## Quality schemes for agricultural products and foodstuffs

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In accordance with the requirements of Regulation (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, the Commission presents a report examining the socio-economic and environmental implications of local farming and direct sales and discussing possibilities for introducing an EU-level labelling tool. A set of questions is attached in the Annex to the Report to steer this debate.

The report recalls that in its <u>resolution on 'Future of the CAP after 2013</u>', the European Parliament makes clear that improving competitiveness at different levels, including local markets, should be a fundamental objective of the CAP post-2013. Similarly, in its resolution on 'Fair revenues for farmers: A better functioning food supply chain in Europe', Parliament calls on the Commission to propose the adoption of instruments to support farmer-managed food supply chains, in order to establish a direct relationship with consumers and to enable farmers to obtain a fairer share of the value of the final sale price.

- There is a demand for a genuine farm product sold in short food supply chains, as well as the need to identify it. Empirical studies on purchasing behaviour indicate a high level of interest in buying local food. One study indicates that in the United Kingdom, 70% want to buy local, nearly 50% want to buy more of it in the future, and 60% are currently buying local. 71% of French and 47% of Spanish and British consumers claim that it is important to buy local products. The report also notes that activities to meet the growing demand for local products can strengthen and develop the competitiveness of rural areas;
- There are large differences among the Member States with regard to development of direct sales which are likely due to national and regional differences in farm structures, distribution channels and cultural differences. On average, about 15% of farms sell more than 50% of their production directly to consumers, with significant differences among Member States: ranging from almost one quarter of all farms in Greece to 0.1% in Spain.
- As detailed in the <u>Commission Staff Working Document</u>, the development of short supply chains faces numerous challenges which should be addressed with tools other than a labelling scheme. Challenges include issues relating to public procurement, and structural and logistical issues. There are a number of instruments available at EU and national level, but these are not applied consistently. Stakeholders consider that some EU rules impede the development of local farming.
- A possible new label should be simple and unburdensome for producers while at the same time being controllable and ensuring sufficient credibility for consumers. It should also aim at reducing the risk for consumer confusion although existing EU legislation, if correctly enforced, allows action to be taken against misleading practices.

A new label could add value to products generated from local agriculture if it went beyond direct sales and if Member States were to ensure that it is integrated with or linked to other measures. Expert advice indicates that if a labelling scheme were to be created, it should: (i) be optional for producers; (ii) avoid certification and accreditation procedures which are perceived as lengthy and costly; (iii) provide for clear eligibility criteria for products included in the scheme.