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# **DRAFT REPORT**

on Agricultural product quality policy: what strategy to follow?  
(2009/2105(INI))

Committee on Agriculture and Rural Development

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on Agricultural product quality policy: what strategy to follow? (2009/2105(INI))

*The European Parliament,*

- having the Communication from the Commission of 28 May 2009 on agricultural product quality policy (COM(2009)0234),
  - having regard to the Commission's Green Paper of 15 October 2008 on agricultural product quality: product standards, farming requirements and quality schemes (COM(2008)0641),
  - having regard to its resolution of 10 March 2009 on ensuring food quality including harmonisation or mutual recognition of standards <sup>1</sup>,
  - having regard to its resolution of 9 October 1998 on quality policy for agricultural products and agri-foodstuffs<sup>2</sup>,
  - having regard to the Commission Staff Working Document of October 2008 on food quality certification schemes,
  - having regard to the health check for the common agricultural policy (CAP),
  - having regard to the proposal for a regulation of the European Parliament and of the Council on the provision of food information to consumers (COM(2008)0040),
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on the Internal Market and Consumer Protection and the Committee on the Environment, Public Health and Food Safety (A7-0000/2009),
- A. whereas the European Union has the highest quality standards for food products in the world and these high standards are demanded by Europe's consumers and represent a means of maximising added value,
- B. whereas European quality products constitute a living cultural and gastronomic heritage for the Union and are an essential component of economic and social activity in many of Europe's regions, bolstering activities directly linked to local realities, especially in rural areas,
- C. whereas there is ever-increasing consumer interest not only in food safety but also in the origins and production methods of food products; whereas the European Union has already responded to this trend by introducing four food quality and origin schemes, namely Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Speciality Guaranteed (TSG) and Organic Farming,

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<sup>1</sup> P6\_TA-PROV(2009)0098.

<sup>2</sup> OJ C 328, 26.10.1998, p. 232

- D. whereas consumers associate these certification schemes with a guarantee of higher quality,
- E. whereas new technologies can be employed for providing detailed information on the origins and characteristics of agricultural and food products,

### **General remarks**

1. welcomes the Commission's Communication and the incorporation therein of several of Parliament's recommendations, following the reflection process launched through the Green Paper on agricultural product quality; wishes to see the measures proposed by Parliament in this resolution implemented as soon as possible, so as to effectively put into practice the feedback received from farmers and producers during the consultation process;
2. emphasises that quality is a key issue for the entire food chain and an essential asset for European agrifood products; considers that quality can constitute the grounds for important business advantages for European producers;
3. considers that the EU quality policy can bring about increased competitiveness and added value to the economy of Europe's regions; that quality production is often the only chance for many rural areas with limited production alternatives; further considers quality as an engine for product diversity;
4. is confident that quality policy can bring about important developments in European agriculture, being an area generating a high volume of agricultural products, in the case of geographical indications already exceeding EUR 14 billion;

### **EU farming requirements and marketing standards**

5. stresses the need for a formal recognition of the efforts made by European producers in meeting EU farming requirements with regard to quality, environmental, animal welfare and health standards;
6. calls in this respect on the Commission to conduct a study on the various options available for giving European producers the possibility of displaying on their products their commitment to quality, food safety and respect of all European standards of production, including through the option of a European Union quality logo, which should be made available only to agricultural goods resulting entirely from European production;
7. considers that marketing standards still retain an important role in the production chain, and consequently they should be kept; they render transparent the changes on the market and allow purchasers to compare prices, sizes and quality of products and ensure a level playing-field in European competition;
8. is in favour of allowing stakeholders to develop marketing standards on their own, within trade associations and organisations such as the CEN (European Committee on Standardisation); however these standards should only be supplementary and must not conflict with European rules;

9. supports the introduction of additional optional reserved terms, especially in terms of the provision of a clear definition and usage of the terms "mountain products" and "low carbon"; further expresses support for the harmonisation at Community level of the term "mountain products", which is currently regulated in only a few Member States;
10. is in support of providing the consumer with the maximum amount of information available; is in favour of the introduction of comprehensive and compulsory legislation for "place of farming"-labelling; considers that this may be done in a manner that takes into account the costs of such a Europe-wide operation, as well as the specificities of particular sectors, such as that of processed agricultural goods;
11. recalls that this practice has been implemented with success in countries such as Australia and the United States and that mandatory "place of farming" labelling already applies in the European Union for a number of agricultural products;
12. wishes to see legislation for "place of farming" labelling in place also for processed foods, taking account of the main raw materials used;
13. believes that the effective costs of implementation should be analysed in a comprehensive Commission study on the matter, so that the new legislation does not impose excessive costs on small and medium-sized producers; considers to that effect that several options should be considered in addition to labelling - such as barcodes or provision of information on websites;

#### **Geographical indications and traditional specialties**

14. considers that geographical indications have considerable importance for European agriculture; is of the opinion that the three systems of registration of geographical indications (for wines, spirits and for agricultural products and foodstuffs) should be maintained as they stand at present;
15. further considers that the two instruments in place (the PDO - protected designation of origin and PGI - protected geographical indication) should also be kept in the future, given their high degree of recognition and success; holds that for the consumer, a clearer distinction between PDO and PGI needs to be made and that this can be achieved through an overall information and promotion effort;
16. emphasises that, on the basis of producers' experience, it has emerged that the management of the product quality through the PDOs and PGIs specifications, and the protection against usurpations are not sufficient for the further development of GI products; calls for an in-depth assessment to be carried out to identify suitable instruments for the management of the volume of production for PDO and PGI products;
17. considers that no additional criteria should be added to the certification process for any of those instruments, but rather the aim should be simplification;
18. calls for the mandatory provision of information through labelling (and all other means available) with regard to the "place of farming" of raw materials, where this is different from the place indicated by the geographical indication and to the name of the producer when the product is marketed under the private trade name of a retailer;

19. is against the idea that geographical indications can be replaced by trademarks, as these are fundamentally different legal instruments;
20. further demands thorough ex-officio protection of geographical indications, as an obligation for authorities in all Member States; wishes to see this specifically addressed through a revision of Regulation (EC) 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs<sup>1</sup> and through a better definition of the control procedures applicable;
21. considers that the instrument of Traditional Specialties Guaranteed (TSG) must be kept, whilst the corresponding rules for registration need further simplification; recalls that TSG is a relatively recent instrument, which explains its slow development; considers that this instrument should be better communicated to producers and left to become a familiar tool for quality promotion in Europe;
22. calls for greater protection of geographical indications in third countries, through inclusion in international registries and international recognition within the WTO system; supports the Commission's aim to include geographical indications within the scope of the "Anti-counterfeiting trade agreement" and in the work of the future "European observatory on counterfeiting and piracy";

### **Organic farming**

23. reaffirms its belief that organic farming offers European farmers a major growth opportunity; supports recent efforts to develop a new EU organic logo, applicable to all EU farmed products;
24. takes the view that greater standardisation is needed in the typology of control and certification bodies and procedures for organic products, so that consumers are provided with an assurance of safety and reliability in the form of the new EU logo, guaranteeing comparable production, control and certification criteria at Community level and helping to resolve problems and further promote the internal market;
25. considers that the appearance of non-organic products labelled in such a way as to suggest that they are products of organic farming harms the development of a single EU market in organic products; in this connection, expresses concern at attempts to extend the scope of the organic label to food products not produced in accordance with organic farming principles;
26. reaffirms that, in order to improve the functioning of the internal market in organic products, it is necessary to:
  - register the country of origin in the case of fresh and processed organic products imported from third countries, independently of whether the Community organic product logo is used,
  - enhance the credibility of the European logo by means of a programme to promote organic products,

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<sup>1</sup> OJ L 93, 31.3.2006, p. 12.

- designate non-agricultural products referred to in connection with organic production methods distinctively from the way in which organic agricultural products are designated;

27. welcomes the creation of offices for traditional and organic products at Member State level; believes that every Member State should have bodies, whether public or private, that are recognised both by producers and consumers for purposes of promoting and validating local organic and quality production;

### **Information and promotion policy**

28. supports European action to communicate, as extensively as possible, the benefits of the EU's policies for food quality and safety; recommends that the Commission and Member States step up their information and promotion efforts regarding quality and food safety standards for Community products;

29. emphasises the potential role of EU funding in this area, especially by means available under the EAFRD (European Agricultural Fund for Rural Development); nonetheless stresses that credit requirements have now become tighter for small producers in the wake of the world financial crisis, and that this drastically limits their access to cofinancing, as provided for under rural development programmes;

30. Instructs its President to forward this resolution to the Council and the Commission.

## EXPLANATORY STATEMENT

With market globalisation and the severe crisis now affecting Europe, its agriculture included, one possible response on the part of the agricultural market is to place the emphasis on product quality.

EU quality policy can enhance competitiveness and create value added for Europe's regional economies: indeed, for many rural areas where production alternatives are few, it offers the one and only opportunity for development.

Quality policy cannot be dissociated from the CAP as a whole, nor can it stand aside from such new challenges as the fight against climate change, the need to preserve biodiversity, energy supply issues, the development of bioenergies and animal welfare, not to mention water management in agriculture, an area where society now requires improvements.

These complex issues, as well as consumers' growing expectations, need to be suitably incorporated in the future quality policy for agricultural products, on the basis of a concept of quality that is not limited or static but is linked to the major potentialities of a modern agriculture that is, in the European case, dynamic, rich and diversified and can offer not only high-quality food products but also services of great value to a constantly evolving society.

Your rapporteur welcomes the Commission communication and the incorporation of Parliament's recommendations following the debate on the Green Paper on agricultural product quality. He also hopes that the measures proposed by Parliament in the present report, which is the fruit of discussions and evaluations received by the representatives of the various associations in the sector, will be implemented as soon as possible.

In the first place, your rapporteur examines farming requirements and marketing standards. Consideration is given to the Commission's proposal for an EU quality logo, for products originating and processed solely in Europe. This logo would provide an umbrella for European products that meet European production standards, and could mark the formal recognition of the efforts of Europe's farmers to maintain high standards of production. It is suggested, therefore, that the Commission should undertake a study of the possibility of introducing such a logo, on a basis of respect for the quality criteria which are needed to ensure continued high standards.

With regard to the rules for marketing agricultural products, your rapporteur believes that they remain of major importance as a means of **ensuring the transparency of market transactions** and enabling purchasers, from wholesalers to consumers, to compare the price, measurements and quality of products and guarantee a level playing field in the Union.

Your rapporteur supports introducing, on an optional basis, new reserved terms such as '**mountain products**' or '**low carbon content**'. The definition of these terms should be harmonised at Community level.

Consumers often confuse the geographical indication of where a food product was processed with the place of origin of the agricultural product as such, and are often not aware of how the food chain operates.

Your rapporteur considers that only the **compulsory indication of the place of production**

**of the primary products** can provide consumers with full information on the quality of the products they are buying, since products are subject to a production cycle which exerts considerable influence on their characteristics in terms of quality and food safety. He also hopes legislation will be introduced covering the indication of place of origin for processed food products.

In the second place, your rapporteur has examined the aspect of geographical indications and traditional specialities.

Geographical indications are of major importance for European agriculture, not only economically but also in ethical, environmental and social terms, in relation to the intimate links of the products with their locality and the conservation and development of the countryside in the context of tradition, history, taste and unique knowledge handed down over time. Your rapporteur therefore considers that **the three existing systems for registration of geographical indications should continue in their present form.**

With respect to the two instruments, **PDO and PGI**, your rapporteur proposes that these two systems for geographical indication **continue to be kept separate**, since to create a single protection system would be to fail to take account of the specific differences in the nature and closeness of the links between the products and their geographical area of production, as well as the different rules governing the production, processing and manufacture of agricultural products.

Your rapporteur believes that **simplification of the rules** is desirable where the aim is to cut red tape for enterprises, but that this should not bring about any reduction in the standards that have been achieved by European products thanks to considerable effort and investment.

On the subject of **ex officio** protection of geographical indications, as an obligation incumbent on the authorities of all Member States, your rapporteur favours the revision of Regulation 510/2006 and a definition of specific European procedures.

With regard to geographical indications of third countries, your rapporteur wishes to see greater protection of such indications, by means of inclusion in international registries and international recognition through the WTO system.

Finally, your rapporteur has examined the aspect of promotion and communication policies. He believes that in order to promote the Union's quality policy it is essential to undertake **an intensive campaign of consumer education and information** concerning the various European labels and the guarantees they represent, as a means of ensuring that quality policy succeeds.

Your rapporteur believes that agricultural product quality issues are crucial to ensuring that buyers and consumers are properly informed of product characteristics. The overall aim is to continue to guarantee that acquiring EU products means acquiring high-quality products originating in the diverse regional traditions of Europe.