Agricultural products: marketing standards

2010/0354(COD) - 10/12/2010 - Legislative proposal

PURPOSE: to put in place a coherent agricultural product quality policy.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: farmers and producers of agricultural products face competitive pressure resulting from policy reform, globalisation, the concentration of bargaining power in the retail sector, and the state of the economy. At the same time, consumers increasingly look for authentic products produced using specific and traditional methods.

The diversity and quality of European Union agricultural production should be an important strength and source of competitive advantage for Union farmers. However, in order for consumers and buyers to be properly informed about the characteristics and farming attributes of agricultural product, they need to **receive accurate and trustworthy labelling** information.

Most tools already exist at European Union level. Since the 1990s, Union agricultural product quality policy has been closely identified with three Union schemes, namely for protected designations of origin (PDOs) and protected geographical indications (PGIs), for organic farming, and for traditional specialities guaranteed (TSG). In addition, Union marketing standards have provided a legislative framework for fair competition and smooth functioning of the market since the inception of the common agricultural policy.

Analysis and discussion with stakeholders has shown that **these tools may be improved, simplified and made more coherent.**

In 2007 a major conference was held bringing together all types of quality schemes: 'Food quality certification—adding value to farm produce'. The Conference led to the 2008 Green Paper on agricultural product quality, which elicited over 560 detailed stakeholder responses and provided the input for the Communication on agricultural product quality policy in 2009. In response to this communication, the European Parliament adopted the resolution, 'Agricultural product quality policy: what strategy to follow?' in March 2010.

The Quality Package consists of a set of proposals designed to put in place a coherent agricultural product quality policy. It is aimed at assisting farmers to better communicate the qualities, characteristics and attributes of agricultural product, and at ensuring appropriate consumer information. The Quality Package includes:

- a proposal for a Regulation of the European Parliament and of the Council on agricultural product quality schemes;
- a proposal to modify Regulation (EC) No 1234/2007 (the single Common Market Organisation) concerning marketing standards for agricultural products;
- guidelines setting out best practice for the development and operation of certification schemes relating to agricultural products and foodstuffs;
- guidelines on the labelling of foodstuffs using Protected Designation of Origin (PDO) and Protected Geographical Indications (PGI) as ingredients.

IMPACT ASSESSMENT: following the Communication on agricultural product quality policy in 2009 and the main responses to it, two impact assessments were prepared with a view to exploring the options identified in the Communication. These covered designations of origin and geographical indications, and traditional specialities guaranteed. Concerning marketing standards, in addition to the impact assessment work already done in the context of the 2009 Communication, further impact assessment work will be associated as appropriate to the proposals on the specific standards in the context of delegated powers for which a legal framework has been provided within the alignment of Regulation (EC) 1234/2007 to the Treaty of Lisbon.

LEGAL BASE: Article 43(2) on the Treaty on the Functioning of the European Union (TFEU).

CONTENT : there is an extensive body of legislation that has developed with regard to marketing standards, mostly on a sectoral basis, in the form of regulations and directives adopted both at the level of Council and the Commission. A minimum requirement of "sound, fair and marketable" already exists in market management measures. Extending these minimum requirements to those products not covered by specific standards can be useful for reassuring consumers about the basic quality of the products they buy.

The proposal also takes into account the necessity of the alignment to the Treaty on the Functioning of the European Union, and thus the powers to adopt and develop standards in future will be delegated to the Commission.

Under this new framework, a legal basis for **compulsory labelling of place of farming** will be introduced for all sectors. This allows the Commission, following appropriate impact assessments and on a case by case basis, to adopt delegated acts concerning possible mandatory labelling on place of farming at the **appropriate geographical level** in order to satisfy the consumers' demands for transparency and information.

One of the first sectors to be examined will be the dairy sector. At the same time the Commission envisages that for the future the mandatory indication of origin, for those sectors in which it already exists, will be maintained.

BUDGETARY IMPLICATION: this proposal does not bear budgetary implications.