

WORKING GROUP "PRODUCT FROM MY FARM"
OF THE ADVISORY GROUP ON "QUALITY OF AGRICULTURAL
PRODUCTION"
on Thursday 5 July 2012 from 09:30 hrs to 18:00 hrs,
in 1049 Brussels, rue de la *Loi 130, 11th floor, room B*

Minutes

1. Introduction

The fourth meeting of the Working group "Product from my farm" took place on 5 July 2012 and was chaired by Mr Michael ERHART, Head of Unit AGRI H.2. 16 experts were present, designated by the following European organisations: Copa-Cogeca, Ceja, CELCAA, IFOAM, FoodDrinkEurope, OriGIn and AREPO.

Prior to the meeting, the members of the Working group had received a background working document for discussion with several options how to increase the visibility of products issuing from farming with a local dimension and promote access to the market. The present minutes should be read in conjunction with that working document.

The options presented vary from best practise guidelines to labelling arrangements and comprehensive schemes. The Chairman announced that the aim of this meeting was to hear the expert opinion on the proposed options and any further comments on the possible EU-level actions. The Chairman also reminded of the purpose of the Working Group which is to discuss possible measures to help local farmers to sell their produce – "product from my farm". While the group had also looked at other issues like local economy, food waste, and environmental impacts, the central point has been to discuss the labelling tools which could help farmers finding alternative marketing channels.

2. "Soft" regulatory instruments

2.1 Commission Communication on short food supply chains

In general participants agreed that there is a need for clarifying definitions. A Commission Communication could be an appropriate tool as it would have a pedagogical role to understand terms and concepts. Providing for definitions is a challenging task, taking into account that there are regional differences. What is perceived as "local" in one Member State may not be the same

elsewhere. Strict definitions may lead to difficulties. Some experts indicated the term "product from my farm" is more accurate compared to the term "local" which may include also industrially produced foodstuffs. Moreover, a contradiction between the terms "direct sales" and "local" may occur in the case of internet sales if producers sell their products directly to the consumers over a longer distance.

Some experts discussed two ways of defining "local" products: a narrow, restrictive definition vs. a wider perspective. From this point of view it may be useful to address both aspects – "local" and "from my farm". Too restrictive definitions should in any case be avoided.

Experts confirmed a need to focus on how to help farmers to stay in the region and produce and sell locally. This could be achieved by informing consumers about what "local" food is and of advantages of buying "locally", including environmental. On the other hand, one should not forget the role of supermarkets; and acknowledge (groups of) farmers producing on a larger scale. Additionally, participants drew attention to the need of informing consumers and preventing misleading information on the products. Consumers would probably be more interested in "local" production if they could better understand the meaning of the terms "local" and "from my farm". The participants agreed that an important aspect is to ensure that farmers remain owners of the product including the setting of the final price. Economic activities on a local scale should be encouraged to maintain rural areas, land and activity.

Participants were of the general opinion that a Communication could be useful in order to provide information and clarify concepts. However, many experts were in favour of introducing more binding measures through legislation; this also in order to prevent abuse of product indications. There was also an opinion that focussing on a Communication might delay the introduction of any new measure.

2.2 Guidelines of best practise. Examples of successful labelling, direct selling practises and recommendations on using the terms "local" and "direct sales"

Many experts were in favour of introducing guidelines. Some indicated that guidelines are the middle stage between a Communication and legislation. The concepts would be clarified and defined at the EU-level. Farmers would receive knowledge about how to do things correctly. Furthermore, guidelines would be perceived more binding on economic operators and helpful for preventing misleading labelling practises for allegedly "local" products. On the other hand, some experts claimed that guidelines could only be useful in connection with a (binding) regulation, to clarify and illustrate the articles of such a regulation. The creation of a link with the incentives for promoting short food supply chains and local markets in the proposal for a new Rural Development Regulation was also mentioned.

2.3 Support to networking (through ENRD?): websites in the Member States and a common website at EU level, prizes for successful examples, etc

It was noted that a website with best practise examples of direct sales and short food supply chains already exists in ENRD framework. The ongoing study by the JRC and the University of Coventry will also look at the best practises in the EU countries. Experts agreed that support to networking, pilot projects, and exchange of best practice is very useful in order to connect both producers among themselves and the producers and consumers.

3. Optional indications/terms

Experts pointed out that what is missing is a clear definition of an optional quality term. The Chairman presented the latest version of the text of the proposal for a new Quality Regulation which provides a definition of an optional quality term. One would need to examine whether the concept of a "product from my farm" meets the requirements of this definition. The following options for an indication/term were then discussed:

3.1. Indication/term "local product"

It was argued that this option does not guarantee that a "local" product will also be sold locally. Nothing prevents a sale of the product across a larger distance. Furthermore, it would be difficult to provide a legal definition applicable across Europe.

3.2. Indication/term "product from my farm"

This approach received positive feedback in comparison to the indication/term "local product". It could also be linked to option 3.4. Several aspects were mentioned that would have to be taken into account for setting up an indication/term "product from my farm":

- need to ensure traceability;
- farmer's responsibility;
- origin of the raw materials;
- flexibility for outsourcing of processing (processing away from the farm);
- acceptable marketing channels should be specified (direct sales, one intermediary, other?) and the local dimension respected;
- flexibility should apply to the definition of "farm", also to reply to the question of collective establishments and groups of farmers.

It was also mentioned that the reason for creating a term is to ensure quality and give added value to a farmer's produce. The aim of a term is to guide consumers, to be beneficial to them.

3.3. Marketing related requirements for an indication/a term

Experts expressed a rather negative attitude towards such an approach; an indication/term should not be based on marketing related requirements. One of the reasons expressed was that marketing mechanisms cannot be controlled at EU level.

3.4. Optional quality term in the new Quality Regulation

Should there be a clear definition of "product from my farm", an optional quality term in line with the proposal for the new Quality Regulation could be a relevant solution. It needs to be evaluated how a term "product from my farm", as discussed in the previous meetings of the Working group, could fulfil the Regulation criteria.

Several questions related to processed products and slaughtering were raised. Experts agreed that processing on the farm would be the ideal case. However, taking into account that farms do not cover all the production/processing steps for many products, there has to be certain flexibility. In addition, flexibility is needed for animals' feeding: not all farms produce (all the) feed for their livestock; many farms are located in areas with impediments to feed production.

4. Labelling schemes

4.1. A "product" scheme

Several experts agreed that creating a product scheme would be a good option. Some of them were in favour of allowing a number of intermediaries. One of the arguments in favour of several intermediaries related to the need of stimulating small farmers to grow. As it was claimed, not all small holders are capable of developing every stage of production at their farms and may need intermediaries in order to process and market their products. On the other hand, some experts also supported the option of combining two limitations: the number of intermediaries with a restriction of the distance over which sales can be made.

Some participants favoured the need of including internet sales and therefore were against "geographical" restrictions of purchasing. To the contrary, the definition of the area for selling products was considered as the key element by other participants. A need to limit the number of intermediaries was discussed again: one view was to limit it to one intermediary while another view was that a certain number of intermediaries is necessary to allow small farmers to develop and to prevent farmers from breaching the scheme. It was also mentioned that distant selling (for example box schemes, internet supplies) should be allowed because it helps farmers to grow. It was also mentioned that a "product from my farm" should be a niche product and that not every farm product should qualify for such a scheme. Furthermore, simplicity of the scheme was considered as an important aspect.

4.2. and 4.3 A "marketing system" scheme or a "processing of the product" scheme.

Experts did not provide arguments in favour of these two schemes. An argument against a "processing" scheme was that it would be too similar to a TSG scheme.

5. Logo

There were arguments expressed in favour and against a logo. In favour: logos are handy, easy to identify. If consumers identified / recognised a logo in their country, they would easily identify it also elsewhere when travelling. Against: there are already too many EU logos. In case of an optional quality term it would be difficult to have a logo. Setting up a logo means bureaucracy and costs. A logo would require a certification process; otherwise, having an EU logo without certification would create an exception from other EU schemes.

6. Control arrangements

In general, experts agreed that additional checks would be burdensome for farmers and Member States who would be obliged to ensure compliance. Some countries, such as Austria, combine the second and the third of the following options.

Option 1. A general provision of ensuring compliance.

This option was not expressly commented by the participants.

Option 2. System with prior authorisation.

This option was discussed by several experts. Its advantage is that it can provide certain guarantees that only those operators who are able to fulfil the requirements enter a system; in the future years, a certain share of them is controlled based on a risk assessment. In Italy for example, controls could be provided by local administration and tax authorities. In France, mountain products are already subject to such a system. Such an approach seems to be the simplest option that still provides an appropriate level of guarantees.

The question whether there is a need that farmers are included in a register or not was also debated. What speaks in favour of a registration is a possible link with other measures (rural development, promotion). If a new scheme is introduced, it may be difficult not to register farmers participating in it. On the other hand, a register of farmers is a burden for a farmer and its usefulness is limited to the administration.

Option 3.

System of official controls in conformity with Regulation (EC) No 882/2004.

Experts that discussed this option pointed to the shortcomings: additional administrative burden and costs that create obstacles for farmers.

Option 4. Group certification.

It was mentioned that this could be a useful formula if controls were based on a risk assessment approach.

A "système de garantie participative" was mentioned as an alternative option. This is a system where consumers take part in controls and ensure them together with producers. It is questionable though what would be Member States' appreciation of such a system.

7. Optional implementation by the Member States

Experts considered that the scheme should be offered in every Member State. It does represent an administrative burden but on the other hand, introduction of a uniform scheme across the EU may be an opportunity for farmers. Nevertheless, certain flexibility and possibility for adjustments in the various Member States should be possible.

8. Further requirements for the scheme

The main objective of any new tool, as experts said, is to bring farmers closer to consumers and add value to their products while ensuring certain flexibility with regard to differences in the Member States.

The following issues that were mentioned by experts would need careful reflection:

- Definition of "farm" should be discussed with regard to its size. The role of the cooperatives and other associations has to be taken into account in order to avoid discrimination. There was an opinion that the legal status of the farm is however not relevant as long as the production and marketing under the prescribed criteria could be ensured.
- There is a need to distinguish a "product from my farm" from an industrial product. This could be done by allowing Member States to introduce size, turnover and employed workers as criteria. A contrary opinion was that the issue of size is not important as long as the consumer can identify the product; this allows the consumer to subjectively decide whether the farm is too big or too small.
- Flexibility was again mentioned as an important tool that has to be carefully thought through in order to keep the original purpose of the instrument. Only minimum standards should be set at the EU level and enough space for manoeuvre should be given to the Member States or to the regional level.