .....</b>	<b>8</b>
<b>Recommendation 2: Maintaining and using possibilities of the interpretation of European legislation - Successfully using harmonisation measures .....</b>	<b>13</b>
<b>Recommendation 3: Raising awareness on the opportunities that MQFP represent for actors of supply chains .....</b>	<b>13</b>
<b>Recommendation 4: Fostering the production of mountain quality food products.....</b>	<b>14</b>
Supporting environmentally-friendly methods of production in mountain areas .....	14
A focus stressing on the development of the business skills of producers .....	14
Fostering innovation in the production of mountain quality food .....	15
Prioritising the development of infrastructures in mountain areas .....	15
<b>Recommendation 5: Fostering collaboration inside mountain supply chains .....</b>	<b>16</b>
Giving special assistance to “low volume” supply chains.....	16
Helping actors to overcome bottlenecks of mountain production .....	16
<b>Recommendation 6: Supporting market penetration by communication about mountain quality food products to consumers .....</b>	<b>17</b>
Communicating about mountain quality products as a specific category of products .....	17
Giving value to cross-fertilising communication on products and the presentation of production regions.....	17

## Recommendation 1: Creation of a European legislative framework for the protection of mountain products

Consumers are potentially interested in buying food from mountain areas but they want to be sure of the mountain origin and that there is a financial return to support mountain people. Currently, on the European market, one can find a large diversity of products with indications that they were made with mountain raw materials or with specific mountain expertise. EuroMARC has shown that consumers are currently not able to distinguish between products using the term or images of “mountain” for their promotion (partly having nothing to do with “mountains”, so called “allegations”) and “mountain quality food products” – i.e. products made in mountain areas with raw materials from these areas, bringing positive benefits to their areas of production.

In these conditions of a legislative gap, some European regions and countries have or have started to define policies with regard to mountain products. At the national level, mountain laws defining mountain products exist in Italy and in France<sup>8</sup> (defining “mountain products”) and beyond the EU, in Switzerland<sup>9</sup> (defining “mountain products” and “alpine pasture products”). The main criteria defined by these laws concern the areas of origin of raw materials, and the processing and packaging of products. For the sake of efficiency, and to benefit all producers in European mountain areas, requires unified legislation on mountain products, or at least harmonisation of national legislation from the 27 Member States.

### Different options are possible and should be evaluated at the European Union level.

These options are as follows:

- The minimum required is the establishment of a harmonised European framework defining mountain areas and mountain products. The mountain definition currently used by the European Commission's Directorate General for Agriculture and Rural Development is within the framework of the Less Favoured Areas scheme<sup>10</sup> (LFA). Using this definition to establish the area of origin and the criteria of production of mountain products at a European level, as a base for protecting mountain products, would be a consistent first step. Such a definition would be the basis for differentiating genuine mountain products from other products (allegations). However, two difficulties are foreseen: firstly, a definition is difficult to obtain since a consensus with all the representatives of European stakeholders is needed. Secondly, it would not be a real tool to communicate the mountain origin to consumers nor to bring added value to mountain products. It is therefore important that **all Member States nationally define mountain LFAs, so that all producers from areas disadvantaged because of altitude, slope, or mountain climate in the EU have the opportunity to use the LFA framework and the opportunities that it brings**.
- A second option or step of action would be the creation of an optional reserved term “mountain”, for “mountain products” or “products from mountains” (or equivalent terms according to cultural usages in each country)<sup>11</sup>. The term would have to be

<sup>8</sup> The French mountain label was dismissed as a consequence of a decision of the European Court of Justice in 1997. The Court considered that the French Mountain label did impose limitations to the principle of free circulation of goods on the European market as the products having this label had to come only from the French mountains (as it was a national law). See <http://curia.europa.eu/fr/actu/communiqués/cp97/cp9723fr.htm>

<sup>9</sup> This law (order) divides the mountain areas into 4 zones after their altitude. The products made with raw materials from these areas and transformed in these areas can have the “mountain” or “alpage” label (depending on the altitude of production). The full text of the order is available on the website of the federal Office for Agriculture at: <http://www.blw.admin.ch/themen/00013/00085/00273/index.html?lang=fr>

<sup>10</sup> [http://ec.europa.eu/agriculture/rurdev/lfa/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/lfa/index_en.htm)

<sup>11</sup> EuroMARC shows that in some countries, like Scotland, people call their local mountains “highlands” and the word mountain is associated in the respondents imaginary with the big mountain ranges on the continent. However, according to NordREGIO or European Environment Agency the highlands fulfill in theory the geographical and climate conditions for mountains.

communicated and explained to consumers, producers and retailers. This solution would represent a harmonised solution at EU level to certify the mountain origin of products, and offer an opportunity to bring additional value to mountain products. Depending on the definition of the criteria for the production of mountain products, more than quality related characteristics, like environmental, cultural and social criteria could be defined.

Regarding mountain products, the case of France provides an example. French legislation<sup>12</sup> states that foodstuffs and wine can use the term “mountain” on their packaging only if the production, processing and packaging have been done in a mountain area (corresponding to mountain LFA). Some derogations are possible in defined cases: when certain essential raw materials cannot be produced in the mountains; when the products cannot be processed in the mountain area (for example, when animals cannot be slaughtered in the mountain area because all the slaughterhouses are located in the lowlands); or when the products cannot be packaged in the mountain area (as the necessary facilities do not exist in the mountains).

General criteria for mountain products production should be defined at the EU level and then Member States should decide on the definition of terms and market standards for mountain products at their own level. A reserved term would have the advantage of being easily implemented, offering single producers the possibility of accessing it after a relatively short procedure, guaranteeing a protection of mountain products against abuses and at the same time, guaranteeing the authenticity<sup>13</sup> of the mountain products to consumers.

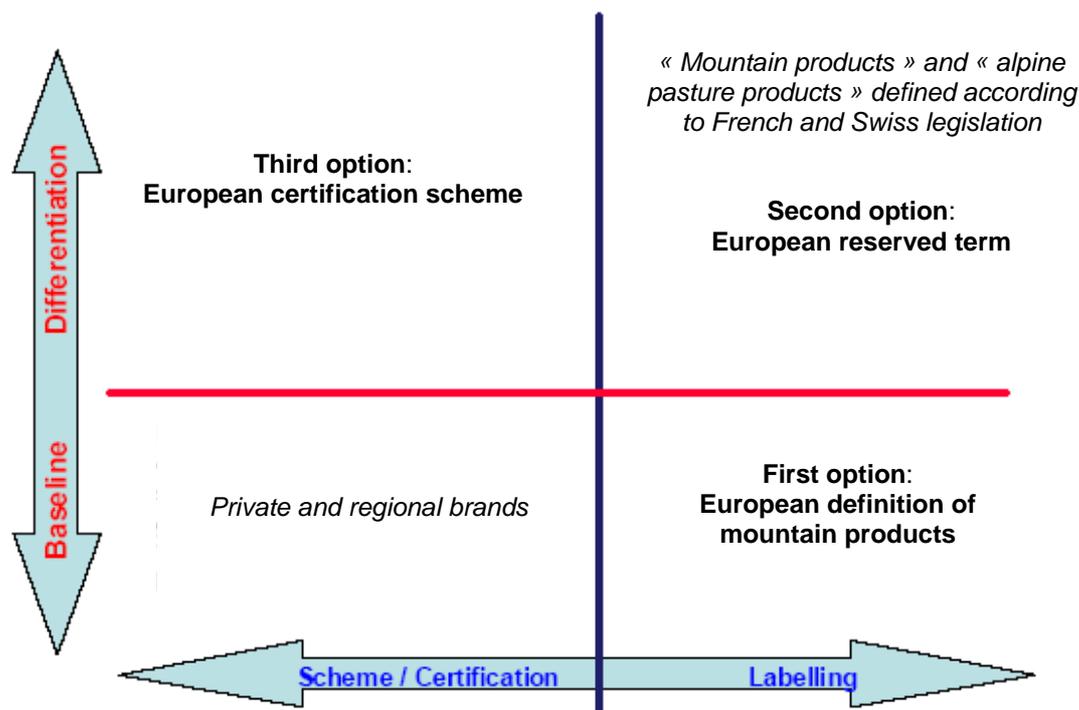
- The creation of a European “Mountain” quality scheme or label guaranteeing the origin and respect for defined production, environment and cultural criteria. A quality scheme can allow detailed criteria to be defined. The conformity to criteria would be checked by specialised bodies (for example, certifying bodies). An official label would give the possibility of communicating the qualities of products better to consumers, bringing more added-value to mountain areas. The creation of a European label to protect mountain quality food products could be used as a successful instrument of European cohesion policy, playing a role in the development of the mountain areas. However, small and medium-sized scale producers should be able to afford the effective costs of implementation and administration. A previous research project showed that 83 producers out of 122 were not using any certification scheme to sell their products. A mountain label should also be designed in order to target producers who cannot access other certification schemes because of the costs and heavy administrative requirements to obtain them. Thus, this scheme should be complementary to existing ones, having the aims of bringing greater clarification and transparency to consumers and of giving producers who cannot afford to access a certification scheme an appropriate tool to bring added value and to promote their products.

The comparative interest of these three options of definition can be transposed into the framework proposed by the European Commission in the last Communication on Quality products in May 2009. Starting with the current situation of local and national brands, the definition of mountain products would be the first step in the protection of these products at the European level. The reserved term would be a step forward in the differentiation and the promotion of mountain products but the quality criteria could only be satisfied and guaranteed properly by the establishment of a certification scheme, which could bring an added value matching implementation costs.

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<sup>12</sup> The French mountain label was annulled as a consequence of a decision of the European Court of Justice in 1997. The Court considered that the French Mountain label did impose limitations to the principle of free circulation of goods on the European market as the products having this label had to come only from the French mountains (as it was a national law). See <http://curia.europa.eu/fr/actu/communiqués/cp97/cp9723fr.htm>

<sup>13</sup> Authenticity is in the sense that products are what there are expected to be, produced in the mountain environment, with mountain raw materials and know how. Different from conventional products



**Figure 1. Quality and assurance certification schemes and marketing standards according to the classification proposed by the European Commission<sup>14</sup>: Possible options for the protection of mountain products proposed in the recommendations (in bold) and current existing options (in italic)**

**Consumers** interviewed in EuroMARC, in all of the 6 countries studied, were generally very favourable to the creation of an official label<sup>15</sup>. Respondents were asked if they think that a **governmental/EU label should certify the origin of products** with 3 possible answers: 'yes', 'no' or 'do not know/do not answer'. The rates of support for such a label were encouraging, from 64% in Norway and Scotland (the least supportive countries) to 92% in Slovenia (the most supportive country).

Table showing the proportion of respondents (consumers) favourable to an official label (results from EuroMARC consumers' study<sup>16</sup>)

	Austria	France	Norway	Scotland	Slovenia	<b>Overall</b>
<b>Yes (%)</b>	83	83	64	64	92	<b>81</b>
<b>No (%)</b>	10	11	19	12	6	<b>10</b>
Number of respondents	338	359	303	302	302	<b>1904</b>

<sup>14</sup> Communication from the commission to the European parliament, the Council, the European Economic and Social Committee and the committee of the regions on agricultural product quality policy (COM 2009/234)

<sup>15</sup> In opinion surveys, consumers are almost always favorable to such schemes

<sup>16</sup> Results from Romania do not appear in the table: Romanian responses have not been taken into account as some methodological misunderstandings invalidated the results to this and some other questions in the consumers' survey

The **opinion of retailers** towards a mountain quality food label or a mountain brand is more mixed than that of consumers, and does not show a clear preference. However, it appears that support for such a label would be greatest if it was:

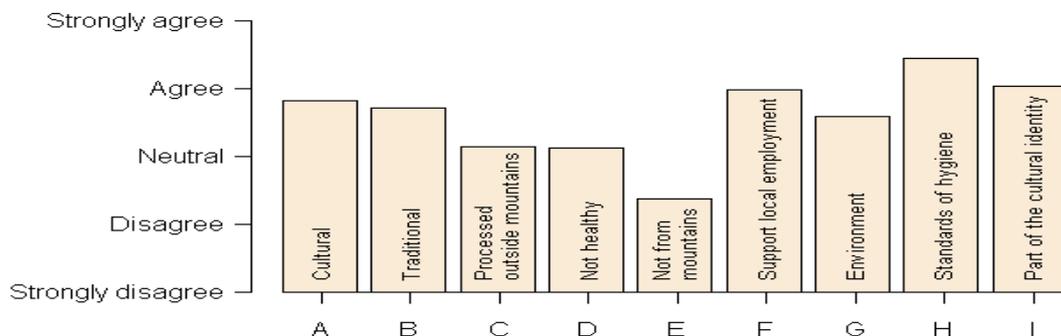
- associated with a particular provenance (mountain area, mountain range, particular mountain locality – thereby fitting also with the interest of consumers in local or locality food);
- of sustained high quality (with sensory attributes, purity and naturalness being important);
- well-promoted so that retailers and consumers became aware of the existence of the label and its defining characteristics.

#### Elements on possible criteria for a mountain label:

EuroMARC also conducted an analysis of possible criteria for the protection of mountain quality food products (MQFP), based on consumers' expectations regarding quality, production methods, support to local communities, and environmental criteria. The consumers' questionnaire investigated which factors consumers find important when consuming MQFP. The question proposed 9 statements related to MQFP<sup>17</sup>, and for each of them respondents had to give a mark reflecting their agreement with the statement.

The table below shows the characteristics of the mountain quality products. They are classified according to their order of importance in the eyes of consumers (statement H = most important; statement C = least important). Consumers generally disagree with the statement E, which is a negative sentence. It therefore means that consumers disagree with the fact that mountain products can come from outside mountain areas and on the contrary care about the real mountain origin of raw material.

Letter on graph	Statement
H	Mountain products have to comply with industrial standards of hygiene
I	Mountain products are part of the cultural identity of local communities
F	Mountain products support local employment
A	Mountain products are connected to specific cultural areas
B	Mountain products are produced in a traditional way by small-scale producers
G	Mountain products are produced and processed in an environmentally friendly way
E	The main raw material of mountain food products does not necessarily need to come from a mountain area
D	Mountain products are not required to be healthy products
C	Raw materials from mountain areas can be processed to mountain products also outside the mountain area



<sup>17</sup> « Do not know » was an optional answer.

A protected status for mountain quality food products should therefore have criteria based on:

- **The area of origin of products:** consumers want to be sure that the raw materials come from mountains. **In addition to the raw material coming from mountain regions, products should also be processed and packaged in mountain regions.** Even if consumers seem to be neutral about the specific issue of the location of processing and packaging, it has been shown that doing this in mountain areas is the best way to keep added value in these areas, and therefore to support local employment.
- **Methods of production and processing.** Respondents stressed that the products must conform to **hygiene regulations:** above all, consumers want safe products. Beyond hygiene, consumers are also attached to cultural expertise and traditional methods of production. They are sensitive regarding the link between mountain quality products and their environment and are interested in the authenticity of these products.
- Although our respondents do not consider the environmental aspect as a particularity for MQFP (the survey shows that environment is as important for everyday food as for MQFP) more than half of the respondents state that mountain products should be produced with environmentally-friendly ways of production. In addition to this, the association consumers make between “mountain” and “purity”, “nature”, should be taken into account through **encouraging environmental methods of productions for mountain products** in order not to disappoint consumers on this aspect.

The above-proposed criteria for the production of mountain quality food products, deriving from EuroMARC research, coincide with the principles of the European Charter for Mountain Quality Food Products, elaborated by Euromontana, in particular with regard to the link between production and support for the development of mountain areas, the cultural credentials of products, the high standards of hygiene, and the traceability of products.

The European Charter for Mountain Quality Food Products was elaborated by Euromontana in 2005 as an expression of its members' concerns about sustainable development in mountain areas and the opportunity represented by mountain products. It defines in 5 simple principles what products are suitable for the sustainable development of mountain areas:

- 1/ The raw materials must be derived from a mountain region;
- 2/ The processing must be carried out in a mountain region;
- 3/ Production must take into account concerns relating to sustainable development;
- 4/ Production must attempt to maintain the biodiversity and heritage of mountain regions;
- 5/ Producers must be able to guarantee at all times the transparency of information to consumers.

**The definition of the European strategy regarding mountain quality food products and of criteria with which these products have to comply should be defined at the EU level, through close collaboration between Member States and the representatives of EU institutions and stakeholders.** The European Commission is invited to give a stimulus to the actions of Member States in defining their mountain areas and to establish a working group on the protection of mountain quality products protection and criteria for them. **Member States** have an important role in the definition of mountain areas at the national level. **Regions and local stakeholders** have roles to play in raising the awareness of national authorities of their specific needs and of the importance of having a national definition of mountain areas so that they can benefit from the related opportunities.

## **Recommendation 2: Maintaining and using possibilities of the interpretation of European legislation - Successfully using harmonisation measures**

The development of mountain food products was seen by actors of supply chains as critical, because it depends on the evolution of policies within the EU and its Member States. Given the challenges of mountain areas – such as climatic conditions, slopes, problems of land abandonment and declining human capital, urbanisation pressures, small scale and high costs of production, distance from market places, weak networking and organisation<sup>18</sup> – EuroMARC respondents<sup>19</sup> stressed the need for special attention from European and national policy makers. They pointed out that the existing regulatory systems, especially those on hygiene, can disadvantage small-scale producers, as costs linked to their enforcement can be very high. The example most often quoted was the compliance of slaughterhouses with hygiene regulations and the obligation of having a veterinary and a hygiene inspector in place, making small slaughterhouses in mountains cost-ineffective.

A key challenge exists with respect to the development of EU legislation and the inclusion of favourable amendments allowing the progressive development of quality food products in mountain areas, while ensuring high production standards, traceability and market opportunities. **In certain aspects, European legislation already offers Member States the possibility of including non-application clauses for some measures, under defined conditions, in their legislation. These are the exclusion, adaptation and derogation from EU legislation that can be justified in some cases, for well-defined reasons.**

However, EuroMARC research shows that Member States can be hesitating, or unsuccessful in using these opportunities. Consequently:

- **European** institutions should maintain and communicate better the existing possibilities of harmonisation: exclusion, adaptation and derogation, and continue to envisage such measures in future legislation;
- **Member States** should make better use of such possibilities in order not to constrain their producers unnecessarily;
- **Regional/local authorities** should ask the national authorities to use these mechanisms.

## **Recommendation 3: Raising awareness on the opportunities that MQFP represent for actors of supply chains**

EuroMARC' research shows the existing or potential (depending on the countries) interest of European consumers in high-quality food products from mountain areas. As mentioned before, consumers appreciate buying natural food products that reflect the cultural identities of mountain areas, by using typical methods of production. However, the survey of supply chain actors<sup>20</sup> shows that a lack of coordination between mountain supply chain stakeholders, and with the demand of consumers, which is a direct cause of the current inadequate promotion of mountain quality food products on the European market. One explanation for this lack of coordination could be that actors in the supply chains are not aware of the market potential of their products or that they fear that their ability to supply will be inadequate if demand is stimulated.

**An awareness raising campaign should be launched to make actors in the food chains aware of the potential interest in mountain quality food products and to organise themselves in relation to market trends. The guidelines for actors of supply chains produced by EuroMARC provide practical advice for mountain quality food production and promotion for each stakeholder group (producers, processors, retailers) and can assist in raising their awareness. European Union publication offices, Member States and**

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<sup>18</sup> EuroMARC : “Key policy related constraints and opportunities for the production, processing and marketing of foods from mountain areas in Europe”

<sup>19</sup> Idem

<sup>20</sup> EuroMARC “Report on food supply chain actors’ strategy towards mountain quality-food products”

**regional/local authorities should try to spread this brochure and any other relevant tools to all actors of supply chains using training services, professional associations, and chambers of agriculture, commerce and industry.**

#### **Recommendation 4: Fostering the production of mountain quality food products**

##### ***Supporting environmentally-friendly methods of production in mountain areas***

Agriculture in mountain areas plays a very important multifunctional role for the preservation of all economic activities, cultural aspects and of natural environment in these areas. All stakeholders in agriculture in mountain areas should be encouraged to produce quality foods continuing to use appropriate scales and methods of production, both traditional and innovative, and continuing to maintain production on less productive pastures and moorlands. Additional payments ensuring compensation for the resultant loss of profits should be kept, such as agri-environmental payments, to which access should be improved, and LFA payments. Environmentally-friendly ways of production are relatively important for consumers who expect mountain quality food products to be natural, healthy, and the result of extensive production.

**Financial support is needed to maintain environmentally friendly ways of production, extensification of agriculture in mountain areas, and the preservation of natural landscapes and of historical features in mountain areas.**

**The availability of Agri-environmental measures in the Common Agricultural Policy (CAP) is very positive and should be improved. Member States should be encouraged to use possibilities offered by the second pillar of the CAP more, by including measures in national Rural Development Plans. Regional/local authorities should ensure that producers understand these measures and that they benefit a larger number of producers.**

##### ***A focus stressing on the development of the business skills of producers***

A key constraint to the on-farm transformation of raw materials and to adding value to products is the lack of skills relating to marketing and business management. Stakeholders (government and NGO representatives) interviewed during EuroMARC stressed that the **key to successful farm processing and direct marketing is the development of a strong business, communication and marketing skills base among farmers.** The ability and the expertise to ensure the development of high-quality products and their packaging, to market products as a business, to negotiate and to communicate successfully with other businesses are very important for the success of any initiative.

Business training is essential for changing the mindset of actors so that they develop a more private business-oriented mentality by diversifying their production and increasing levels of processing and marketing in order to respond to market demands. **The availability of training and advice, and the raising of awareness among producers, on the potential of well-marketed mountain products, on the type of products consumers are willing to buy, and on possible strategies to sell their products, could encourage the mobility of workers to mountain areas, balancing out-migration and the decline in human capital found in many mountain areas.**

Direct sale by producers (i.e. marketing products directly from the farm/processing unit to consumers) is a good opportunity to add value to products. This marketing strategy is well adapted to selling small amounts of quality products, thus avoiding the difficulties of accessing larger-scale markets as well as the technical conditions they impose. Direct selling also meets the

expectations of consumers who indicated that they expect to find mountain products when visiting a mountain area, at the farm and in producers' markets. Helping mountain farmers to organise better their production and promotion of products through direct selling is a win-win option for producers and consumers. **The opportunity of selling farm products directly through on-farm shops and farm tourism, as well as in local markets, to the local gastronomy/hotels and during events organised around products, in mountain areas themselves should be encouraged.**

While **European** and **national** support is important for financing training and advisory services, it is also important to organise these programmes in cooperation with **local/regional authorities**, as well as with farmers' organisations and networks so that farmers feel a degree of ownership in these initiatives. *It is also very important that extension and advisory services have a good knowledge of and are sensitive to business-related sciences (management, business planning and feasibility plans, personal communication) as well as issues related to mountain products and the specificities of small-scale, diversified farms.*

Overall, to improve business skills, two types of activities should be developed:

- qualification of training advisors;
- training of actors themselves, including the participation of stakeholders from supply chains or of other professionals.

### ***Fostering innovation in the production of mountain quality food***

All businesses must be creative and innovative in addition of the quality, if they want to attract the attention of consumers so that they return and buy a product again once they have discovered it. The production of mountain foods must **respond to quality criteria and be able to innovate** in conformity to consumers' expectations; the **authenticity**<sup>21</sup> of mountain quality food products is their main distinction in the market but the quality and presentation of products need to be continuously improved. **Fiscal or financial support (from the European and national levels) through innovation support measures and Leader programmes should be available for dynamic actors (and associations of actors) in mountain supply chains willing to improve the possibilities of processing and presentation as well as the quality of foods, and to bring new quality products to the market. Regional/local actors** could contribute to this effort through support in terms of advice for collective initiatives.

### ***Prioritising the development of infrastructures in mountain areas***

The successful development of mountain quality food products does not only rely on agriculture-related issues, but also depends on infrastructures in mountain areas. Both **transport infrastructures** and access to **information and communication technologies** for all actors in mountain supply chains are prerequisites for the success of their businesses. A cross-sectoral integration of issues relating to mountain products in European policies is needed: the development of these products does not depend only on CAP measures but also on Structural Funds, as these instruments of European regional policy can support the development of infrastructures.

**Financial support should be oriented strategically for long-term development.** This requires continued collaboration between the EU and Member States, as well as regional/local rapid reaction for **processing infrastructures**, such as slaughterhouses.

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<sup>21</sup> Authenticity is in the sense that products are what there are expected to be, produced in the mountain environment, with mountain raw materials and know how. Different from conventional products

## Recommendation 5: Fostering collaboration inside mountain supply chains

### *Giving special assistance to “low volume” supply chains*

EuroMARC case studies showed that successful mountain food supply chains improve rural infrastructure and economic diversification, having multiple effects on mountain societies:

- Economic effects: increase of GDP/capita, employment and value added in the region;
- Social effects: increased opportunities and capabilities for employment with positive consequences on regional/local identity and in decreasing out-migration;
- Environmental effects: maintain quality of environmental resources (water, air, soil), risk prevention (land slides, avalanches, floods)

The case studies showed that maintaining and developing small-scale farms in rural mountainous areas is a strategy that offers great possibilities for development in these areas, furthering cross-sectoral cooperation and opportunities for new business fields in the market (e.g. for craftsmen and tourism like the build-up of a visitor shop, visitor centre etc.).

### **Studies of retailers and of supply chains show that many supply chains need to improve their organisation and to improve the promotion of products to consumers.**

The intensification/concentration of any production stage can endanger the quality of the final product, which are key factors for successful product differentiation. In this sense, EuroMARC concluded that **the coordination of many small-scale actors at the same level seems to be a more effective strategy for enhancing quality, fostering employment and rural development, than supporting the rapid growth of single actors.**

To assist low-volume supply chains, different types of **measures** can be implemented:

- Improvements of coordination between actors, both vertically and horizontally, fostering the consistency of quality (often mentioned by retailers as a problem when buying from different small producers) and communication between actors in supply chains, who have very different interests and expectations regarding mountain products and information is exchanged partly insufficient, as it is shown in the following chapter. **This requires training and raise awareness measures, as well as the distribution of the guide for stakeholders produced by EuroMARC.**
- Financial support encouraging collective action is needed in all European countries, but especially needed in Eastern Europe, such as encouraging associations to invest in processing infrastructures, technologies and machines.
- Fiscal/financial assistance should be made available to modernise small-scale units to comply with the (increasing) regulatory requirements, like those concerning hygiene.
- Fiscal measures (like tax relief) could be envisaged to support the modernisation of small-scale processors and retailers or the restructuring of their units.
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### *Helping actors to overcome bottlenecks of mountain production*

The price, limited volume of supply, and seasonality of mountain quality food products are considered by retailers as the most important factors inhibiting the distribution and the success of these products.

EuroMARC research also shows how producers, processors and retailers consider these issues in different ways along the supply chains of mountain products. Producers are often reluctant to increase production volumes, even by small quantities, as they fear that consumer demand would not justify it. On the other hand, retailers fear that they would not have enough products to sell to consumers and consequently are reluctant to increase the promotion of products. *Better exchange of good information (on production issues, supply or marketing opportunities, consumer demand) between the stakeholders of the supply chain could prevent these misunderstandings.* A common understanding of the specificities of mountain quality food products and of their

seasonality could lead to the establishment of adapted marketing strategies, respecting the production constraints and responding to consumer expectations.

This can be supported through the training/advisory services with respect to business and management issues and through supply chain organisations dealing with mountain products.

## **Recommendation 6: Supporting market penetration by communication about mountain quality food products to consumers**

### ***Communicating about mountain quality products as a specific category of products***

EuroMARC analysed 1765 mountain products in 351 different outlets in six countries. This work showed that mountain quality food products tend to be displayed together in small/specialty outlets, but are presented with non-mountain products of the same type in larger outlets, where the mountain origin was not emphasized. While many mountain quality food products are not packaged (like cheeses sold on the shop counter), those that are packaged may well indicate the product origin but rarely promote the mountain attribute.

On the other hand, products using a mountain-related term or image on their labels were not necessarily from mountain areas. These facts have a direct consequence on the market penetration of products, and on their visibility to consumers, who do not easily identify mountain products as a specific product category. There is often confusion between mountain quality food products, local food products, or organic products (may be due to the high environmental qualities of mountain quality food products or because these are local and organic products, too).

Therefore, to better develop the potential and added value of mountain products, they need to be clearly identified as a category of products as such: a mountain term and image must be clarified and communicated to consumers. The mountain reserved term or quality scheme would communicate by themselves the origin and qualities of the products.

**Definition of the mountain quality food products qualities and conditions of production, as well as their communication should be made at the European level so that all producers in the 27 Member States can have equal opportunities to use it. A strong collaboration of all levels of governance at national and regional/local is needed for the promotion of the mountain quality food products to consumer.**

### ***Giving value to cross-fertilising communication on products and the presentation of production regions***

Communication about products can be beneficial for the region of origin, and vice-versa: a region's communication/identity can help the promotion of mountain products. Case studies showed that there can be a strong association between a region and its products (for example in the Austrian region of Bregenzwald, which is being promoted through the food originating from there – more than 30 different types of cheese sold along a 70 km long cheese route – and through the diversity of events organised to promote typical products). When the identity of the region is strong and positive, the image of the region passes on to the products. On the other hand, in areas where quality products are highly valued, the positive potential of products can be a base for communicating about the region, thus contributing to its dynamism not only with job creation through production activities, but also through other economic activities. The impact can also be important for mountain people, reinforcing their regional identity and encouraging local entrepreneurial spirit. Even more, EuroMARC research shows that the success of a decentralised food chain into a region increases the sense of identity of local inhabitants by giving new value to their local traditions and cultural markets, proving to everyone that development is possible if one chooses a carefully developed path of development. This will result in giving new value to the expertise and traditions in mountain areas, the functionality of its economy, and the interest of people to live or work in, or visit these areas.

Promotion and development are mutually beneficial to products and regions. **Therefore marketing strategies could associate mountain attributes with local origin specification. The legislation and labelling framework should allow this joint promotion.**

At the EU level, very helpful support measures are available through the CAP, representing a potential for producers wanting to engage in the diversification of their farm activities; they should be maintained/reinforced. Member States and regional/local authorities should try to develop promotion campaigns that make use of mountain quality food products to better promote regions and vice-versa.

## European level recommendations

<b>Recommendation 1: Creating a European legislative framework for the protection of mountain products .....</b>	<b>20</b>
<b>Recommendation 2: Maintaining possibilities of harmonisation measures from European legislation .....</b>	<b>20</b>
<b>Recommendation 3: Raising awareness of opportunities that mountain quality food products represent for actors in supply chains.....</b>	<b>21</b>
<b>Recommendation 4: Fostering the production of mountain quality products .....</b>	<b>21</b>
<b>Supporting the production of mountain quality food products through extensive environmentally-friendly means .....</b>	<b>21</b>
<b>Improving the development of new products and marketing capacities .....</b>	<b>22</b>
<b>Putting the priority on the development of infrastructures .....</b>	<b>22</b>
<b>Recommendation 5: Fostering collaboration inside mountain supply chains .....</b>	<b>22</b>
<b>The organisation of farmers and processors should be encouraged within and between enterprises .....</b>	<b>22</b>
<b>Improving processing capacities .....</b>	<b>23</b>
<b>Recommendation 6: Supporting market penetration by communication about mountain products to consumers.....</b>	<b>23</b>
<b>Encouraging the diversification of the rural world through investments in supply chains and in agricultural tourism .....</b>	<b>23</b>

## European level

### **Recommendation 1: Creating a European legislative framework for the protection of mountain products**

**The European Commission should encourage all Member States to take advantage of the possibility they have to define nationally mountain Less Favoured Areas (LFAs),** since this designation opens a door for farmers and producers to develop marketing strategies based on mountain attributes. The EuroMARC study on the key policies related to mountain products<sup>22</sup> stresses the need to clarify the “mountain” term at the European level, as a first step to define what mountain products are. European legislation offers Member States, through the LFA scheme, the possibility to adopt a national definition of mountain LFAs that is suited to mountain conditions in their countries, following the principle of subsidiarity. However, the extents to which Member States have defined their mountain areas as ‘mountain LFAs’ (Article 18 of the LFA regulation) is quite variable, and some countries with mountains (e.g. Ireland and the United Kingdom) have not used this designation at all.

**The European Commission is invited to create a European working group on a framework and criteria for mountain quality products.**

The solution of creating private, regional and national mountain labels is not sufficient: coherence has to be found and cannot be achieved only with such labels. A decision to have a label for mountain products was made in France for mountain products originating from mountains on French territory, but was in contradiction with EU competition laws and was therefore modified after a judgment by the European Court of Justice in 1997. Since then, although there is still a possibility to use the mountain product definition in France for all European products respecting the French mountain law, the impossibility to control the origin of products beyond France has weakened the potential of the mountain term. This shows that isolated national initiatives cannot ensure a fair development of markets for mountain products throughout Europe. A European framework to protect mountain products is needed for coherent development across Europe.

**The expertise that the European Network for Rural Development can gather on this topic should be used as a departure point. National rural development networks can contribute in exchanging examples of good practices existing at the EU level.** A consultation on the framework to be defined and on criteria that mountain products should fulfil can be launched at the level of rural development networks and to support the working group with practical advice. Once a decision is taken about the protection of the mountain quality food products, these networks should be used for disseminating good practice at the EU level.

### **Recommendation 2: Maintaining possibilities of harmonisation measures from European legislation**

**European legislation offers Member States certain possibilities of including non-application clauses for some measures in their legislation, in some justified cases, with well defined reasons: exclusion, adaptation and derogation.**

The European institutions should maintain the existing possibilities of harmonisation: exclusion, adaptation and derogation, as they appear to be a practical tool to handle the diversity inside EU countries. Such measures should also be envisaged for future legislation, when relevant and necessary.

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<sup>22</sup> EuroMARC: Key policy related constraints and opportunities for the production, processing and marketing of foods from mountain areas in Europe

### **Recommendation 3: Raising awareness of opportunities that mountain quality food products represent for actors in supply chains**

Actors in mountain supply chain actors may not be aware of the strong potential interest for mountain products, which could be an asset for the development of their businesses. Marketing studies can be undertaken more easily by large companies that can benefit from mountain images than by small- or medium-scale actors selling their products at the local level.

**An awareness-raising campaign should be launched at the EU level to increase the awareness of actors in the mountain food chains about the interest of consumers and so that they can organise themselves in relation to market trends. The guidelines for actors of supply chains produced by EuroMARC contribute in giving practical advice for mountain quality food production and promotion for each stakeholder group (producers, processors, retailers). This brochure, together with other information on the possibilities to diversify and to produce quality mountain foods, should be put at disposal of mountain supply chain actors.**

### **Recommendation 4: Fostering the production of mountain quality products**

#### ***Supporting the production of mountain quality food products through extensive environmentally-friendly means***

In close relation with the natural conditions of mountain areas, mountain products are often produced in a relatively extensive and environmentally friendly way. Consumers are aware of this, and some appreciate mountain products as being “greener” products, with special qualities. Mountain producers should be encouraged to maintain less polluting or environmentally beneficial methods of production. The Common Agricultural Policy (CAP) measures, **axis 2** (for example: “Natural handicap payment to farmers in mountain areas and other disadvantaged areas”, “Agri-environmental payments for: Environmentally favourable extensification management of low-intensity pastures, preservation of landscapes/historical features; conservation of high-value habitats/biodiversity”), are a good framework to support mountain activities. Although not always very well known by the respondents (farmers), they are very appreciated by those who benefit from them. By partially compensating the extra costs of production in mountain areas, these measures support the competitiveness of products and make them more affordable to consumers.

The availability of Agri-environmental measures is seen as very positive by respondents. **The European Commission should encourage Member States to use the possibilities offered by the second pillar of the CAP to a larger extent**, making them more accessible and easier to implement.

However, the EuroMARC project could not study which measures are most effective and to what extent possibilities offered by the CAP framework are sufficient to encourage the use of more environmentally-friendly methods of production. **Further analyses should be done** to study:

- if the measures proposed by CAP are well targeted and sufficient
- if the budget available is sufficient to reach the objectives of the measures
- how Member States select and enforce the possible measures
- if information is well disseminated to farmers and if farmers take advantage of the measures and, if not, why.

**The expertise that the European Network for Rural Development can gather on this topic should be used as a departure point. National rural development networks can contribute in exchanging examples of good practices at the EU level.**

### ***Improving the development of new products and marketing capacities***

A majority of consumers expect to find mountain products at farm shops, in markets or in speciality shops, but state that these products must be available through different channels, like those dedicated to tourism.

To better answer this demand from consumers, two aspects are important:

- The **development of new products**: currently supported by the CAP measures “Cooperation for the development of new products, processes and technologies” and by measures to encourage on-farm diversification
- The **availability of small-scale retailing places**: on farms, markets, farmers’ shops, speciality shops etc. Support for the development of small-scale retailing is already available through the CAP, but should be developed further, especially by allowing groups of producers (and not only individuals) to benefit as a group from the measures.
- Training and support is needed to overcome bottlenecks of mountain food production like the small scale of production (through support to association of producers), seasonality of production (which is seen by retailers as a constraint) and inconsistencies in of quality that can appear in less organised supply chains.

### ***Putting the priority on the development of infrastructures***

The successful development of mountain quality food products does not only rely on agriculture-related issues, but also depends on infrastructures in mountains. **Transport infrastructures** as well as access to **information and communication technologies** for all actors in mountain supply chains are prerequisites for their processing and distribution. A cross-sectoral integration of issues relating to mountain products in European policies is needed: the development of these products depends not only on CAP measures but also on Structural Funds, as instruments of European regional policy that can support the development of infrastructures.

Continued support from the EU and its Members States is needed also for decentralised (small scale) **processing infrastructures** (like slaughterhouses).

**Financial support, especially as offered by Structural Funds, should be maintained for the mountain regions and should be oriented strategically for long-term development.**

## **Recommendation 5: Fostering collaboration inside mountain supply chains**

### ***The organisation of farmers and processors should be encouraged within and between enterprises***

- Within one enterprise: **business training** is a key factor for changing the mindset of all actors towards a higher entrepreneurial mentality, and so that they acquire skills to strengthen their businesses.
- Between enterprises: **good communication** between actors in supply chains should be encouraged as a first step in the improvement of producers’ organisations. The cooperation of farmers or small-scale processors for marketing their products (for example through cooperatives) is a good opportunity to gain power in negotiating with processors, retailers, input suppliers, etc.

***The development of farmers’ business skills is already supported through measures in the Rural Development Plan (RDP), and should be continued after the CAP reform in 2013.***

Measures such as those available in axis one of the RDP are very valuable (axis 1 “Improving the competitiveness of the agricultural and forestry sector”: measures “Vocational training and information actions” “Establishing young farmers”, “Support for use of the advisory service” or “Setting up of farm management, relief and advisory services”). The measures should support the development of training programmes in collaboration with farmers’ organisations, in order to ensure that farmers feel more involved in these initiatives.

***The cooperation of farmers and processors when negotiating, buying or selling raw materials must be improved.*** Actors must aim at better coordinating between themselves; this can be supported through some existing measures of pillar II of the CAP axis 1 (“Cooperation for development of new products, processes and technologies”, “Supporting producers groups for information/promotion activities for products in quality schemes”) and axis 3 (Diversification into non-agricultural activities and especially through the LEADER initiative), supporting local initiatives and developing networking between local partnerships.

**The Leader programme should therefore be continued and even reinforced, keeping its “bottom-up” characteristic which is a key element of its success. The promotion of the programme should also be increased so that European entrepreneurs became aware of this opportunity.**

### ***Improving processing capacities***

Support for the modernisation and creation of small -cale transformation units in mountain areas was mentioned by EuroMARC respondents. Existing measures aiming at the support of small-scale units of transformation in mountain areas, available from Structural Funds and through the pillar II of the CAP, pillar II, Axis 1 were not well known by respondents. More promotion and reinforcement of these measures is needed.

**The expertise that the European Network for Rural Development can gather on this topic should be used as a departure point. National rural development networks can contribute in exchanging examples of good practices existing at the EU level.**

## **Recommendation 6: Supporting market penetration by communication about mountain products to consumers**

The latent interest of consumers in mountain products is emphasised by EuroMARC respondents, by the study of shelves in shops, and by retailers. However, there is still a lot of work to be done to increase the visibility of these products to consumers, and communication work should be undertaken on their origin, qualities and their impact on the rural mountain societies.

**The creation of an official European quality scheme for mountain quality food products would constitute a big step forward in the promotion of the mountain products to consumers.**

Support is needed to finance promotional campaigns addressed to consumers. Consumers generally appreciate mountain products as being special, and some are aware of benefits of these products for regional economies, but they can still be confused about differences between mountain products and local/organic ones. Moreover, they are aware of the absence of a definition of mountain quality products. They know that ‘mountain’ is a terms that is often misused, and want guarantees about the origin and qualities of products.

After the establishment of European legal protection for mountain products, **a communication campaign should be launched to make consumers and actos in supply chains aware of the existence of the protection** and what mountain products are.

To promote mountain products, it would be possible to use promotion measures and the CAP pillar II, axis 1 “Supporting producers’ groups for information/promotion activities for products in quality schemes” or the measure “Adding value to agricultural products”.

### ***Encouraging the diversification of the rural world through investments in supply chains and in agricultural tourism***

EuroMARC case studies show **that mountain quality products give an extra value to the region of production itself.** The strong association between the fame of a product and fame of the region it comes from can be a real asset for both. Moreover, tourism provides many

opportunities to develop mountain products. Therefore, encouraging tourism is beneficial for mountain food products, and vice versa.

Therefore, producers who **engage in non-farm activities and in diversification** can find new ways to increase their revenues and sell their products. The measures available in the Rural Development plans are therefore seen as positive tools. The Leader programme seems, in this respect, to function as an excellent “start up” aid for organising agri-touristic units, but also as a “developing programme”, helping to build new businesses.

Support could be given through some measures existing already in the RDP pillar two, Axis 3: “Diversification into non-agricultural activities” “Supporting the creation of micro-enterprises” or “Encouragement of tourism activities”.

## Country-level recommendations

<b>Recommendation 1: Defining mountain areas at national level.....</b>	<b>26</b>
<b>Recommendation 2: Using successfully the possibility to interpret legislation at each level .....</b>	<b>26</b>
<b>Recommendation 3: Raising awareness on opportunities of mountain quality food products for actors of supply chains .....</b>	<b>27</b>
<b>Recommendation 4: Fostering the production of mountain quality products .....</b>	<b>27</b>
<b>Supporting the production of mountain quality food products through extensive environmentally-friendly means .....</b>	<b>27</b>
<b>Focussing on farmer training and farm business development .....</b>	<b>27</b>
<b>Supporting processing on farm and direct selling of mountain products.....</b>	<b>28</b>
<b>Putting the priority on the development of infrastructures in mountain areas .....</b>	<b>28</b>
<b>Recommendation 5: Fostering collaboration within mountain supply chains .....</b>	<b>28</b>
<b>Focussing on collaboration between producers and support for collective actions .....</b>	<b>28</b>
<b>Recommendation 6: Supporting market penetration by communicating about mountain products .....</b>	<b>29</b>
<b>Mountain products should be used more frequently at the local level .....</b>	<b>29</b>
<b>Promotion of products through agricultural tourism .....</b>	<b>29</b>

## Country level

### Recommendation 1: Defining mountain areas at national level

Mountain regions in the European Union are characterised by a great diversity in terms of natural, social and economic realities, especially at the local and national level. The European framework of mountain Less Favoured Areas (LFAs) allows Member States to determine national definitions of mountain areas based on a framework adapted to agriculture. All Member States should use this opportunity to define Mountain LFAs (i.e., using Article 18 of the LFA regulation) on their territory where mountains are recognised, since this would offer producers in these areas additional possibilities to develop their products by promoting their mountain attributes and by allowing them to benefit from specific measures through the CAP. If a mountain label, mountain reserved term or the protection of mountain products were to be established at the EU level, it is also very likely that only farmers in areas defined as mountain LFAs would be allowed to use these. **Defining national zoning for mountain LFAs would therefore be a prerequisite for creating and protecting a European scheme for protecting mountain quality food products and its implementation in every Member State.**

In the absence of further European legislation on mountain areas (beyond the LFA definition) and mountain products, some Member States have established national laws to define their mountain areas (Austria, Romania, France) and even, in the case of France, a definition of mountain products was in force for several years. Such definitions are very likely to enhance the development of mountain products, provided concrete implementation can follow, and should be encouraged in all countries.

### Recommendation 2: Using successfully the possibility to interpret legislation at each level

The full recognition of the non-market benefits of producing mountain foods (maintain of the biodiversity and landscape, diversification and reinforcement the mountain economy, etc) was seen as being critical (by stakeholders, NGO representatives and professionals) and to depend on the development of the policies of the EU and its Member State, which should support, rather than constrain, such production. The inclusion of favourable amendments allowing progressive development of quality food products in mountain areas is needed, while ensuring high production standards, traceability and market opportunities.

**European legislation offers Member States certain possibilities of including non-application clauses for some measures in their legislation, in some justified cases, with well-defined reasons: exclusion, adaptation and derogation.**

**Member States are invited to interpret EU legislation efficiently and to use the harmonisation possibilities offered (as in the case of hygiene regulations).** The experience of the National Rural Development networks can be used to disseminate best practices of adaptation and exclusion with regard to EU legislation. A good interpretation and choice of adequate measures among those available in the framework of European legislation is

indispensable to facilitate the production of mountain quality products, often made at a small/medium-scale in mountain regions. Among others, Member States should make better use of:

- possibilities to offer hygiene exclusion, adaptation and derogations, especially for direct selling;
- possibilities to offer derogation in order to maintain or create new slaughterhouses in mountain areas;
- measures encouraging pastoral activity and transhumance, traditional animal raising practices very common in European mountains but seriously endangered, through the second pillar of the CAP.

### **Recommendation 3: Raising awareness on opportunities of mountain quality food products for actors of supply chains**

An awareness-raising campaign should be launched to increase the awareness of actors in the mountain food chains about the interest of consumers and so that they can organise themselves in relation to market trends.

**The guidelines for actors in supply chains produced by EuroMARC consortium provide practical advice for mountain quality food production and promotion for each stakeholder group (producers, processors, retailers) and can assist in raising their awareness.**

**Member States should disseminate this brochure widely to all actors in supply chains using training services, professional associations and chambers of agriculture and trade.**

**The awareness of the training sector regarding mountain quality food products should be raised and trainers should be well prepared to work with farmers and processors producing these products.**

### **Recommendation 4: Fostering the production of mountain quality products**

#### ***Supporting the production of mountain quality food products through extensive environmentally-friendly means***

**The availability of Agri-environmental measures in the second pillar of the CAP is very positive; Member States should be encouraged** to use these possibilities to a larger extent.

Mountain producers should be encouraged to maintain their extensive and less polluting methods of production. The CAP measures existing in **National Rural Development Plans, axis 2** (for example: “Natural handicap payment to farmers in mountain areas and other disadvantaged areas”, “Agri-environmental payments for: Environmentally favourable extensification management of low-intensity pastures, preservation of landscapes/historical features; conservation of high-value habitats/biodiversity”), are a good framework to support mountain activities. Although not always very well known by the respondents, they are much appreciated by those who benefit from them. By partially compensating the extra costs of production in mountain areas, these measures support the competitiveness of products and make them more affordable to consumers.

#### ***Focussing on farmer training and farm business development***

A key constraint to farm diversification and to adding value to products is that farmers lack skills relating to marketing and business management.

National authorities should encourage the development of training on marketing and business issues in collaboration with local authorities and/or professional associations and farmers’

organisations. *This should be done through the training related measures of National Rural Developments Plans .*

Training programmes should also encourage the development of more environmentally-friendly methods of production and their extensification, and the preservation of landscape and historical features.

### ***Supporting processing on farm and direct selling of mountain products***

Direct selling by producers is a good opportunity to add value to mountain products, especially those that are authentic, of good quality and produced at a small scale. To facilitate direct marketing and lower the burden on farmers due to hygiene regulations, derogations are allowed by European legislation. **National authorities should be aware of the benefits of direct selling in developing the attractiveness of mountain areas, and should encourage producers to take advantage of these possibilities.**

**Fiscal measures**, such as tax-free investments or tax-free profits, can also be set up to support farmers and producers who want to engage in short supply chains. Also, dynamic actors willing to develop processing units in the mountain areas should be encouraged to do so.

### ***Putting the priority on the development of infrastructures in mountain areas***

The successful development of mountain quality food products does not only rely on agriculture-related issues, but also depends on the state of infrastructures in mountain areas. **Transport infrastructures** as well as access to **information and communication technologies** for all actors in mountain supply chains are prerequisites for the transformation and distribution of these products. National governments should give a high importance to the development of these infrastructures as well as to support of **processing infrastructures** in mountain areas.

**Financial support should be oriented strategically for long-term development** and cross-sectoral development.

## **Recommendation 5: Fostering collaboration within mountain supply chains**

### ***Focussing on collaboration between producers and support for collective actions***

The coordination of many small-scale actors on the same level appears to be an effective strategy to ensure both sufficient supply volumes and authentic products. The growth of single actors, especially when they want to reach a larger market, can be dangerous, as quantity sometimes comes before quality. Small-scale producers and processors in mountain areas should be encouraged to produce quality products, working collectively in order to be able to reach larger markets at the regional, national or European level and/or to reach new types of markets (such as on-line selling or product baskets at a larger scale). By collaborating, small-scale actors can benefit in negotiations when buying raw materials, selling products, accessing advice, making major technological investments, working on product innovation or trying to overcome problems linked to the specificities of their production (e.g. seasonality).

This requires both material and non-material support:

- Fiscal assistance/ more support measures from the RDP should be made available for the modernization of small-scale and collective units (of production and processing) in order to comply with regulatory requirements

- Fiscal measures (e.g. tax relief) could be envisaged to support small-scale processors and retailers and professional associations
- Advisory support is needed on technical skills and also on organisational and business and marketing skills

National rural development plans should include more specific measures targeted to actors and associations of professionals involved in small-scale mountain supply chains.

### **Recommendation 6: Supporting market penetration by communicating about mountain products**

Consumers generally appreciate that mountain products are special, and some are aware of the benefits of these products for regional economies. However, consumers can be confused by the variety of different products in the market: products may use mountain images or words for their marketing, but it can be difficult to understand what actually comes from mountain areas, and what are mountain quality products, local products and organic products. Respondents were aware that there is no definition of mountain quality products. They know of cases of misuse of the term “mountain” and want guarantees about the origin and qualities of the products they buy. In these conditions, more has to be done in defining what mountain products area and communicating this to consumers. **Support is needed to finance promotional campaigns to make consumers and actors in supply chains aware of the existence of protection for mountain products and their qualities.**

To promote mountain products, it would be possible to use the National Rural Development Plans (NRDP) of the CAP, pillar II, axis 1 “Supporting producers’ groups for information/promotion activities for products in quality schemes” or the measure “Adding value to agricultural products” as well as other measures that can exist in Member States.

#### ***Mountain products should be used more frequently at the local level***

EuroMARC shows that both consumers and retailers prefer mountain quality food products with a local provenance (they are more familiar with them and with their local impact on the economy). Governments should further encourage the consumption of quality products (as a component of a prevention plan against nutritional diseases), and should give examples by adapting criteria for public procurement. The acquisition of relatively small quantities of quality mountain products at the local level should be encouraged, and the possibility of simplified calls for tender should be used.

National innovative rules on public procurement are needed, with greater stress on the product qualities and ingredients, their production environment, their origin, and the distance between place of production and place of consumption – and not only their price.

#### ***Promotion of products through agricultural tourism***

Tourism is important for promoting mountain products and consumers consider their holidays or trips in mountain areas as good opportunities to buy and taste mountain quality food products. Agri-tourism activities such as farm bed-and-breakfasts are examples of the diversification of the rural activities associating food production and its commercialisation with tourism activities. Measures should be available in the National Rural Development Plans to support farmers who want to diversify their activities by starting to process their production and by engaging in tourism activities.

## Local/Regional Level Recommendations

<b>Recommendation 1: Definition of mountain areas and of terms to be used .....</b>	<b>31</b>
<b>Recommendation 2: Putting pressure on the national level to obtain the incorporation of measures of harmonisation and information .....</b>	<b>31</b>
<b>Recommendation 3: Raising awareness on the opportunities of mountain quality food products for actors in supply chains and for the development of mountain regions .....</b>	<b>31</b>
<b>Recommendation 4: Fostering the production of mountain quality products .....</b>	<b>31</b>
<b>Supporting the production of mountain quality food products through extensive and environmentally-friendly means .....</b>	<b>31</b>
<b>Contributing to the training of farmers and farm business development.....</b>	<b>32</b>
<b>Putting priority on the development of infrastructures in mountain areas.....</b>	<b>32</b>
<b>Recommendation 5: Supporting the collaboration of mountain food actors .....</b>	<b>32</b>
<b>Recommendations 6: Local promotion of the mountain products .....</b>	<b>33</b>
<b>Using mountain products to promote the territory and vice versa.....</b>	<b>33</b>
<b>Supporting mountain foods by offering them in local institutions and for local events.....</b>	<b>33</b>

## Regional/Local level recommendations

### Recommendation 1: Definition of mountain areas and of terms to be used

Local stakeholders have a role to play in raising the awareness of national authorities concerning their specific needs. They should encourage national authorities to decide on national rules that allow them to develop their potential, especially when European legislation must be implemented. Thus, with regard to the definition of mountain areas, **local stakeholders should insist that national authorities put in place favourable national legislation, as far as permitted by European legislation.** A first step is therefore for mountain Less Favoured Areas to be defined nationally in all countries where this is possible, so that specific measures favourable to mountain areas can be implemented in these regions and that producers can use the opportunity of production of mountain products.

### Recommendation 2: Putting pressure on the national level to obtain the incorporation of measures of harmonisation and information

The development of EU legislation and the inclusion of favourable amendments depend on allowing progressive development of quality food products in the mountain areas, while ensuring high production standards, traceability and market opportunities. **European legislation offers Member States certain possibilities of including non-application clauses for some measures in their legislation, in some justified cases, with well-defined reasons: exclusion, adaptation and derogation.** However, EuroMARC has shown that Member States can hesitate, or be unsuccessful in using such measures. In these conditions, **regional/local authorities** should ensure that Member States use these legislated opportunities. **Local and regional authorities should insist that national authorities take these possibilities into account in national legislation and should encourage producers to use these derogations.**

### Recommendation 3: Raising awareness on the opportunities of mountain quality food products for actors in supply chains and for the development of mountain regions

An awareness-raising campaign should be launched to increase the awareness of actors in food chains of consumer interest towards mountain quality food products and their relation with the territorial attractiveness and development. **The guidelines for actors in supply chains produced by the EuroMARC consortium provide practical advice for mountain quality food production and promotion for each stakeholder group (producers, processors, retailers) and can be a step in raising their awareness.** **Local authorities should disseminate this brochure and similar support tools widely to all actors in supply chains through training services, social and professional associations, and regional chambers of agriculture and trade.**

### Recommendation 4: Fostering the production of mountain quality products

#### ***Supporting the production of mountain quality food products through extensive and environmentally-friendly means***

Actors in supply chains in mountain areas should be encouraged to produce quality foods continuing to use scales and methods of production that are environmentally friendly. Additional

payments are available through National Rural Development Plans, compensating – at least partly – the loss of profits due to using extensive production modes and making the resulting products affordable. Research shows that actors may not be aware of these measures; regional local authorities should raise their awareness on the existence of these measures and their role in increasing the competitiveness of mountain food products.

### ***Contributing to the training of farmers and farm business development***

A key constraint to farm diversification and to adding value to products close to the point of production is the lack of skills among farmers relating to marketing and business management. The second constraint is that some farmers are not aware of the potential demand for their products and that they have to be better organised (horizontally in the supply chain but also vertically) in order to respond successfully to the interest of consumers.

**Regional/local support is important for training.** As much as possible, such programmes should be developed in coordination with farmers' organisation or in collaboration with supply chain professionals or food networks, where they exist. Specific, **targeted training programmes and advisory services should be targeted at small-scale diversified businesses** (whose needs are different from those of bigger production units but are seldom well addressed). Training advisors should be specially trained for this category of users.

**Fiscal measures**, like tax-free investments or tax-free profits, can also be set up to support farmers and producers who want to engage in short supply chains. Also, dynamic actors willing to develop processing units in mountain areas should be encouraged to do so.

### ***Putting priority on the development of infrastructures in mountain areas***

The successful development of mountain quality food products does not only rely on agriculture-related issues, but also depends on infrastructures in mountain areas. **Transport infrastructures** as well as access to **information and communication technologies** for all actors in mountain supply chains are prerequisites for the success of their businesses. A cross-sectoral integration of issues relating to mountain products issues in regional policies is needed: the development of these products does not depend only on agriculture measures but also on the way structural funds are used at the regional level to facilitate their production at the local level, like for example the development of mountain infrastructures.

**Regional/local actors should orient strategically their development plans for the long term.** Continued collaboration with Member States in the improvement of common infrastructures (access roads) and **processing infrastructures** (such as slaughterhouses) is needed.

## **Recommendation 5: Supporting the collaboration of mountain food actors**

The coordination of many small actors at the same level appears to be an effective strategy to ensure sufficient supply volumes while keeping the authenticity of products. The growth of single actors, especially when they want to reach a larger market can be risky; quantity sometimes becomes more important than quality. Small-scale producers and processors in mountain areas should be encouraged to produce quality products working collectively, to be able to reach larger markets at the regional, national or European level and/or to reach new types of markets (like on-line selling or baskets of products at a larger scale). The collaboration of small actors can benefit all of them as together they can benefit in negotiating when buying raw materials, selling products, accessing advisory services, making large technological investments, working on the product innovation or trying to overcome problems raised by the seasonality of production.

**Support in terms of advice for local collective initiatives and their organisation through some regional (Leader-like) measures would be welcomed by local actors.** The bottom-up

principle is very important for enhancing the organisation of actors and should permit the creation of strong partnerships.

## **Recommendations 6: Local promotion of the mountain products**

### ***Using mountain products to promote the territory and vice versa***

The image capital of a mountain product is closely related to the image of the region where it is produced: promotion and development are mutually beneficial. **Regions and local authorities should therefore try to develop promotion campaigns that make use of mountain products to better promote the region and vice versa.**

Seasonal events can be organised around mountain products, promoting them and the region and using these opportunities to sell greater quantities of products. **The on-farm selling of products can also be encouraged as a means for diversification in agricultural tourism**, to better combine possibilities of attracting tourists to the region and selling local products (to be eaten in the region, brought back as souvenirs or requested in their usual shops by tourists once they are back in their home region). Some regions have successfully developed **joint regional labels promoting food, landscape and tourism services**; this can be a good tool to promote mountain quality foods.

Interviews in EUROMARC highlighted other opportunities for joint promotion, **such as inviting producers from other regions or countries to present their products at local events organised by a region**. For instance, a Norwegian respondent noted that, small-scale producers from Norway, promoted their region to the participants in the “Green week” in Berlin,. Their marketing strategy was to have their products tasted at the fair as an invitation to visit the region of production and taste the products there.

### ***Supporting mountain foods by offering them in local institutions and for local events***

European and national laws allow local authorities to buy products without having to go through a complicated call for tender when the total amount needed is under a certain threshold, or to make a local call for tender.

Local and regional authorities should use this opportunity to support directly the production and consumption of **mountain products by including them in the composition of the menus** of public and private institutions when possible, stressing the positive credentials of the local/mountain products and on the local origin, and their qualities.

Presenting local mountain food during **festivals, conferences or any events** is also an effective way to advertise the mountain products that gives to producers' opportunities to market their products and make them better known. Every time mountain products are used, it should be stated on the menus or on flyers/posters so that guests are aware of the origin of the products they are eating.

## **Imprint**

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Mountain quality food products play vital roles in the sustainable development of mountain areas. The process of production brings added value to mountain areas, and the identity of the territory is reinforced because of its association with local products, with specific methods of production. However, the data on the potential of development of mountain quality food products is very limited. The EuroMARC project intends to fill in this knowledge gap.

The main objectives of the **Euro-MARC project** are **to assess the perceptions and interests of European consumers and retailers regarding mountain quality food products**, in order to find ways of adding value to these products, hence contributing to the survival and management of mountain diversity - biological, rural, cultural, and economic.

10 teams from 6 European countries are involved in this three-year project, which started in February 2007.

In order to translate the scientific results obtained by the EuroMARC project into practical information for direct use by stakeholders and policy-makers, **the project has produced:**

- **practical guidelines for the development, promotion, and communication** of mountain quality food products, to be used by all stakeholders in the supply chains (from primary producers to retailers)
- **recommendations relating to policies to enhance the development of mountain quality food products**, for policy-makers at European, national, and regional/local levels.

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