

AREPO POSITION ON THE REVISION OF THE EU GIS SYSTEMS

The [Association of European Regions for Products of Origin \(AREPO\)](#) is a network of Regions and producer associations that deals with products of origin and EU quality schemes. It represents 33 European regions and over 700 associations of producers for over 50% of European GIs.

For more information, please contact:

Giulia Scaglioni, **Policy officer**, policyofficer@arepoquality.eu

Francesca Alampi, **Policy officer**, info@arepoquality.eu

AREPO welcomes the European Commission intention to strengthen GIs legislative framework and thus increase their take up across the EU, while ensuring their effective protection within the EU.

AREPO is driven by a vision of **Geographical Indications (GIs) as tools for rural development and territorial planning**. Agriculture and the agri-food industry are essential pillars of our regional economies and they are rooted in our culture and identity. In particular, GIs play a major role in maintaining economic and social activity in rural areas and are therefore crucial in preserving the territorial balance at regional level.

For this reason, **AREPO acknowledges the EU quality policy** as a public policy aiming at delivering **public goods** to the whole European society. As such, it should be considered a **major pillar of the Farm to Fork (F2F)** strategy for a transition towards a European sustainable food system.

In fact, EU quality policy already contributes to several fundamental objectives of F2F strategy: addressing citizens demand for traditional products with the **highest possible standards of food safety and quality**; ensuring economic sustainability thanks to conditions of fair competition and **higher producers income**; ensuring **sustainable food production** through the protection of rural landscape and sustainable management and reproduction of natural resources; and providing **clear communication to consumers** concerning product characteristics and origin. Furthermore, geographical indications (GIs) traceability and protection mechanism represent an important and efficient tool to **combatting food fraud**.

Thus, AREPO welcomes the Commission recognition of GIs as a **“key vehicle for delivering rural growth”**, as well as the acknowledgment of GIs contribution to sustainable food production.

Nevertheless, AREPO shares the EC analysis as regards to the existing problems concerning EU quality policy and welcomes the specific objectives and policy options described in the inception impact assessment on the revision of the EU GIs system. AREPO firmly believes that this initiative is fundamental to strengthen EU quality policy and maximise **GIs potential in delivering public goods**, as well as their contribution to F2F strategy.

Indeed, this initiative is in line with the reports adopted by the European Parliament on the *Proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013, (EU) No 1151/2012, (EU) No 251/2014, (EU) No 228/2013 and (EU) No 229/2013*, and on the *Proposal for a regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy*.



We would like to stress that **the European Parliament position represents an opportunity to strengthen the GI legal framework in accordance with the expectations of both producers and consumers. We call for the co-legislators to adopt these progressive amendments in the shortest possible timeframe.**

Finally, our regions have long been involved in the process of protection, promotion and valorisation of Geographical Indications. In light of the technical and multinational expertise present in the network, **AREPO asks the European Commission to be associated in the revision process of the EU quality policy**, especially in the framework of the forthcoming consultations, but also in the different governance bodies and forums that will be launched at EU level.

All this considered, in order to better address the challenges faced by EU quality policy as well as to strengthen GIs legal framework, **AREPO recommends the European Commission to undertake the following actions:**

1. IMPROVE PROTECTION AND ENFORCEMENT OF GIS IN THE MEMBER STATES:

AREPO is aware of the importance of enforcement and controls for the effective implementation of GIs and TSGs at each stage of the value chain.

The [EUIPO report on controls and performance of the controls of GIs](#) as well as the European Commission [Evaluation support study on GIs and TSGs protected in the EU](#) show the high heterogeneity in the approaches adopted by Member States to implement controls under the common EU legal framework. This is mainly due to the diverse economic value of GIs in each national economy, both in terms of production and consumption. As a consequence, in MS where GIs are not well developed, control procedures are more often merged within the general system of national controls on safety of food and feed, while no specific controls exist for GIs nor sufficient resources.

In light of these considerations, AREPO welcomes the intention of the European Commission to improve protection and enforcement of the GIs in the Member States and in third countries. The quality and level of controls in MS should be harmonised in order to guarantee a level playing field to producers and the same level of protection to consumers, while safeguarding the specificities of the different GI sectors at national level. To this end, AREPO suggests to:

- **Improve and strengthen communication between MS on the rules implemented and sharing of good practices** on qualification of control personnel, training, accreditation of control bodies, risk assessment, documented procedures, checklists for market controls, etc., with the end to progressively harmonise the quality and level of controls, respecting MS specificities;
- Introduce more means of **control and monitoring for GI products already on the market**. In this regard, a mandatory notification of GI producers participation in the control system before marketing the product would be an essential tool to adequately implement the monitoring tasks;
- **Keep a register of producers participating in a quality scheme** in order to simplify controls and adequately implement the monitoring tasks. Currently, for producers of agri-food GIs

there is no obligation to register in an official list, while the Commission is introducing this requirement for GI Spirit Drinks. **We suggest to introduce also for agri-food GIs the obligation to keep an official register of producers;**

- **Strengthen protection** to cover more effectively attempts by third parties **to abuse the GIs reputation**: registered names shall be protected against exploitation, but also against the weakening and dilution of their reputation;
- Strengthen **protection of GIs on the internet**, including protection against **online counterfeiting** in ecommerce platforms and against bad faith registration in second-level **domain names**, i.e. website names;
- **Request Member States to regulate the relations between trademarks and geographical indications** in order to **extend the protection** of the latter, defining within the **national registration procedure** the moment in which the registration of a trademark is refused on the grounds that the protected name or GI is being registered;
- **Promote awareness campaigns** to facilitate the understanding and harmonized implementation of the protection against GIs evocations, in accordance with the EU regulations and case law;
- Guarantee the **same level of protection** to GIs containing, in part or in whole, names of breeds or varieties (Art. 42, Reg. 1151/2012 seems to introduce distinctions);
- Ensure a **better protection of EU GIs in third country** and work on a better enforcement of international agreement signed by the European Union with third countries.

2. CLARIFY THE LEGAL FRAMEWORK AND INCREASE EFFICIENCY OF GI REGISTRATION PROCEDURE:

Simplification and harmonisation of the administrative procedure for GIs registration and amendment should help to speed up and reduce the cost of the whole process.

AREPO recognises the work that has already been done by former Commissioner Hogan to harmonise registration, modification and cancellation procedures in different quality systems.

Furthermore, in the framework of Common Agricultural Policy revision, we **welcome the Commission proposal to simplify the procedure concerning the amendments to products' specifications**. In this regard we would like to call the attention of the Commission to the need to preserve the EU character of the GI system. While we support the proposal to leave Member States manage standard amendments in order to speed up the procedure, an increased subsidiarity should not undermine the European nature of the GI system.

AREPO firmly believes that the concept of GI is stronger when it is applied consistently throughout the Union and that a level playing field is ensured between the different Member States.

In this regard, AREPO recommends the European Commission to:

- **Ensure further simplification and harmonisation of EU Quality Policy**, namely implementing the simplification of amendment procedure for products' specifications, while ensuring a

level playing field between the different MS through the adoption of **common guidelines** for the competent national authorities;

- Overcome the lack of harmonisation among MS providing for **trainings addressed to the national authorities** involved in the process of GIs registration and **publishing EC guidelines** on the interpretation of GIs regulation concerning internal evaluation criteria for GIs registration and amendments;
- **Periodically collect and publish consolidated data on the GIs sector.** These data should touch up economic figures but also provide a good overview of the implementation of GI controls and certification systems in the Member States, solutions to improve them to ensure a high level of GI protection and a coherent implementation of the ex officio protection across Member States;
- Provide GI products with **specific Combined Nomenclature (CN) codes** to facilitate the understanding of the trade flux for these products and, hence, allow for more efficient promotional campaigns to be implemented;
- Table amendments to the GI regulations (a) to define the conditions under which the registration of a name that is **wholly or partially synonymous** with a name already entered in the register and conditions can be registered and (b) to review the conditions under which the **annulment** of a GI can be requested, in particular to allow for an opposition at the EU level;
- Clearly **determine who owns the intellectual property of the GIs** referred to in Article 1.1.c Reg. 1151/2012;
- **Clarify labelling rules for processed products using a GI as an ingredient** (see detailed proposal in the annex).

3. IMPROVE GI CONTRIBUTION TO SUSTAINABLE PRODUCTION:

The concept behind GIs addresses sustainability goals per se. The idea of defending unique foods products against imitations, preserving their traditional characteristics and the associated cultural knowhow, stands for the overarching goal of protecting the diversity and quality of European products. The diverse culinary traditions typical of a region are a treasure worth preserving with an intrinsic value in terms of sustainable development. At a macro level, GIs contribute to the preservation of Europe's diverse culinary traditions. At a product level, specific sustainability aspects can be identified (protection of old breeds, preservation of decentralized structures, protection of food cultures, means against "rural exodus" due to higher income opportunities, etc.). These special features are laid down in the respective product specification and are subject to a control system, so that criteria and value chain are transparent. This high level of authenticity and transparency is also part of sustainable food systems, to which GIs belong by definition.

In light of that, it is imperative to recognise that GIs already contribute to the sustainability of the agri-food system, thanks to their qualitative link between the product and its territory of origin.

Of course, AREPO recognises that there is room for improvement in terms of GIs and sustainability and **GIs potential in delivering public goods should be unlocked and amplified**. To this end, producer groups and single producers should be accompanied and assisted through a voluntary approach. Imposing a mandatory higher sustainability standard only to GIs or creating list of non-sustainable practices for GI production are not the right solutions.

Furthermore, **the ability to promote higher sustainability standards should be left to producers**. It should be made easier for GI producers to emphasise them in accordance with labelling rules, for instance by developing and implementing **intelligent digital labelling**. Develop a distinct EU logo for those GIs which adhere to higher sustainability standards would weaken the GI system by generating further confusion and contrasting information for consumers.

Finally, AREPO insists that GIs sustainability cannot be reduced to environmental sustainability. A holistic approach is needed, taking into account all the dimensions of sustainability, including the equally important social and economic sustainability.

In this regard, AREPO recommends the European Commission to:

- Allow **economic, social and environmental sustainability aspects** to be included on a voluntary basis in GIs products' specification;
- Develop intelligent digital labelling in order to promote **economic, social and environmental sustainability aspects** characterising each specific GI production;
- **Include EU quality schemes in EC strategic approach to EU agricultural R&I**, defining specific priorities and increasing funding and dedicated project calls for strengthening their contribution to public goods creation;
- **Financially support the creation of new formative offers to train GIs experts and professionals** able to understand the whole complexity, characterisation, construction and territorial impact of GIs;
- **Financially support** producers groups in carrying out **ex-ante evaluations** of the impact of registering a new GIs, as well as **strategic diagnostics** concerning the application process and GI products characterisation;
- **Financially support ex-post evaluation of the impact of a registered GI** in order to **update product specifications** addressing eventual sustainability issues and taking into account consumers expectations, developments in scientific and technical knowledge, evolution in market and marketing standards, as well as climate change adaptation and risk management;
- **Introduce training for GIs producers and producer groups** in order to accompany them through a sustainability assessment.

4. EMPOWER PRODUCER GROUPS:

Behind GI production systems lies a strong collective governance. Regulation 1151/12 on quality schemes for agricultural products and foodstuffs draws special attention to the importance of collective organisation and recognises the role of producer groups in ensuring adequate legal

protection of PDO/PGI as well as, in general, any activity aimed at improving the value of the registered names and effectiveness of the quality schemes (art. 45).

These prerogatives should be supported through rural development measures. For this reason, the European Commission should ensure that future CAP strategic plans provide the right support for GIs producer groups, including among others:

- Financial aid for **certification and promotion activities**;
- **Operating costs** of producers groups;
- Activities related to the **surveillance of the enforcement of the protection** of the registered names, especially for small and new PDO/PGI, concerning in particular **support for legal protection costs**;
- **Coordinated and collective activities in order to strengthen the supply chain.**

Furthermore, the role of GI producer groups should be further strengthened by giving them a greater role in promoting, marketing, and protecting GIs. To this end, we recommend the EC to:

- **Analyse the way GI producer groups are structured in different Member States** to better understand the nature and prerogatives of GIs groups and ensure the best possible implementation;
- Entrust all GI producer groups with powers concerning **supply regulation**;
- Introduce **new powers for GI groups to take legal steps to enforce their GI** including seeking court injunctions and other remedies;
- Introduce new powers for GI groups to licence or **regulate the terms under which a GI used as an ingredient can be named in front-of-pack labelling of a processed product** (see annex for a detailed proposal on this point);
- Entrust GI producer groups especially with providing **specific trainings to young generation** of producers and elaborating **valorisation strategies** encompassing also related activities, such as tourism;
- **Introduce preliminary training and information session** for potential producers: when a new producer group is going to start the application process to register a new GI, all the potential producers should be trained before the formal submission of a specification.

5. IMPROVE CONSUMER INFORMATION AND AWARENESS:

From the point of view of consumers, EU quality schemes gives the product quality assurance, in terms of information and certainty on product origin as well as of strict compliance with a series of quality requirements, thanks to the mechanisms included in the specifications to assure product traceability. Moreover, certification and controls further protect consumers with additional guarantees on product's origin and production. As a result, consumers establish solidarity links with the cultural identity of the territories that express these products.

Nevertheless, it is clear that the message and meaning of EU quality schemes have not reached the majority of consumers. In particular, the average **consumer** has difficulties in identifying and differentiating the logos of different EU quality schemes and the values associated with them. With regard to the TSG, the **lack of awareness and knowledge** is almost absolute.

To address this lack of awareness and knowledge, AREPO recommend the European Commission to:

- **Extend to all GIs the obligation to use the EU logos** on the product labelling. This would give more visibility to the EU logos and harmonise the regulations for agri-food and wine GIs;
- **Maintain a sizable budget and a specific priority for the promotion of EU quality schemes** under EU promotion policy;
- **Improve EU quality policy transparency and information for consumer**, by promoting the use of the new online tool GIview. All functionalities of this tools should be fully exploited, including additional information on each registered GI (i.e. product description, description of geographical areas, link between the product and its origin, pictures of the products, etc.) in order to assure to consumers an online tool with easier access to readable information concerning product specifications and characteristics.

6. IMPROVE AND STRENGTHEN THE SYSTEM OF TRADITIONAL SPECIALTY GUARANTEED (TSG):

AREPO recognises the difficulties of the system of Traditional Specialty Guaranteed (TSG) in taking off and gain recognition by producers and consumers. Nevertheless, we believe that instead of completely replace it, it could be improved and strengthened in order to unlock its unexploited potential in terms of product quality differentiation.

At the moment there are 64 registered TSGs, while 8 applications are in the process of being examined by the EU. The value of the TSGs corresponds to about 9% of all quality schemes. The greater appeal of GIs is therefore evident, but the production value of 2.389 million euro registered in 2017 ([AND-International, ECORYS, 2019](#)) suggests that TSGs should not be neglected. Although the scheme has not been as successful as the PDOs and PGIs, the potential for development remains considerable, and there are still producers who have recognised and seized the opportunity to successfully valorise their products through an TSG.

The TSG Haymilk is an excellent example of good practice concerning the implementation of this quality scheme. First of all, it is a true and successful transnational project. In fact, since its registration obtained in 2016 thanks to the application made by the Austrian producer association (ARGE Heumilch), this TSG has been used in Austria, Belgium, France, Germany, Italy and Slovenia. This means that the protection associated with the TSG Haymilk, TSG Sheep's Haymilk and TSG Goat's Haymilk has been applied beyond Austria's national borders.

Furthermore, the TSG Haymilk shows that this quality scheme has a great potential to contribute to the objectives of Farm to Fork strategy in terms of transition toward a sustainable food system. In fact, thanks to the specific production method and haying practices protected through the TSG,



haymilk already contributes significantly to the preservation of ecosystems, biodiversity and a fair, healthy and environmentally friendly food system.

Thanks to hay, milk is produced mainly from locally available resources. Animals are fed grass in summer and hay in winter. The main difference with other types of milk is that fermented feeds (grass or maize silage) are prohibited and the proportion of concentrate feed is limited. The proportion of roughage in the annual dry feed ration is at least 75%. The grain ration must be sourced in Europe and must not be genetically modified in accordance with the relevant legislation.

Furthermore, sustainable management of permanent grasslands preserves special habitats and conserves valuable resources such as grain and water. The sustainable use of grasslands also leads to a high humus content in the soil. Humus-rich soils store more carbon as well as more water and can therefore survive longer periods of drought. Moreover, haymaking contributes to the preservation of biological biodiversity with a less intensive use of grasslands adapted to the site.

In light of this and other existing successful TSG, AREPO would like to highlight that a small number of registered products should not lead to a cancellation of the entire system. This path contradicts the direction taken with the implementation of Regulation (EU) No 1151/2012 which upgraded the level of protection of the TSG.

Furthermore, the alternatives proposed to the TSG scheme are not viable. In fact, protection via the PGI scheme would not respect the transnational character of TSG scheme. On the other hand, transforming the TSG system in an optional quality term (OQT) could not be appropriate since the implementation of OQTs varies from country to country and would considerably weaken the protection of TSGs.

The TSG contribute to the diversification of an high quality offer of food products and represent an interesting instrument to strengthen producers position in the value chain. **Thus AREPO recommends the European Commission to examine possibility to strengthen and improve the TSG system, including by guaranteeing a protection comparable to GIs intellectual property right.**

ANNEX: CLARIFY LABELLING RULES FOR PROCESSED PRODUCTS USING A GI AS AN INGREDIENT

AREPO has realised a study concerning the use of GIs as ingredient in processed products in order to elaborate policy recommendations based on the main results delivered by the study. In fact, an improvement of EU legislation concerning labelling of foodstuffs using GIs as ingredients would contribute to several of the priorities described before, namely to clarify legal framework and to empower GI producer groups.

The use of a GI as ingredient in processed products clearly bring several advantages and positive impacts both for the GI itself and for the processed product containing it. However, the analysis of the risks has shown that the positive impacts cannot be taken for granted. In fact, GI producer groups stress that the advantages can be achieved only if specific **conditions concerning quality and controls of the final product** are met.

In order to meet these basic conditions, there is a need for greater coherence and clarity of procedures at EU level. The recent increase in the use of GIs as ingredients in processed products raises a number of risks and dangers due to the lack of harmonisation at EU level and to the presence of different strategies at national level.

At the moment, the EU guidelines give some basic and non-binding instructions, while different approaches (or a lack of a formal approach) exist at national level. In the absence of EU and national binding regulation, GI producer groups find themselves without any efficient mean of action to avoid abuse or misuse of their GI.

As a result, **AREPO firmly believes that the European Commission should formally empower producer groups to authorise and regulate the terms under which a GI used as an ingredient can be named in front-of-pack labelling of a processed product.**

In this regard, AREPO recommends the European Commission to introduce binding legislation at European level starting from the basic principles contained in the EC guidelines. In particular, it should be clear that:

- The name of a registered GI may legitimately be mentioned in the list of ingredients of a food product.
- On the other hand, when the name of a registered GI is mentioned near to the trade name, or in the labelling, presentation, advertising of a foodstuff using it as ingredient, it should not be done in a way that unduly exploits the reputation of the GI. To avoid that:
 - the processed product should **not contain any other 'comparable ingredient'**;
 - and the GI should be a **'characterising ingredient' of the processed product.**

While it is fundamental to have clear common general principles, in order to create an efficient system, it is key to empower producer groups to authorise and regulate the terms under which a GI used as an ingredient can be named in the front-of-pack labelling of a processed product.

In fact, GI producer groups are best placed to assess processors requests to use their GI. This is particularly true, in view of the difficulty to establish general rules that are valid for all product

categories, given the extreme variability and diversity between GIs as regards their intrinsic characteristics. In fact, there are objective and very significant differences in terms of GIs reputation, diffusion and market penetration. Therefore, the relationship of strength between the GI and the trademark of the product containing it as an ingredient varies enormously from GI to GI and from product to product.

As a consequence of the diversity in notoriety and market penetration, **GI producer groups have different positions and needs that are legitimate and should be respected.** In practice, this means that the most popular GIs may need to adopt stricter rules to avoid misuse or abuse of their reputation, while the smallest and less known may need more flexible criteria in order to attract processors and access to new market outlets.

Significant differences in needs are also identified for GIs belonging to different product categories. For instance, fruit and vegetables have specific needs concerning product processing, in order to have a market all year round. As a result, some producer groups may want to forbid processors to freeze their GI before incorporating it as ingredient in a processed product. On the contrary, for some fruit and vegetable GIs, this process might be fundamental to adapt to processors demands and needs, as long as it does not alter the qualities of the product. To define *a priori* what kind of treatment and processing GIs cannot undergo (ex. deep-freezing) would risk to turn away interested processors and would be extremely harmful for the economic sustainability of GIs.

In order to answer to those different needs, the possibility to define the terms under which a GI used as an ingredient can be named in front-of-pack labelling of a processed product should be left to GI producer groups. Since at present several producer groups try to regulate this issue within product specifications, this approach could bring a significant administrative simplification, avoiding a considerable increase of amendment requests.

Furthermore, this approach would assure the right flexibility since GI producer groups would be able to adopt balanced criteria in order to assure the protection of the GI, while maintaining constraints for processors at a reasonable level.

Consequently, AREPO recommends the European Commission to:

- Establish that **GI producer groups have the right to authorise operators to use their GI name in the labelling, presentation and advertising of foodstuffs containing such name as ingredient**, meaning that GI producers groups would be able to carry out control and supervision activities in all EU internal market;
- Establish that GI producer groups **may adopt and publish transparent guidelines regulating the terms and criteria according to which it would be possible to give or deny the authorization.** The guidelines may contain:
 - Criteria concerning the quality of the final product;
 - Graphic criteria that clarify how the GI name should be used in the labelling, presentation and advertising of foodstuffs containing such name as ingredient;
 - Administrative criteria to apply for the authorisation.



- Clarify that a geographical indication is a concept that manifests itself both through the product name and the product logo registered in the product specifications, if one exists. In light of that, GI producer groups have the right to **authorise operators to use not only the GI name, but also the specific GI logo (registered in the product specification)** in the labelling, presentation and advertising of the final product. The use of the specific GI logo should be regulated in the graphic criteria;
- **Establish that GI producer groups can decide to demand a financial contribution or reimbursement to the processor using their GI as ingredient**, in order to address the increase in operating and management costs of their ordinary activities. All information concerning the financial contribution should be clearly described in the administrative criteria to apply for the authorisation;
- **Establish the obligation for operators using a GI as ingredient to submit to all controls necessary to carry out supervision activities** (e.g. the possibility to access commercial documents in order to carry out control on mass balance sheets). Controls could be carried out by the producer group and/or by the national authorities, depending on the national system in place.
- **Clarify the labelling rules concerning the use of EU logos on a processed product** containing a GI as ingredient.