European Commission

Geographical Indications in the EU

- *Lima, 28-29 March 2019*

Agriculture and Rural Development

EU Policy on Geographical Indications (GIs)

- Part of the **EU's Common Agricultural Policy (CAP) -** diversification of agricultural production, considerable benefit to the rural economy and society, impacting positively on biodiversity, improving income of farmers, retaining rural population, …
- Development of a **Quality Policy aiming at farmers and consumers**
- EU's legal framework / Support through CAP / Promotion

- In Europe: early 20th century (e.g. AOC France)
- At EU level: specific labelling rules on agricultural products in the late 70's; specific legislation on spirits with Regulation (EEC) No 1576/89; first comprehensive regulatory framework on agricultural products and foodstuffs GIs in 1992 (R. (EEC) No 2081/92)

GIs in the EU

- **Agricultural products and foodstuffs**

(cheese, meat, beer, bread, pastry, cork, flowers, leather, …) – Regulation (EU) No 1151/2012)

- PDOs - Protected Designations of Origin
- PGIs - Protected Geographical Indications

- **Wine**

(grapes exclusively from the geographical area where the wine is made or at least 85% - Regulations (EU) No 1306/2013 and No 1308/2013)

- PDOs - Protected Designations of Origin
- PGIs - Protected Geographical Indications

- **Spirits / Aromatised wine**

(Rum, Whisky, Grape marc, … / Glühwein, Sangria, Vermouth, … - Regulation (EC) No 110/2008 / Regulation (EU) No 251/2014)

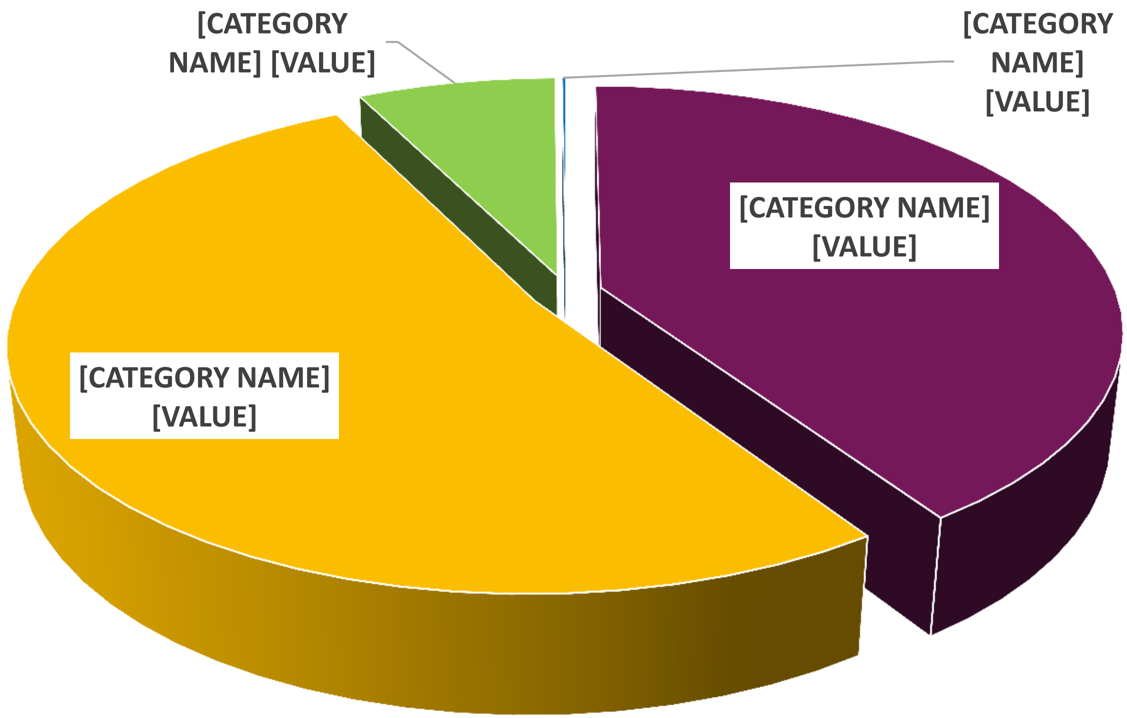
- GIs - Geographical Indications (GIs)

European Commission

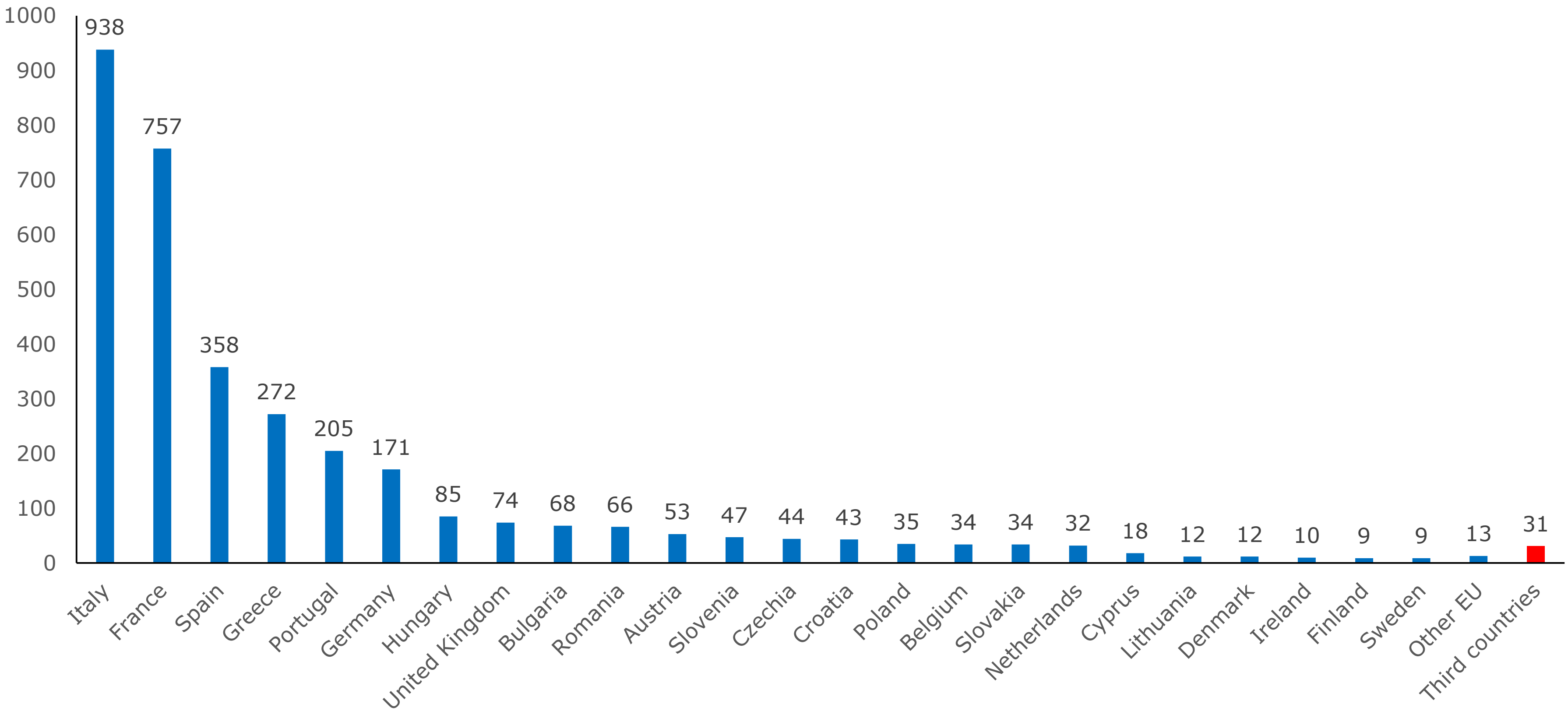
Comparison

	PDO	PGI
Name	Identifies a product originating in a specific place, region or (exception) country	Identifies a product originating in a specific place, region or country
Link with geographical area	Quality or characteristics essentially or exclusively due - natural/human factor	Quality, reputation or other characteristic essentially attributable
Production steps	All in geographical area	At least one in geographical area
Raw materials	Geographical area (variety *Vitis Vinifera* for wine)	Anywhere (85% grapes from geographical area for wine)

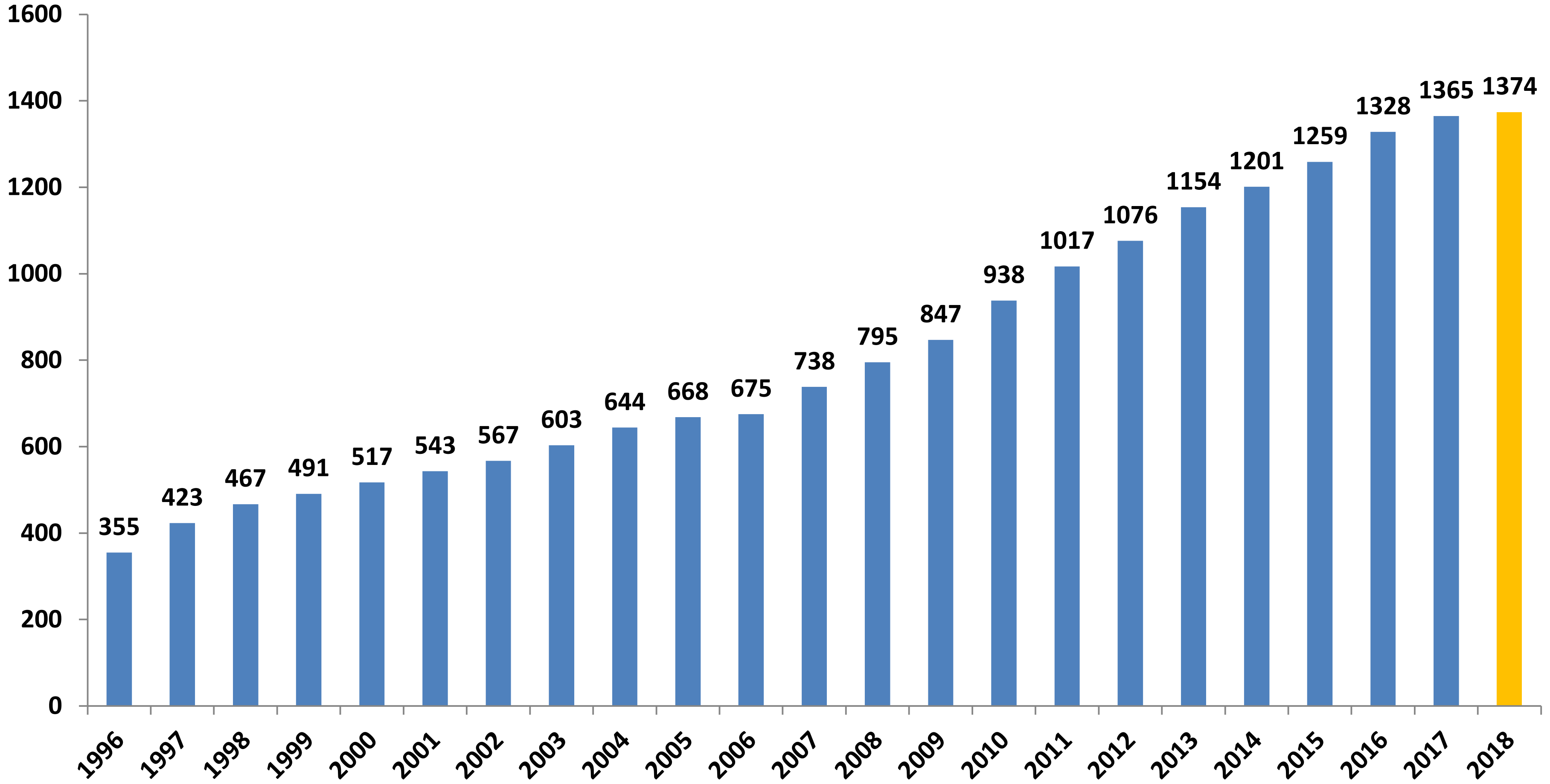
Registered EU GIs (3409) by sector - End 2018



Registered GIs by EU Member State
(End 2018)



Evolution of PDO/PGI Food Registrations – (August 2018)



EU GIs: what is in for producers

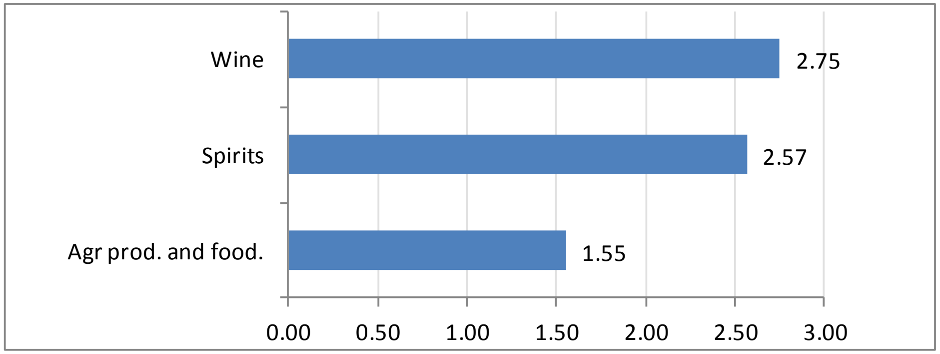
- **Name is reserved** to products respecting the specification
- **Production is kept** in the geographical area
- Collective right, name is not reserved to one single producer, but can be used by **all producers respecting the specification**
- **Administrative protection** by Member State public authorities for EU wide protection
- Differentiation on the market allows often a **better price**
- Group organisation with a great potential for better division of the **added value along the food chain**

Value premium

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

Value premium

«This study confirms a significant positive effect of GIs on price, regardless of the type of product, the region of origin, and whether the GI is long-established or recently registered. … In most cases, the premium is between 20 and 50 percent. »

Strengthening sustainable food systems through geographical indications. An analysis of economic impacts – FAO / EBRD, 2018

EU GIs: sales value

- Estimated **sales value** of EU GIs: €62 billion in 2017

  = 5.7% of €1,098 billion (EU food and drink sector)

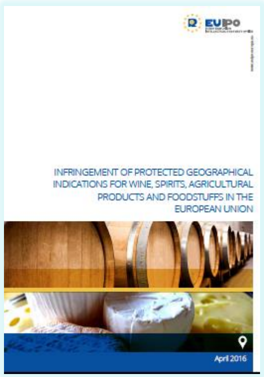
- Estimate of EU GI **exports value**: € 15 billion in 2017

  = 15% of €102 billion (EU food and drink exports)

Frauds

- **Study carried out by EUIPO** (2015-2016) in 17 Member States, approximately 82% of the EU GI product market: 100,000 products checked for GI compliance
  - The **value of GI infringing products in the EU was approximately € 4.3 billion** in 2014, which is approximately 9.0% of the EU GI product market.
  - **Consumer loss**, defined as the price premium unjustly paid by consumers in the belief that they are buying a genuine GI product, is estimated at up to €2.3 billion, representing approximately 4.8% of total GI product purchases.

12.7%	SPIRITS
11.5%	FRUITS, VEGETABLES AND CEREALS
11.0%	FRESH MEAT AND MEAT PRODUCTS
10.6%	CHEESES
8.6%	WINES
0.1%	BEERS



EU GIs: role of groups of producers

- Application process

(… may only be submitted by groups who work with the products – Art. 49 R. (EU) 1151/2012)

- Product

(… ensuring quality, reputation and authenticity, market monitoring - Art. 45 R. (EU) 1151/2012)

- Legal protection

(ensure adequate legal protection, intellectual property rights – Art. 45 R. (EU) 1151/2012)

- Promotion

(develop information and promotion activities, communicate value-adding attributes to consumers - Art. 45 R. (EU) 1151/2012)

- Compliance

(develop activities related to ensuring compliance of product with specifications (not in replacement of Official Controls) – Art. 45 R. (EU) 1151/2012)

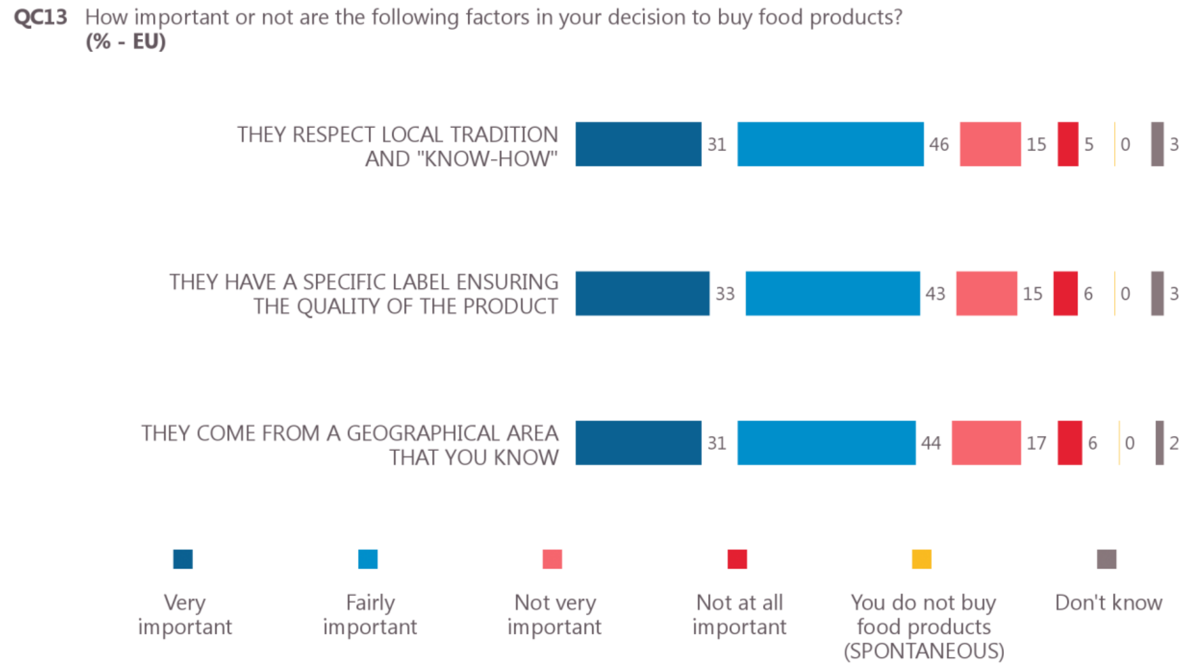
- Development

(improve performance of the scheme, economic expertise, advice to producers – Art. 45 R. (EU) 1151/2012)

EU GIs: what is in for consumers

- Guarantee on the:
  - **Origin of the product**
  - **Quality of the product** (specification)
  - **Authenticity of the product** (no imitation)
- Ensured by **controls on production site and on the market**
- Quality designations **prevent the standardization** of products and offer a **wider choice to consumers**

Factors influencing Europeans' food product purchases



Labels identified by consumers:

Fairtrade, organic, PDO, PGI, TSG

Special Eurobarometer 473 – Europeans, Agriculture and CAP, February 2018

EU GIs – Benefits Society

- Secures more of the added value processes in local areas:
  - Maintain jobs in (often) remote areas
  - Maintain economic activities in rural communities
  - Lead potentially to job creation

EU GIs – Benefits Society

- GIs encourage the preservation of
  - Biodiversity (local races, varieties)
  - Local savoir-faire and traditional methods
  - Landscapes ➡ tourism



EU GIs – controls / enforcement

(Regulation (EU) No 1151/2012)

- EU Official Controls
  - EU Member States Competent Authorities – possibility to delegate to accredited control bodies
- Prior to placing on the market
  - Verification that a product complies with the corresponding product specification – any operator that uses the name is part of the control system
- Market Controls
  - Surveillance based on risk analysis

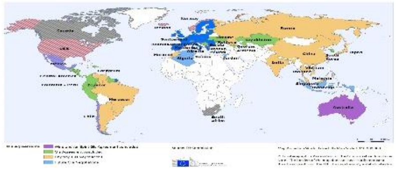
EU GIs support and promotion

- European Agricultural Fund for Rural Development – part of EU's Common Agricultural Policy (CAP) – 2014-2020 - (Regulation (EU) No 1305/2013)

(Six EU priorities – Priority 3 related to Quality Schemes: new participation by farmers and groups of farmers in quality schemes – (e.g. certification costs)

- Annual promotion programme (calls for proposals – co-financing) – 2019 programme

(proposals from organisations in one Member State, several Member States, focusing on EU's internal market or Third Country markets - Information provision and promotion programmes aiming at increasing the awareness and recognition of Union quality schemes (PDO, PGI, organic, …)



- Through Trade Agreements

- IPKEY initiative

GIs success stories

Ireland

Waterford Blaa / Blaa

Conservation of local, cultural heritage and traditional production method

Registered in the EU since 19 November 2013
It is a white bread roll with white floury top

GIs success stories

Ireland

Waterford Blaa / Blaa

Conservation of local, cultural heritage and traditional production method

The tradition of baking 'Waterford Blaa' dates back to **the arrival of the Huguenots**, they introduced a bread product in the **late 17th century**. It is believed that **it was called 'blaad' or 'blanc'**, and quickly gained popularity

The product is baked for longer, producing a stronger crust which contains the distinctive malt flavour (...) is made with **traditional techniques** (handling, flouring, hand flattening and baking process)

The link is based on **reputation**

GIs success stories

Ireland

Waterford Blaa / Blaa

The blaa is a key part of Waterford identity and as late as the 1950s and 1960s, there was a blaa bakery boom in Waterford, with about 15 bakeries making blaas in the city at the time.

Today, there are only a couple, family run bakeries in Waterford

Expansion?

To gain national and international recognition for the blaa, a local company saw an opportunity to combat the recession and now is selling frozen blaas to hotels and restaurants around Ireland and to an Irish pub in Paris

GI protection gave a major boost

GIs success stories

Cambodia

Kampot Pepper

- **2010**: protected as a GI at national level
- **18 February 2016:** EU registration
- **2016 and 2017:**Vietnam and Thailand registration

A causal link exists between both the **reputation** and the **quality** of the specific product and its **geographical origin**

Pepper cultivation in Cambodia is a 700-year old tradition. Kampong Cham and Kampot provinces are the most important Cambodian pepper plantation area due to the excellent soil and climate conditions

GIs succes stories

Cambodia

Kampot Pepper

Price boosted after EU registration

Operators/families/producers **doubled** in 4 years

Production doubled in 4 years (70% export)

Positive impact on image of the territory (tourism)

EU GIs – looking ahead

- New Regulation on spirits GIs

(Subject to formal approval; GI register, relationship GIs/TMs, controls, goods in transit – expected May 2019)

- New Common Agricultural Policy package including amendments to agri-food and wine GIs

(Part of the wider EU's CAP reform: simplification and modernisation (shortening/harmonising procedures, ensuring a better division of tasks among national authorities and Commission, harmonisation of definitions, strengthening controls/anti-counterfeit (on-line platforms, customs) – expected to apply from 2021)

- Lisbon Agreement – Geneva Act adhesion

(EU Institutions Political Agreement reached March 2019 – formal agreement pending - expected possibility to start negotiations in 2019)

- Cooperation with EUIPO

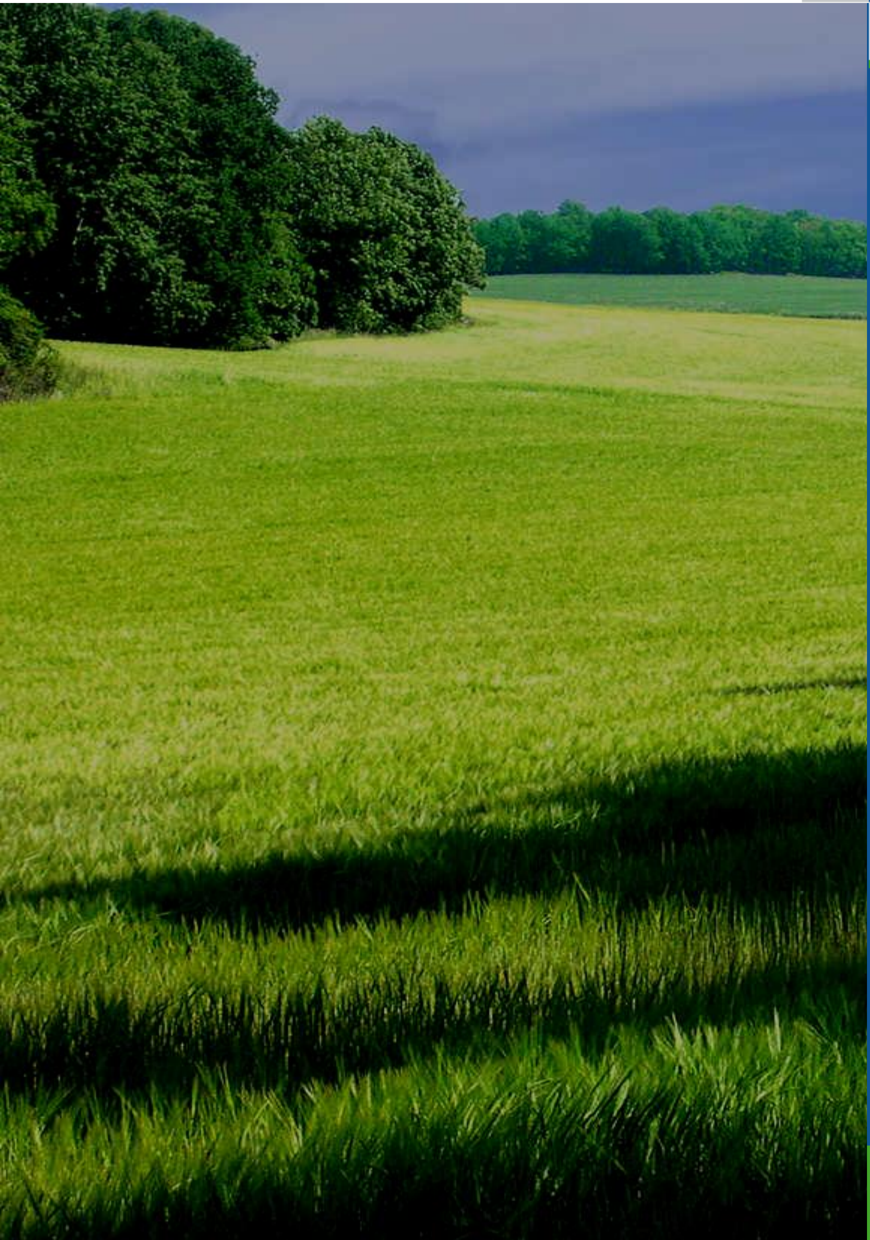
(GIview, relation GI/Trademarks, IPKEY initiative)

- Update 2013 study on value of EU GIs

(Study on economic value of EU quality schemes, geographical indications (GI) and traditional specialities guaranteed (TSG) – expected in 2019

- Evaluation of EU policy

  (Overall on GIs and TSGs – expected Q4 2020)



Thank you!

Lima, 29 March 2019

Miltiadis Krimizis

European Commission
Directorate-General for
Agriculture & Rural Development

Unit in charge of international relations – The Americas

https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification_en