How the EU Manages its Origin Product Labels and Product Chain

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EU Quality Designations

PDO: Protected Designation of Origin



PGI: Protected Geographical Indication



Geographical Indications (GIs)

TSG: Traditional Speciality Guaranteed





GIs -2 types: PDO and PGI









1. geographical area

+

2. specific product

+

3. causal link

4. PGI or PDO

3







PGI and PDO





COMMON POINTS

- Type of products
- Geographical names
- Products have to fully originate in the region of which they bear the name
- Registration Procedure
- Protection level
- Controls

DIFFERENCES

- Link to the geographical environment (stronger for PDO)
- Reputation (only PGI)
- Number of production steps to be realized in the region
- All raw materials originate from the region (only PDO)





Legislation







- Agricultural products and foodstuffs R(EU) No 1151/2012
- Wines Regulation (EC) No 1308/2013
- Spirits Regulation (EC) No 110/2008

and Rural











Product specification

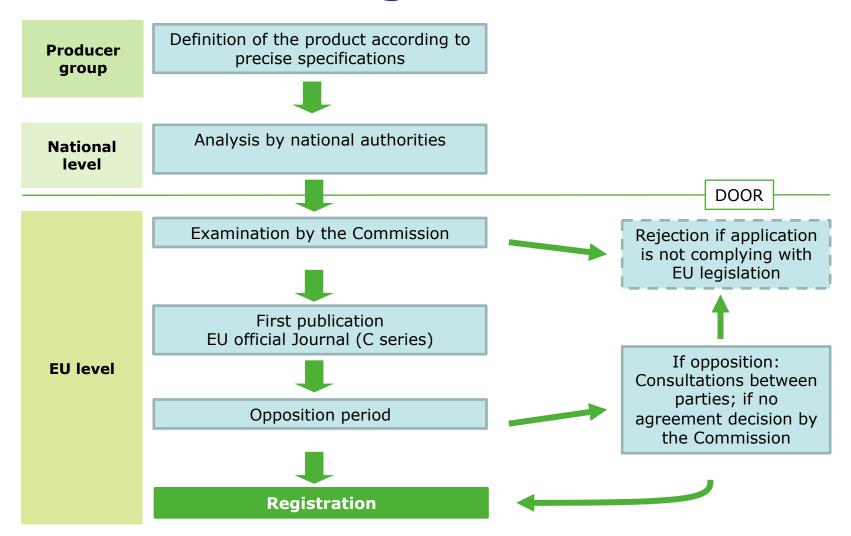
It shall include:

- the name of the product
- a description of the product
- the definition of the geographical area
- evidence that the product originates for the geographical area (traceability)
- a description of the method of production
- the link between the specificities of the product and the specificities of the geographical area
- the contact details of the control authorities or bodies
- any specific labelling rules





How to register a GI?



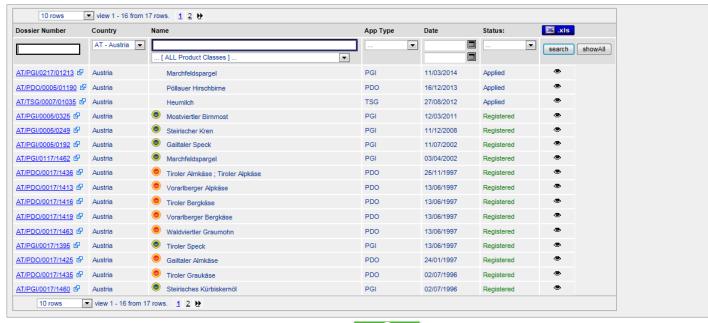


HOW is a GI registered? The DOOR Database



AGRICULTURE AND RURAL DEVELOPMENT

DOOR Legal notice | FAQ | Search | Contact | Login 3C/3CG English (en) European Commission > Agriculture and Rural Development > Agriculture and food > DOOR > Browse · Latest registered designations · Latest published designations · Latest applied designations





Overview (Registrations - state of play April 2014)

- DOOR: 1181 GI names for agricultural products and foodstuffs (and 46 TSG)
 - http://ec.europa.eu/agriculture/quality/database/index_en.htm
- E-Bacchus: 1577 wine GIs
 - http://ec.europa.eu/agriculture/markets/wine/e-bacchus/
- E-Spirit-Drinks: 331 GI names for spirits
 - http://ec.europa.eu/agriculture/spirits





Trans-border GIs

• In the case of a 'protected designations of origin' or 'protected geographical indications' name that designates a **trans-border geographical area** or in the case of a 'traditional specialties guaranteed' name, **several groups** from different Member States or third countries may lodge a joint application for registration.





Official controls

2 levels:

- A)Production (operators: farmers, producers, elaborators)
- B) Controls in the market place



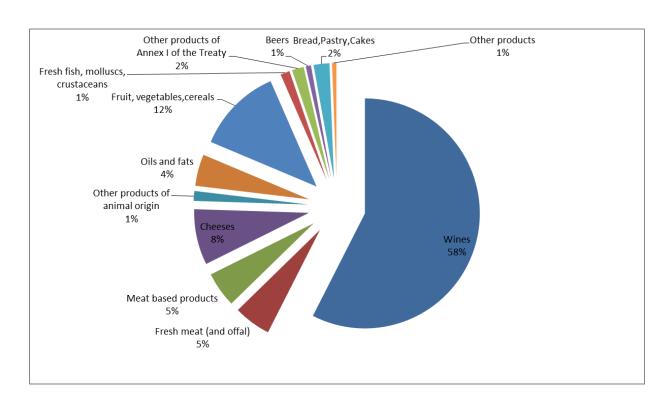




Overview PDO/PGI per sector



(February 2014 - n=2743)







Sales value



- Sales value of EU Gis (all sectors): €54.3
 billion in 2010 (estimated at wholesale stage in the region of production)
- 5.7% of the total EU food and drink sector
- Estimate of EU GI exports value: € 11.5 billion
- 15% of EU food and drink industry exports





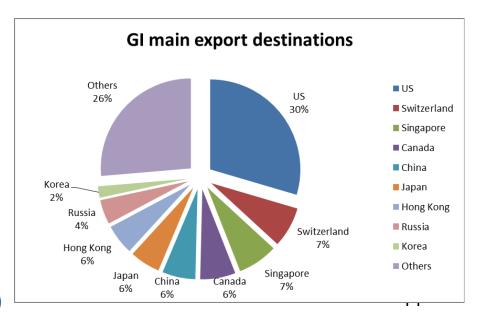


Sales destination



• 60% of sales take place on the domestic market, 20% on the EU market and 20% in third countries

- 663 GIs sold <u>only</u> in their MS of production
- 1525 GIs exported (1224 wines, 231 agri products, 70 spirits)
- Wines + spirits = 90% of total GI exports (in value)











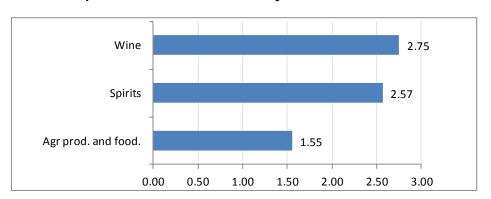


The premium a GI can expect from the market, compared to non-GI products

→ on average, the price of a GI product is 2.23 times the price of a comparable non-GI products

Value premium rate in the EU27 by scheme

/!\ does not reflect value added and profitability of the GI schemes as it does not take into account the additional cost of compliance with GI specifications











Conclusion

Geographical indication:

- •identifies authentic, quality product, with intrinsic link to its place of production
- helps consumer choice
- gives robust IPR protection
- marketing tool
- Rural development tool





More information

Agricultural products and foodstuffs

- Council and European Parliament Regulation (EU) No 1151/2012 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=0J:L:2012:343:0001:0029:EN:PDF
- Quality policy web-pages <u>http://ec.europa.eu/agriculture/quality/index_en.htm</u>
- Study on value of Gis
 http://ec.europa.eu/agriculture/external-studies/value-gi_en.htm

Wines

 General website <u>http://ec.europa.eu/agriculture/markets/wine/index_en.htm</u>



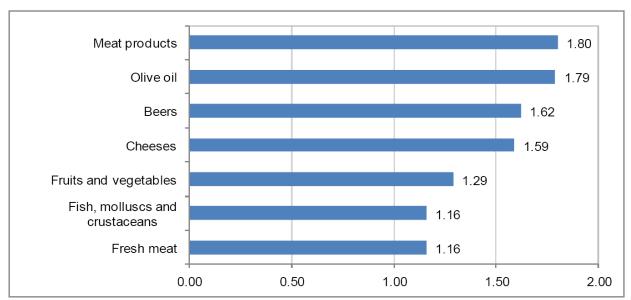




Value premium



Figure 32 - Value premium rate for agricultural products and foodstuffs scheme



Source: AND-International survey for DG AGRI





Benefits - producer

- Name is reserved to products respecting the specification and are produced in a delimited geographical area (IP protection)
- Administrative protection by public authorities
- Name is not reserved to 1 single owner (TM), but can be used by all producers respecting the specification
- Differentiation on the market allows often a better price and better division of the added value





Benefits - consumer

- Has a guarantee on
 - Origin of the product
 - Quality of the product (specification)
 - Authenticity of the product (no imitiation)
- Guarantee is assured by controls on production site and on the market.
- GIs prevents the standardization of food and offers a wider choice to consumers





Benefits - society

- Rural development
 - GIs encourage the preservation of:
 - Biodiversity: plant, animal, ...
 - Local savoir-faire and tradition
 - Landscapes => positive impact on tourism
 - As an important part of our culture, GIs contribute to social cohesion, rural development









