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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

in accordance with Article 75(6) of Regulation (EU) No 1308/2013 on new marketing standards for cider and perry and for dried leguminous vegetables and soya bean

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1. INTRODUCTION

The regulation establishing a common organisation of the markets in agricultural products ('hereinafter CMO Regulation') lists the sectors and products for which marketing standards may apply[1]. That list does not include cider and perry nor the dried leguminous vegetables and soya bean. The Commission is empowered to issue a Delegated Regulation to modify such a list, in case of demonstrated consumer needs resulting from evolving consumer demand, technical progress or the need for product innovation and subject to a report to the European Parliament and Council. In the light of that, this report evaluates whether new EU marketing standards for cider and perry, and for dried leguminous vegetables and soya bean, would bring added-value, in particular, in relation to the needs of the consumer, the cost and administrative burdens for operators, and the benefits offered to producers and to the end consumer. It is supported by an impact assessment which provides more detailed information in particular on expected economic, social and environmental impacts[2].

2. CIDER AND PERRY

2.1. A market looking for more value?

Currently on the EU market, the terms 'cider' and 'perry' are used for a multitude of very diverse beverages based on apples and pears. According to a 2019 Euromonitor briefing[3], Western Europe is the world's largest cider market, with a consumption of about 1.2 billion litres in 2017 (52% of the global volume), of which 848 million litres in the UK alone. Within the EU, cider (including perry[4]) is traditionally produced in France, Germany, Austria, Belgium, Denmark, Spain, Finland, Ireland, Italy, Poland and Sweden. In the last decade, cider consumption experienced the relatively fastest growth in Portugal, Greece and Germany (respectively 56%, 35% and 21% between 2012 and 2017).

In terms of market size, Euromonitor data indicates that the market value for cider and perry in the EU28 in 2019 was estimated at about EUR 6.2 billion[5] (EUR 2.3 billion across EU27).

Experts foresee growth perspectives for these two products in the coming years, driven by the consumers' tendency to favour premium quality, health and wellness and desire to explore new flavours[6]. While the UK market is expected to grow modestly due to its maturity, cider markets such as in Greece, Germany, Türkiye and Italy are expected to enjoy double-digit growth, albeit growing from a small base.

Overall, the importance of the sector and industry is significant. For instance, the direct members of the European cider and fruit wine association (AICV) represent over 180 cider and fruit wine manufacturing companies in Europe. Most of them are relatively modest in

[1] Article 75(1) of Regulation (EU) No 1308/2013 of the European Parliament and of the Council (OJ L 347, 20.12.2013, p. 671).
[2] SWD(2023) 97 final.
[3] Euromonitor, Passport – Cider in Western Europe- June 2019.
[4] Perry is made from pears.
[5] Extracted from Euromonitor Passport data for alcoholic drinks, category 'Cider/Perry', total value retail selling price in current prices, aggregated over all MSs.
[6] Euromonitor, Passport – Cider in Western Europe- June 2019.

size, although there are some large producers, mainly in the UK, France, the Netherlands, Denmark, Ireland, Spain and Germany[7]. Over 5000 people are directly employed in the cider and fruit wine industries and the sector generates many indirect jobs, mainly in the agricultural sector through the production of apples and other fruits[8].

COMEXT data show that imports from outside the EU27 increased between 2012 and 2019 from 8 to 23 million litres (decreased to 15 million litres in 2021 due to the effects of Covid). The imports in value followed a similar trend, from EUR 14 million in 2012 to 19 million in 2019 (and dropped to 13 million in 2021). Exports outside the EU27 have been increasing from about 54 million litres in 2012 to 250 million litres (with a drop to 163 million litres in 2021). The exports value increased as well, although slightly more slowly due to decreasing prices (EUR 112 million in 2012, 158 million in 2021). Trade within the EU27 has instead remained rather stable around 120-130 million litres, with some substitution between categories (decrease of the sparkling cider and perry and increase in the still products whether in bottles or larger containers). Value, however, has been decreasing, due to a constant price decline all along the period, affecting all the categories.

2.2. A need for more clarity in the market and for consumers?

The terms 'cider' and 'perry' are currently used in the EU for a multitude of beverages based on apples and pears, respectively, with different key characteristics[9][10]. For instance, various types of products, ranging from products made from 100% apple juice to pre-mix products with added sugars, are currently labelled as 'cider'. This leads to unfair competition among producers as not all consumers readily discern the differences between products that are labelled 'cider' or 'perry'. In this respect, the information available to consumers is inadequate for a proper purchasing choice.

The issue was also identified in a 2020 study on the 'Evaluation of marketing standards contained in the CMO Regulation, the 'Breakfast Directives' and CMO secondary legislation'[11] as well as in the replies and contributions received during the public consultation on the revision of the EU agricultural marketing standards[12].

While there is no international definition for cider and perry, standards for these products exist in some MSs. These mainly differ according to the following key criteria, which have a strong impact on the production costs and the quality of the product[13]:

[7] https://aicv.org/en/members.
[8] https://aicv.org/en/industry-data.
[9] "Evaluation of Marketing Standards contained in the CMO Regulation, the "Breakfast Directives" and CMO secondary legislation", Final report, November 2019, Areté, Agra CEAS https://op.europa.eu/en/publication-detail/-/publication/309c4642-7ec0-11ea-aea8-01aa75ed71a1.
[10] The only regulated elements at international level are food additives permitted in the production of cider through Codex Alimentarius and EU legislation.
[11] https://doi.org/10.2762/475831.
[12] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12772-Agricultural-products-revision-of-EU-marketing-standards/public-consultation_en.
[13] Ricome, Solano-Hermosilla & Ciaian (2022). Benefits and costs of EU marketing standards in the cider sector. https://publications.jrc.ec.europa.eu/repository/handle/JRC127345.

- The minimum content of apple/pear juice (including juice and/or concentrate) in the cider/perry (varying from no specifications of minimum juice content to 100% depending on the MS) (e.g. 100% in France);
- The minimum content of 'fresh' apple/pear juice (i.e. excluding concentrate) in the cider/perry (e.g. minimum 50% in France);
- The addition of water or not;
- The addition of sugar to the apple/pear juice before fermentation (i.e. 'chaptalisation') or not;
- The addition of alcohol (i.e. 'fortification') or not.

Moreover, some MSs have cider-specific detailed mandatory standards in place and also labelling rules which describe the product quality and allow identifying origin, such as Protected Designation of Origin and Protected Geographical Indication (e.g. France, Spain).

Some other MSs have cider-specific, 'base-level' marketing standards (e.g. Denmark, Finland, Slovakia, Sweden). In Sweden, for example, cider should be made from at least 15% apple juice.

In Germany, production guidelines have been developed by the cider sector, which are complemented by labelling rules under the national legislation.

Finally, in a number of MSs, e.g. Belgium, Bulgaria, Germany, Ireland and the Netherlands, no cider marketing standards exist.

In the absence of any EU specification for 'cider' and 'perry', the issue of fair competition for producers would remain and the asymmetry of information for consumers would not be addressed.

2.3. An EU marketing standard for cider and perry: more market value and better information to consumer

An EU marketing standard for cider and perry would define the essential (minimum) requirements to be met by the products concerned. This would contribute to setting a level playing field among producers and create a clear segmentation of the market. It would also improve information for consumers, increase trust in beverages bearing the denominations 'cider' and 'perry', and enhance the products' value. The marketing standard would also define a range of parameters (e.g. optional reserved terms (ORTs)), their corresponding technical characteristics (e.g. authorised treatments and substances), and the raw materials authorised for their production on the model of the legislation concerning oenological practices or fruit juices.

Several options for such a standard could be envisaged:

Option I*:* a mere definition of some ORTs at the EU level. Those terms could be used only if the conditions set in the legislation are met. Some suggested ORTs are indicated below. Such ORTs can direct consumers towards higher quality products or help them make purchasing decisions based on desired product's characteristics, such as sugar content (similarly to wines). National rules, insofar as they exist, as well as the use of the generic terms 'cider' and 'perry' would remain largely unchanged, allowing them to coexist with the ORTs.

ORTs related to higher quality:

- 'Made from pure fresh juice' (100% fresh apple or pear juice, or a mixture of both);
- 'Farmhouse' (made from pure fresh juice + fruits processed on farm);
- 'Craft' (made from pure fresh juice, no use of industrial processes, no overpressing);
- 'Natural effervescence' (originating exclusively from the alcoholic fermentation).

ORTs related to sugar content:

- 'Dry' (maximum [X] g/l residual sugars);
- 'Semi-dry' (above [X] g/l and maximum [Y] g/l residual sugars);
- 'Sweet' (above [Y] g/l residual sugars)[14].

Option II*:* a basic marketing standard at the EU level complemented by the ORTs mentioned in Option I. The basic standard would require that the alcohol in cider and perry might only come from the fermentation of fruits and sugars, thus prohibiting the addition of external alcohol to the product. It leaves the definition of more demanding requirements to MSs. This would ensure a baseline harmonisation at EU level while remaining complementary to existing national rules.

Option III*:* a more ambitious standard complemented by ORTs referred to under Option I. This standard would prohibit the addition of external alcohol to the product, as in Option II, but would require, in addition, that the cider and perry are made from at least 50% of fruit juice (fresh and/or reconstituted). This standard would lead to a higher level of harmonisation within the EU.

2.4. What are the expected impacts of an EU marketing standard?

2.4.1. Costs and administrative burdens for operators and MSs, a mixed picture depending on the marketing strategy

The improvement of the overall coherence of the regulatory framework applying to cider and perry production and marketing across the EU would facilitate intra-EU trade and ensure a level playing field for producers. Clear rules about the products and labelling reduce trade uncertainties and also transactional costs for economic operators.

In relation to the industrial processing, higher costs may occur for producers (within and outside the EU) currently producing low quality products if they would decide to continue to sell their product with the name "cider" under the new EU standard. These producers have anyway always the choice to remain in their lower market segment and sell their product under a name different from cider/perry; depending on their market position, this may mean a deterioration of the commercial value of their product or at least additional initial costs in terms of marketing. Therefore, the segment of lower quality products which would lose the name "cider/perry" - often produced by larger industrial facilities - may initially incur losses in market shares, should stricter standards be implemented (especially Option III, to a lower extent Options I and II). Having said that, the industrial manufacturers producing these kinds of beverages are often active in multiple beverage markets and products and could adapt their marketing strategy and so avoid losses.

[14] X and Y to be determined during discussions on legal proposals, if any.

As regards national public authorities, a new EU marketing standard for cider and perry is expected to lead to some regulatory costs, resulting from the necessity to modify existing national rules or to introduce new national rules in line with the EU rules, and to implement and control them. MSs that have national production and control rules already in place would need to adapt to the new EU rules. The costs they would incur would be less than for those MSs which would have to introduce rules and control them from scratch. In that sense, Option I would be the Option that is most compatible with the existence of national rules, while Option III could result in a higher burden (legislation, control) at the national level.

On the other hand, a marketing standard at EU level would reduce the administrative work for national administration, which would have to check the compliance of cider and perry marketed on their territory with only one set of EU rules.

The combination of the above-mentioned elements, transaction costs, impacts on simplification, and administrative burden could give either a negative or a positive picture depending on the position of the individual MS and industry and the market strategy of the latter. These effects should be compared with the potential generation of value and benefits.

2.4.2. Benefits for producers and consumers, and the EU internal market: a very positive perspective

The expected general benefits of the introduction of an EU marketing standard for cider and perry, as compared to the *status quo*, seem substantial and in different areas. They include the following:

- A standard would create better product identification and building of reputation and trust in the sales designation and segmentation into categories differentiating relatively inexpensive mass consumption cider/perry (industrial mix of apple/pear juice, alcohol, water, flavourings, sugar) from quality or traditional cider/perry (fermented pure apple/pear juice).
- Market segmentation can lead to improved satisfaction of consumer and added value accruing in the sector. If sufficiently ambitious, such a standard can be expected to add value to the market and strengthen the authentic character of certain cider and perry as craft products.
- The standard would set the right pre-conditions for companies in the sector to invest more in differentiated products, aiming to create additional value.
- A standard would contribute to the objective of the Farm to Fork strategy to empower consumers to make informed food choices. This is important, considering that cider and perry contain alcohol, even if to a lower extent than other alcoholic beverages.
- Local and EU apple and pear production would be better valorised, particularly if a minimum content of fresh apple or pear juice is fixed in the standard or specific ORTs related to the fruit or juice contents are introduced. The use of more local apples and pears to produce cider and perry would benefit local producers. Furthermore, more traditional cider/perry production may contribute to improved employment, as it is more labour intensive than large-scale industrial production.
- Resource use would be improved. Because they are processed, apples and pears used for the production of cider and perry do not need to be blemish-free. Their sorting is not

needed, which can help reduce production losses as can the possibility to utilise fruits not suitable for the 'fresh market' (e.g. because of visual defects)[15].

Such general benefits would apply to all three Options, however increasingly as the requirements are strengthened from Option I to Option III.

The experience of Quebec, as reported in a written contribution of the Syndicat des Cidriers Indépendants de France, provide a real example of the benefits that the introduction of marketing standards in the sector can bring about. In Quebec, from the 1970s when cider was officially re-introduced after several years of prohibition, the supply of cider, in particular from industrial production, grew very rapidly and created serious difficulties for traditional producers. Cider was mass-produced, at low cost, and at a mediocre quality and health issues were reported due to industrial production methods. The introduction of strict standards (i.e. at least 80% of juice extracted from apples harvested in Quebec, in addition to various other criteria) changed the situation dramatically. Total sales of cider have steadily increased over the years and today Quebec is a region well-known for the quality of its cider.

3. DRIED LEGUMINOUS VEGETABLES AND SOYA BEAN

3.1. Healthy and sustainable products largely imported

Dried leguminous vegetables and soya bean, hereafter referred as **'dried pulses'**, can contribute significantly to healthy and sustainable diets. On the one hand, their nutritional profile is rich in proteins which give them an essential role to play in the shift to a more plant-based diet. On the other hand, the cultivation of pulses can also bring climate and environmental benefits through their nitrogen fixing properties. A 2018 Commission report[16] encourages the consumption of dried pulses and other protein crops. More recently, the Farm-to-Fork strategy[17] encouraged actions to promote sustainable food consumption and facilitating the shift to healthy, sustainable diets. It acknowledged in particular that the consumption of legumes in the EU was insufficient, even though the pulse market for food slightly increased over the last decade in the EU (+5% in volume for the last five year average compared to the previous last five year average)[18].

A substantial part of dried pulses consumed as food in the EU is imported, especially lentils and chickpeas, which are used exclusively for food and represent 28% of pulses consumed as food. Imports of other pulses, like peas and broad beans, are more used for feed purposes[19]. 63% of the lentils consumed in the EU are imported, 41% for chickpeas. In 2021, three countries account for more than 90% of all imports of lentils (Canada for 50%, Türkiye for 20% and USA for 20%) and four countries account for more than 80% of all imports of chickpeas (Mexico for 27%, Türkiye for 23%, USA for 21% and Canada for 11%)[20]. Italy and Spain are the main importing Member States of lentils and chickpeas.

[15] JRC technical report "Benefits and costs of EU marketing standards in the cider sector – Results from interviews with stakeholders" (2022).
[16] https://ec.europa.eu/info/food-farming-fisheries/plants-and-plant-products/plant-products/cereals/development-plant-proteins_en.
[17] COM(2020) 381 final.
[18] Euromonitor - Pulses market size data for 2013-2022.
[19] DG AGRI source – Protein crops balance sheet.
[20] COMEXT data 2021.

For convenience reasons (the cooking of dried pulses takes a long time), significant volumes of pulses are commercialised as **cooked products** e.g. in cans or in glass jars. Those cooked pulses are already covered by an empowerment to adopt marketing standards in the processed fruit and vegetable products sector (Article 75(1)(c) of Regulation (EU) No 1308/2013). For the time being, no specific marketing standard has been adopted t for cooked pulses or to indicate their origin.

While **pulses harvested green** for food purpose may only be marketed if the country of origin is indicated (such as green beans and peas, because they are classified as fruit and vegetables), the labelling of the origin of dried pulses is voluntary and at the initiative of food business operators, provided they fulfil the applicable provisions of FIC[21].

As a key product for the transition towards a more sustainable agricultural sector and more healthy, sustainable diets, dried pulses should be promoted to consumers and a better information on the origin would contribute to this transition.

3.2. An EU marketing standard on the labelling of the origin

An EU marketing standard for dried pulses that only concerns the labelling of the origin, would improve consumer information and make applicable rules more coherent with the compulsory labelling of the origin for pulses harvested green for food.

Many consumers do not receive information on the origin of certain products, although they express a strong interest to know where they come from.[22]

The objective of the labelling of the origin is to allow consumers to better identify the origin of the food and to facilitate consumers' informed and sustainable food choices. Consumers are increasingly affected by a range of considerations when making food decisions, including the origin of the food and the length of the food supply chain.

Voluntary origin labelling for dried pulses is already available. Nevertheless, it appears that is very rarely used and, where it occurs, tends to be in the high value segment of the market. For that reason, a voluntary labelling does not appear sufficient to fulfil the objective of better consumer information. Therefore, the mandatory labelling of origin is expected to lead to a higher consumer satisfaction on this key sustainable and healthy product.

The labelling could be global ('EU/non-EU'), or more specific (at country of origin level). The level of information of a label EU/non-EU is often considered as too generic by final consumers who are interested to know about the origin of the products they buy, in particular the place of production[23]. Therefore, the mandatory labelling of the country of origin is expected to lead to a higher consumer satisfaction.

An extension of origin labelling obligation to cooked pulses (already covered by an empowerment to adopt marketing standards in the processed fruit and vegetable products sector) would increase the scope of a new marketing standard on the labelling of the origin and reinforce the impacts of the proposed modification of the marketing standards.

[21] Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers (OJ L 304, 22.11.2011, pp. 18–63).
[22] https://www.efsa.europa.eu/sites/default/files/corporate_publications/files/Eurobarometer2019_Food-safety-in-the-EU_Full-report.pdf.
[23] Study on the mandatory indication of country of origin or place of provenance of unprocessed foods, single ingredient products and ingredients that represent more than 50% of a food - Final report – September 2014 – Food Chain Evaluation Consortium (FCEC), page 64.

3.3. What are the expected impacts of an EU marketing standard for dried pulses and cooked pulses?

3.3.1. Costs and administrative burden for EU and non EU operators and Member States

Since Member States are responsible to ensure that marketing standards are correctly implemented, the compulsory labelling of the origin would imply new controls requirements for **public authorities** that would generate additional costs. Taking into account that dried pulses are not high value products and that the risk of fraud on the origin is low and is expected to remain as such, it is not intended to require additional traceability requirements than those already existing (i.e. one step forward one step back traceability[24]).

Compulsory origin labelling may imply limited additional costs for EU and non EU **operators** due to the necessary adaptations of sourcing, packaging and marketing practices, in particular when operators handle dried pulses from several origins. Those costs would be mitigated by the fact that mixes of pulses from different origins will remain allowed with an appropriate labelling of origin.

Since the compulsory labelling of the country of origin would apply to non-processed food or to processed food without any additional ingredients (cooked products), the labelling is expected to be less costly than for products that go through a high number of production stages and places[25].

3.3.2. Benefits for producers and consumers

The labelling of origin is likely to contribute to the consumption of more plant-based products, which will benefit EU and non EU producers and importers. Such an increase of the demand is not expected to have a significant impact on consumer prices, since the additional demand will most probably be compensated by an increase of the EU production of pulses thanks, among others, to national protein strategies that favour the development of protein crops cultivation in the EU.

Mandatory origin labelling of dried pulses will facilitate promotion actions in the EU focussing on the qualities of pulses. Those actions will support the shift of consumption patterns from animal products to more plant-based diets and will provide information to the consumer that the production of pulses creates environmental benefits. The implementation of EU promotion programmes on pulses would also make stronger the pulses value chain by bringing together the actors of this sector.

4. CONCLUSIONS

4.1. For cider and perry

A new EU marketing standard for cider and perry would contribute to the Farm to Fork objective of better informing consumers about the characteristics of the food they purchase (social sustainability). This would be achieved by way of reserving the use of the sales

[24] Article 18 of Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, pp. 1–24).

[25] Page 8 of the report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for unprocessed foods, single ingredient products and ingredients that represent more than 50% of a food (COM(2015) 204 final).

designation to compliant products and creating transparency about their characteristics. The three suggested options have the potential to improve the quality of cider and perry sold to consumers and to let consumers discern quality differences of the said products in a convenient way. It is expected that producers would thus be able to derive a better income from their cider and perry products, as can be seen for instance in the case of products benefiting from quality labels – organic and geographical indications (economic sustainability). A higher quality for cider and perry is to a certain extent linked to the use of more traditional production methods for apples/pears[26] and cider/perry which co-generate environmental advantages compared with that of more industrial methods (environmental sustainability).

Most contributions to the stakeholder consultation which took place over the past months (inception report, public consultation, independent contributions) have pointed in the same direction, i.e. they supported the establishment of an EU marketing standard for cider and perry. However, they differed on the level of ambition of that standard, one such contribution favouring a minimal standard while the others requesting more ambitious rules[27].

Given these opinions and the assessment of the economic, social and environmental impacts as mentioned above, the Commission is in favour of establishing an EU marketing standard for cider and perry with a preference for detailed rules complemented by ORTs (Option III). The two other options would not sufficiently achieve the objectives as stated in Section 2.3..

4.2. For dried leguminous vegetables and soya bean

A new EU marketing standard for dried leguminous vegetables and soya bean that only concerns the labelling of the origin, would contribute to the Farm to Fork objectives of better informing consumers about the characteristics of the food they purchase and encouraging the consumption of plant-based products, in line with different Commission initiatives such as the Farm-to-Fork strategy. The compulsory labelling of the origin of dried pulses is coherent with the CMO Regulation in the sense that such requirement already exists for similar products like green pulses in particular. Finally, the mandatory origin labelling of dried pulses will facilitate promotion actions in the EU focussing on the qualities of pulses.

[26] Traditional production of cider occurs primarily among small producers who use their own apples which they tend to produce extensively. A more industrial production of cider would rely more on intensively produced apples in order to feed the industrial process.
[27] FNPFC asked for 70% apple juice, CIF and Maison cidricole de Normandie for 100%.