



European Forum on Nature
Conservation and Pastoralism

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EFNCP response to the CEC

GREEN PAPER

on agricultural product quality:
product standards, farming requirements and quality schemes
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INTRODUCTION

EFNCP welcomes this Green Paper from the European Commission for several reasons:

- Using labels to differentiate agricultural products according to production methods and location is a well-established approach in Europe. EFNCP believes that the current EU policy framework is in need of reform, in order to bring it in line with current concerns and knowledge.
- Quality labels of this sort are an opportunity for farmers practising particular production systems in particular geographical areas to benefit from market demand for their products. For such a system to work effectively across the EU requires a robust and coherent regulatory framework.
- EFNCP's particular concern is with High Nature Value (HNV) farming, which generally is low-input farming taking place on marginal, less-productive land, often in marginal regions with special and fragile environments. Product differentiation offers opportunities for HNV farmers to improve their often precarious economic situation. EU labelling should pay more attention to the particular farming systems and practices that operate in harmony with these special and fragile environments. Labels based primarily on the geographical location of production without taking sufficient account of the production system are in danger of misleading consumers and blurring the real distinctions between farming systems that conserve fragile environments and those that do not.
- Quality standards are not merely a marketing device. Although their usefulness to farmers and food producers is an important consideration, equal weight should be given to informing consumers effectively and honestly about the way that products have been produced. Publicly-administered labelling systems should be concerned with the wider public benefit, including effects on production and consumption patterns. In other words, such labelling systems should aim not only to reflect production standards, but also to offer an incentive for improving these standards, and thus contributing to wider EU policy objectives.

Question 1:

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

What would be the advantages and disadvantages of

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

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

EFNCP response:

We see certain problems with a label indicating compliance with existing EU farming requirements (e.g. as covered by CAP cross-compliance). It is true that EU farming requirements are more demanding in some fields than the requirements of some non-EU countries. However, we consider current EU farming requirements to be inappropriate in some fields, and for their enforcement to be ineffective. The introduction of a label to reflect compliance with EU farming requirements standards would have to be preceded by a thorough and transparent review of these requirements, with full public participation, to ensure that the requirements are both robust and reasonable.

We also believe that such a label might be misleading for consumers. It would not be honest to give the impression that EU farming requirements are comparable with some existing international certification schemes, such as Rainforest Alliance for example, some of which are more detailed, comprehensive and meaningful than EU requirements.

In conclusion, the introduction of a label indicating compliance with EU farming requirements would need to be undertaken through a carefully planned and transparent process. It would not be advisable to introduce such a label without a full review of current EU farming requirements.

The option of having an obligatory indication of the place of production of primary products (EU/non EU) is a sensible proposal. It does not claim or imply that EU products are of a higher standard than all others, but allows consumers to make their own decision to choose such products. For the same reason, we believe there should be obligatory indication of the EU Member State in which primary production has taken place. This would increase the consumer's options to choose.

Question 2:

How does laying down product identities in marketing standards in EU legislation affect consumers, traders and producers? What are the benefits and drawbacks? Should the retail sale of products that do meet hygiene and safety requirements, but do not meet the marketing standard for aesthetic or similar reasons, be allowed? If so, should such products require specific information for the consumer? Could compulsory quality and size classifications be made optional as 'optional reserved terms' (as set out in the section 2.2 below)?

EFNCP response:

The retail sale of products that do meet hygiene and safety requirements, but do not meet the marketing standard for aesthetic or similar reasons, should be allowed.

Question 3:

To what extent is it necessary to lay down definitions of 'optional reserved terms' in marketing standards at EU level? Should definitions for general reserved terms describing farming methods in particular sectors, such as 'mountain product', 'farmhouse' and 'low carbon', be laid down by the EU?

EFNCP response:

EFNCP attaches great importance to the use of particular farming methods, and to the clear and accurate communication to consumers of the facts concerning particular farming methods. We believe “optional reserved terms” to be extremely significant in this context.

The types of optional reserved term currently applied to poultry meat (“fed with ...”, “extensive indoor”, “free-range”, or “traditional free-range”) should be developed for other products, particularly in the livestock sectors. This is necessary to avoid misleading customers with terms that are unclear and undefined, and also to provide farmers and producers with the opportunity to differentiate products such as meat from extensive grazing systems. The current situation, where only poultry meat is addressed, we consider to be inadequate.

We would like to see tighter controls at EU level on the use of terms such as “farmhouse”, “mountain”, “natural”, etc. that are often poorly defined and misleading to consumers. As a result of the lack of regulation, producers using particular farming methods or farming in particular environments that are of High Nature Value have less possibility to differentiate their products from others that make unsubstantiated claims to be “nature friendly”.

Question 4:

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

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

- using co-regulation?*
- referring to international standards?*
- keeping the current legislative approach (while simplifying the substance as much as possible)?*

EFNCP response:

No comments specifically on these questions.

Question 5:

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

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

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

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

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

EFNCP response:

No comments specifically on these questions.

Question 6:

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

Should specific sustainability and other criteria be included as part of the specification, whether or not they are intrinsically linked to origin? What would be the benefits and drawbacks?

EFNCP response:

The current system of PDO and PGI (and TSG) is confusing and potentially misleading for consumers. The labels and names are far too similar. It is probable that the majority of consumers do not distinguish between them. Also, the requirements of the EU regulations are weak and vague with respect to the definition of primary production systems and practices. This situation is not good for consumers, as there is insufficient clarity about how the product has been produced.

EFNCP has examined examples of PDO products from France and Spain, including olive oil, Iberian ham, and several cheeses made from cow, sheep and goats' milk. We found:

- There is no automatic geographical overlap between PDO and HNV farming. Some PDO areas may coincide with a high incidence of HNV farming, but others may equally well be under predominantly more intensive farming. Some areas of HNV farming are covered by PDO labels, others are not.
- The production requirements of PDO labels generally are more concerned with the quality of the processed product (i.e. what you eat), than with primary, farm-level production. Where requirements for primary production are included, these vary considerably from one label to another.
- In most of the examples examined, the farming-system requirements are minimal and stated in very general terms. This is the case with the PDO Camembert de Normandie, for example, and with several olive-oil examples where the requirements state that “cultivation practices will be the traditional ones that tend to produce the best quality olive oil”. Such vague requirements are meaningless. Some Spanish PDO cheeses require the use of native breeds and “traditional feeding systems exploiting the natural grazing of the area”. Such requirements *sound* like HNV criteria, but are so vague as to be practically meaningless. Criteria of relevance to nature values, such as grazing regimes and stocking densities, are absent for many PDO livestock products.
- In short, we found that several PDO labels give no guarantee that the product comes from a particular farming system, or of a particular respect for environmental standards.
- On the other hand, some PDO labels are far more explicit in requiring certain animal feeding systems, addressing areas such as maximum stocking densities, the use of local hay in preference to silage (e.g. “Comté” cheese in France), and the free-range use of acorns in the case of “Dehesa de Extremadura” acorn-fed Iberian ham. Thus from an HNV perspective, some PDO labels have at least

some link to relevant farming practices. Even then, these are based on considerations of product quality and market management, rather than on nature-conservation criteria.

- This degree of variation in the requirements of labels is a potential source of confusion (obviously such detailed information is not displayed on the label itself), especially for the consumer who is concerned with the environmental aspects of the farming system, and who might assume that a product from an apparently more “natural” geographical area is produced with particular respect for the nature of the area.
- In some cases, farming systems and nature values may vary considerably within a PDO production area. An example is the Camembert de Normandie PDO: much of the cheese carrying the label is from quite intensive farming systems and landscapes which have lost their nature value. Yet the image of the label and of the product is associated with a more traditional, low-intensity and generally HNV farming system which has survived in one specific area of Normandy - the Pays d’Auge.
- More detailed analysis shows that in some cases (e.g. French “Comté” cheese) a PDO label with more demanding requirements can have an effect in keeping production at less intensive levels than in non-PDO farming, for example lower LU/ha and less use of agro-chemicals; and that floral diversity on PDO grasslands tends to be higher. Thus, with more clearly defined production requirements, the PDO system has the potential to favour HNV farming.
- The cheese examples from France also show that some PDO labels have been successful in generating higher prices and demand, and thus keeping farming systems viable that might otherwise have disappeared. But to be competitive, farms will tend to intensify as far as label requirements allow. Sometimes the resulting farming system is still HNV, and sometimes not.

At present then, the EU system of geographical/traditional labels supports products from certain geographical areas that often have special environmental values, but it does not support the farming systems that conserve these values.

This is problematic for High Nature Value farmers wishing to benefit from market demand for products that are directly and fully linked to an area that is environmentally special, and to a production system that conserves the environmental values of this area. This is because such HNV products are not clearly differentiated from products that are less clearly linked to the area (PGI), or that are produced under farming systems that are less well adapted to the environmental conditions of the area (PDO and PGI).

EFNCP believes that specific sustainability and other criteria should be included as part of the specification of products carrying EU quality labels. Far stronger emphasis should be placed on how products are produced. This is increasingly the main concern of consumers, and also of policy makers. This is a changed situation from when the PDO/PGI system was first established.

See our response to question 14 for more detailed proposals.

Question 7:

*What kind of difficulties do users of geographical indications face when trying to ensure protection in countries outside the EU?
What should the EU do to protect geographical indications in the most effective way in third countries?*

EFNCP response:

No comments specifically on these questions.

Question 8:

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

EFNCP response:

No comments specifically on these questions.

Question 9:

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

EFNCP response:

See response to question 6. Products carrying a PGI label should be required to comply with a publicly and easily available *cahiers de charges* which sets out the primary production requirements of raw materials used in the product, as well as indicating their geographical origin. If there is no specific origin, then this should be stated.

Question 10:

Should the three EU systems for protection of geographical indications be simplified and harmonised and, if so, to what extent? Alternatively, should they continue to develop as separate registration instruments?

EFNCP response:

The priority is to modernise and rationalise the confusing mix of PDO/PGI/TSG. See response to question 6.

Question 11:

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

EFNCP response:

The TSG label merely adds to the confusion for consumers surrounding the EU labels. The concept of “traditional” raw materials and methods is largely meaningless and at best it is hard to define. There is a risk of consumers believing that TSG products meet more strict requirements than they do in practice, through association with the EU label

for PDO products. We believe there is no need for a TSG label under the EU system, and that it should be phased out in the interests of clarity for consumers.

Question 12:

*What factors might inhibit the development of a single EU market in organic products?
How can the single EU market in organic products be made to work better?*

EFNCP response:

No comments specifically on these questions.

Question 13:

*To what extent has use of the graphic symbols for the EU's outermost regions increased awareness of products from the outermost regions?
How should these initiatives be developed in order to increase the volume of quality agricultural products originating from the outermost regions?*

EFNCP response:

The Green Paper states that this aspect of the labelling system is intended “to motivate farmers to respect quality requirements for their products, and add value to the local production of regions which are handicapped by their remoteness from the EU mainland and insularity, and by difficult geographical and meteorological conditions. In this way, the graphic symbol and associated production requirements should contribute to making the agricultural sector more competitive both on the local and on the external market.”

EFNCP believes that these are valid objectives for many marginal and remote agricultural areas, not only for the areas specified in the scheme. An important question is whether it is rational, necessary or beneficial to have a scheme specifically for these areas. Is remoteness a relevant criterion for consumers? We believe consumers are concerned about differentiating quality (in terms of production systems), and they wish to know the geographic origin of products; but it is not clear that consumers wish to be told that certain areas have been defined as “remote” by the EU.

Islands clearly face particular challenges and costs, and there may be a justification for a labeling scheme specifically for island products. But why should Madeira and Canary Islands be considered differently from the Western Isles or Shetlands of Scotland, for example?

Question 14:

*Are there any pressing issues for which existing schemes and arrangements are inadequate and for which there is a strong case for an EU level scheme?
Should the Commission consider mandatory schemes in certain cases, for example, those with a complex legal and scientific background or those needed to secure high consumer acceptance?
If so, how can the administrative burdens on stakeholders and public authorities be kept as light as possible?*

EFNCP response:

Existing schemes and arrangements are inadequate from the point of view of products from High Nature Value (HNV) farming. Under the current system, products of HNV farming cannot be differentiated from other products.

Maintaining HNV farming is an explicit policy aim of the EU, enshrined in the EU Biodiversity Strategy and as one of three environmental priorities for Pillar 2 of the CAP. It is highly appropriate to incorporate this policy aim into the EU policy on quality agricultural products.

HNV farming is a function of a farming system (low intensity and within the natural environmental limitations of the location); and a particular environment (high in semi-natural vegetation).¹ This combination is found mainly on more marginal farmland, which tends to be concentrated in more marginal and remote rural areas. However, smaller patches of marginal farmland can be found in regions that are not predominantly marginal.

Low-intensity farming on marginal land faces severe economic challenges as “mainstream” agricultural production continues to be intensified and to become more competitive. HNV farming needs to find alternative ways to increase the economic return on its activity, as intensification is either not possible due to the natural limitations of the location, or would degrade the nature value of the existing farming system.

Market demand for products from farming systems that conserve nature may represent an important economic opportunity for HNV farming. Although this opportunity can be pursued in local and national markets without an EU labelling scheme, it seems appropriate that the existing EU scheme should take account of new policy priorities such as HNV farming, and be adapted to their needs. In this way, opportunities may be opened up for differentiating HNV farming products on the wider EU market.

The geographical area of production is of some significance for HNV farming, because of the particular environment that determines the farming systems, and because of the particular nature values (habitats and species) that characterise the area and that are conserved by the HNV farming system. However, the type of farming and especially the intensity of farming (in terms of input use, livestock densities), and the presence of a significant proportion of semi-natural vegetation on farmland, are equally or more significant.

It is thus the farming system that differentiates HNV farming from “mainstream” farming, and which gives HNV farming particular environmental qualities that may be valued by consumers. This is the key aspect that needs to be communicated to consumers. The geographical area is significant in that it puts the HNV farming system in a particular environmental context, and therefore this is also of relevance to consumers.

Under the current EU labelling system, products of HNV farming cannot be differentiated from other products. The current EU labelling system itself makes no claims about environmental quality. The only reference to the environment in the

¹ For more detail, see <http://www.efncp.org/download/EFNCP-HNV-farming-concept.pdf>; and IEEP, 2007. HNV Indicators for Evaluation, Final report for DG Agriculture. Contract notice 2006-G4-04.

Regulation concerns PDO products: Article 2 of Regulation 510/2006 states that these are products “*the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors*”.

Thus there is an *implication* that the environment from which a PDO or PGI product comes is somehow special, and that the production system is more “traditional”, and *perhaps* more in-tune with the environment. The illustrations and wording used on packaging often imply that these products are in some way linked to attractive landscapes, and to nature.

Regulation 510/2006 says very little about production conditions for the products carrying the PDO label. The minimal requirement is for “*a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods*”. EFNCP regards this as totally inadequate.

Policy makers might argue that all farming in the EU must comply with minimum legal standards on environmental protection, and that this is further enforced by cross-compliance for products receiving CAP support. Furthermore, if a consumer has particular environmental concerns, aren't these addressed by the organic farming label?

But the reality is that farming can comply with minimum environmental standards and organic standards without meeting the key criteria for HNV farmland: low intensity of production and the presence of significant areas of semi-natural vegetation. HNV farming is different from organic farming or conventional farming in that it harbours particular biodiversity values, and is often undertaken in environmentally fragile areas; for these reasons we need to maintain and promote the particular farming systems that are best adapted to these conditions. Neither basic environmental standards nor organic-production standards are intended for this.

The EU labelling system for products from particular geographical areas currently is also not intended for this purpose, but we believe it should develop in this direction. The current EU regulations for PDO and PGI are very undemanding, in terms of farming systems, as well as confusing in their mix of “geographical” and “traditional” values. The concepts at the heart of the system date from a previous era, when there was less clarity about the environmental effects of different farming systems: PDO was first developed for wine in the 1930s, and later applied to cheese in the 1970s.

It is time for the EU labelling regulations to make a stronger link between geographical areas, and the farming systems that maintain the particular nature or landscape values of these areas. This would better reflect the modern concerns of consumers, and our improved knowledge and understanding of the way in which farming systems interact with nature and landscape. For producers and consumers, “special products” would be linked not only to “special areas”, but also to the “special values” of these areas.

We would be cautious about introducing new EU quality labels to the existing range, which is already confusing. The EU has a tendency to try to correct inadequacies in existing policy by adding new layers of increasing complexity.

EFNCP's recommendation is to incorporate HNV farming criteria into the existing range of labels, at the same time as making the system more rational and coherent. We

propose incorporating HNV farming as an additional attribute that can be attached to a reformed and graded system of PDO/PGI labelling.

The approach favoured by EFNCP can be summarised as follows:

- All PDO/PGI products should be required to have a detailed *cahiers de charges* that is publicly and easily available to consumers. There should be an EU framework establishing the issues that must to be included in this *cahiers de charges*.
- The *cahiers de charges* should set out the primary production requirements of raw materials used in the product, as well as indicating their geographical origin. If there is no specific origin for some ingredients, then this should be stated.
- To reduce the potential for confusion, EFNCP favours merging the current PGI and PDO into one label EU label. This unified label would designate special qualities based on defined geographic origin and defined production methods.
- This unified label, which could carry the existing PDO name, would have different grades, for example 1 star, 2 stars, 3 stars. This would have the benefit of clearer product quality differentiation, which currently is lacking between PGI and PDO, as well as within these current labels.
- The grade would depend on newly developed criteria, for example:
 - 1 star PDO would be broadly equivalent to current PGI, but with defined production requirements.
 - 2 stars PDO would be broadly equivalent to the current PDO, but with defined production requirements.
 - 3 stars PDO would be for PDO products that meet additional criteria, specifically concerning the area in which they are produced and the primary production methods involved (for example, HNV farming).
 - Alternatively, additional criteria could be reflected in a + mark that would be added to PDO 1 star and PDO 2 stars, when a product complies with these additional criteria.
- This concept of a 3 star PDO, or “PDO +”, is particularly appropriate for HNV farming. As explained above, HNV farming is different from other types farming because of the characteristics of the environment in which it takes place; and because of the characteristics of the production system. Not all current PDO areas are HNV areas, and not all PDO production is HNV production. Under the proposed system, where these two criteria are met, the product could carry a “PDO + HNV” label.
- In order to implement this approach, an EU framework would be established as the basis for defining the types of area that can be considered HNV, and the types of farming system. Much work on the relevant criteria for HNV areas and HNV farming systems has been undertaken already by EEA and DG Agri.
- The approach would incorporate Natura 2000. Thus within a Natura 2000 site, a farm that complies with criteria laid down by the relevant authority for farming

within that site could become eligible for using the PDO + HNV label. However, the approach should not be limited to Natura 2000 only.

- Within an established EU framework, Member States and regions would develop broad definitions of the type of area and farming system that can be considered HNV. As with PDO at present, producer organisations could then propose a defined HNV area for the production of a specific product, as well as proposing the *cahiers de charges* for products carrying the PDO + HNV label.
- An open and transparent process would be required, with working groups through which independent experts in farming and nature conservation could advise on the suitability of the proposed areas and production requirements.

A specific issue for HNV farming is that processing often does not take place entirely within the area of primary production. Partly this is because facilities in marginal areas (such as abattoirs and dairies) have been closed down. This is not the only reason. The business of many HNV farms is the production of primary products that are processed in other regions. Lambs and calves that are produced in marginal areas with mainly semi-natural grazing, but are sent to other areas for fattening, is an example with a long tradition.

It is important for quality labelling that focuses on geographical origin to be sufficiently flexible to allow for the above situation. Again, an EU framework is needed that establishes guidelines about the extent to which production is concentrated in one area. And again, the questions of defining production requirements is important. It may be acceptable for lambs produced in HNV conditions to be labelled as PDO + HNV, if the conditions in which they are finished and slaughtered outside the PDO area are in accordance with a defined *cahiers de charges*.

Question 15:

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

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

What are the costs and benefits for farmers and other producers of food (often small and medium-sized enterprises) in adhering to certification schemes?

Should a more active involvement of producers' organisations be promoted?

EFNCP response:

We believe that there is a risk of consumers being misled by certification schemes assuring compliance only with baseline requirements. Schemes should be required to differentiate clearly between compliance with legal baseline requirements, and compliance with additional requirements.

Some certification schemes provide useful models that could be learnt from in the improvement of EU quality policy and labelling. Some schemes, such as FSC and Rainforest Alliance, have thoroughly developed environmental criteria in relation to primary production of certified products.

Question 16:

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

EFNCP response:

EU guidelines would be useful. We have no suggestions for criteria at present, other than referred to under question 15.

Question 17:

How can the administrative costs and burdens of belonging to one or more quality certification schemes be reduced?

EFNCP response:

No comments specifically on these questions.

Question 18:

*How can private certification schemes be used to assist EU exports and promote European quality products in export markets?
How can the EU facilitate market access for producers in developing countries who need to comply with private certification schemes in order to supply particular retailers?*

EFNCP response:

No comments specifically on these questions.

Question 19:

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

EFNCP response:

The Green Paper states that “the current EU quality schemes deal with geographical origin, traditional product, product from certain region, and organic farming and represent the **cornerstone of EU quality policy**” [emphasis added].

Unfortunately, such a quality policy cannot be taken seriously, when the requirements concerning primary production systems are so weak, for products carrying the EU labels (organic farming excepted).

The fact that a product comes from a particular geographical area is, by itself, no indication whatsoever of product quality. Modern farm production can be almost totally divorced from the local environment in which it takes place. The “how” is increasingly more significant than the “where”, both for the consumer, and for wider EU policy concerns relating to environmental sustainability. This modern reality should be reflected in a revised EU quality labelling system.