



“Redesigning EU Quality Schemes”

The Contribution of the European Food and Drink Industry

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**Susanne Langguth,
Chair of the AGPO Group, CIAA**





The food and drink industry in the EU

- Number one manufacturing industry in Europe
 - 13% of total EU manufacturing turnover
 - 14% of jobs in manufacturing
- More than € 950 billion of turnover
- 4.4 million employees
- € 58 billion in exports
- Purchases and transforms 70% of European agricultural production
- A sector dominated by SMEs



At a glance

The EU food and drink industry in 2008

<p>Turnover</p> <p>€ 965 billion (+3.2% compared to 2007)</p> <p>Largest manufacturing sector in the EU (12.9%), ahead of the automobile and chemical industries</p>	<p>Employment</p> <p>4.4 million people (+0.8% compared to 2007)</p> <p>Leading employer in the EU (13.5%), ahead of the fabricated metal, machinery & equipment industries</p>	<p>SMEs¹</p> <p>48.7% of food and drink turnover</p> <p>63.0% of food and drink employment</p>	
<p>External trade</p> <p>Exports € 58.2 billion (+6.4% compared to 2007)</p> <p>Imports € 57.1 billion (+8.4% compared to 2007)</p> <p>Trade balance € 1.1 billion</p> <p>Net exporter of food and drink products</p>	<p>Number of companies</p> <p>310,000³</p> <p>Fragmented industry</p>	<p>Value added (% of EU GDP)</p> <p>2%</p> <p>Stable</p>	<p>Consumption (% of household expenditure)</p> <p>13%</p> <p>Slight increase</p>
<p>EU market share of global export market</p> <p>17.5% (24.6% in 1998)</p> <p>Shrinking share of EU exports in global markets</p>		<p>R&D (% of food and drink output)</p> <p>0.37%²</p> <p>Insufficient R&D expenditure</p>	

(1) 2006 data
 (2) EU-15 figure in 2006
 (3) 2007 data



Contents

- General concept of quality
- PDO/PGI
- Few words on TSG
- Certification schemes



Quality, a broad and key concept

- To be clearly distinguished from food safety,
 - A competitive issue for all f&d companies,
 - Essential for the long-term growth and prosperity of the f&d industry and of the entire food supply chain
- ⇒ The f&d industry took an active part in the debate (Food certification schemes in 2007, Green Paper in 2008 and Communication in 2009) and will continue to do so.



CIAA views on PDO/PGI schemes (1)

Schemes that protect very diverse products:

- Provide added value to EU farmers or food processors,
- Contribute to the large choice of products offered to consumers,
- Constitute information intended for the final consumers,
- Can stimulate growth and innovation,
- Are an opportunity for EU producers on external markets.

⇒ **CIAA developed views on the orientations proposed in the Communication.**



CIAA views on PDO/PGI schemes (2)

- **CIAA opposes the merging of existing separate systems for wines, spirits and agricultural products and/or PDO and PGI instruments.**
 - The 3 systems should develop separately to allow for the specificities of the products concerned. Merging is not a simplification for operators.
 - PDO and PGI respond to different realities (PDO: geographical origin of raw materials / PGI: only processing in the defined geographical area).



CIAA views on PDO/PGI schemes (3)

- **CIAA agrees that better PDO/PGI protection enforcement is required.**
 - Article 10 of Regulation 510/2006 does not completely address the problem of careful supervision over commercial behaviour. This legal text should be clarified and specify the controls that should be in place.



CIAA views on PDO/PGI schemes (4)

- **How to deal with the numerous registered PDO/PGI products?**

Two approaches in CIAA:

- the current tendency in registered names may lead to the loss of competitive advantage for PDO and PGI. Reflections on new provisions.
- EU internal procedures should be improved so avoid slow administration.



CIAA views on PDO/PGI schemes (5)

- **CIAA promotes enhanced protection of geographical indications in the context of the TRIPS Agreement.**
- **In the context of bilateral relations, CIAA welcomes agreements to establish a scheme for mutual recognition of GI.**



CIAA views on PDO/PGI schemes (6)

Two last important issues:

- **Producers of GI need tools for managing production volumes.**
- **CIAA opposes mandatory place-of-farming labelling of raw materials when this is different from the place indicated by the PGI.**



CIAA views on TSG

CIAA does not support the abolition of the current TSG scheme as

TSG represents the only recognition opportunity for products originating from Member States where strict geographical denominations are rare or absent



CIAA views on food certification schemes

CIAA welcomes the Commission's intention to develop voluntary guidelines for the operation of certification schemes for agri-food products.

Some key requirements:

- Clarity and transparency of scheme requirements and claims made;
- Scientific basis of scheme requirements and claims
- Clear reference and difference with legal requirements
- Independence of certification and controls



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