



# Geographical Indications in the EU

*San José, Costa Rica, 5-6  
December 2019*

# 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, ... / Nürnberger Glühwein, Samoborski bermet ...) -  
Regulation (EC) No 110/2008 / Regulation (EU) No 251/2014)



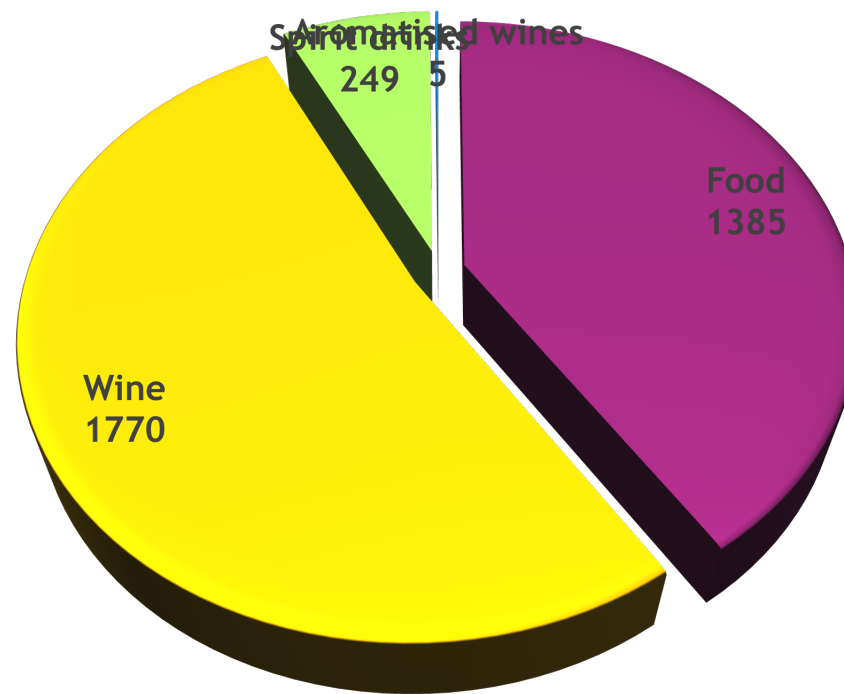
- **GIs** - Geographical  
Indications (GIs)

# Comparison

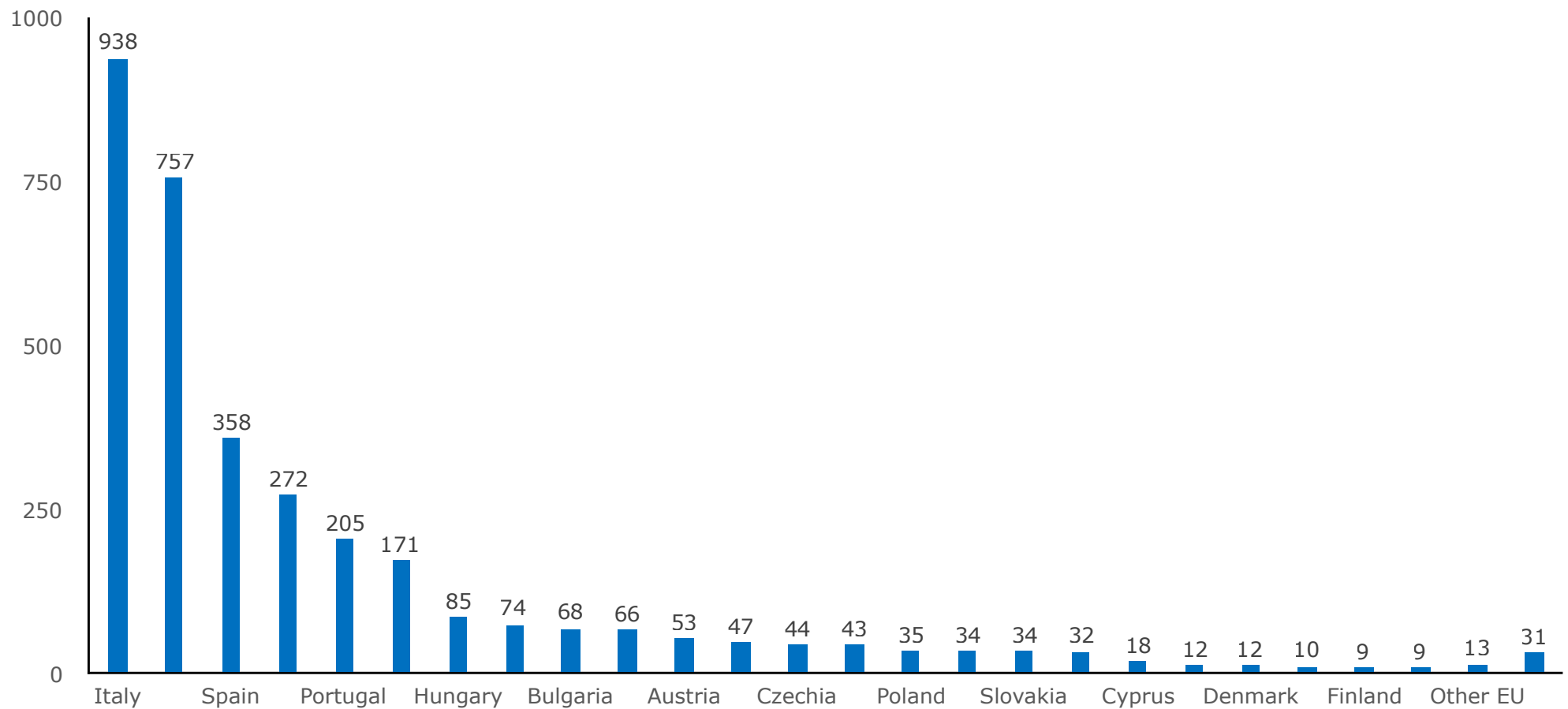
	<b>PDO</b> 	<b>PGI</b> 	
Name	Identifies a product originating in a specific place, region or (exception) country	Identifies a product originating in a specific place, region or country	
Link with geographical area	Quality or characteristics essentially or exclusively due - natural/human factor	Quality,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



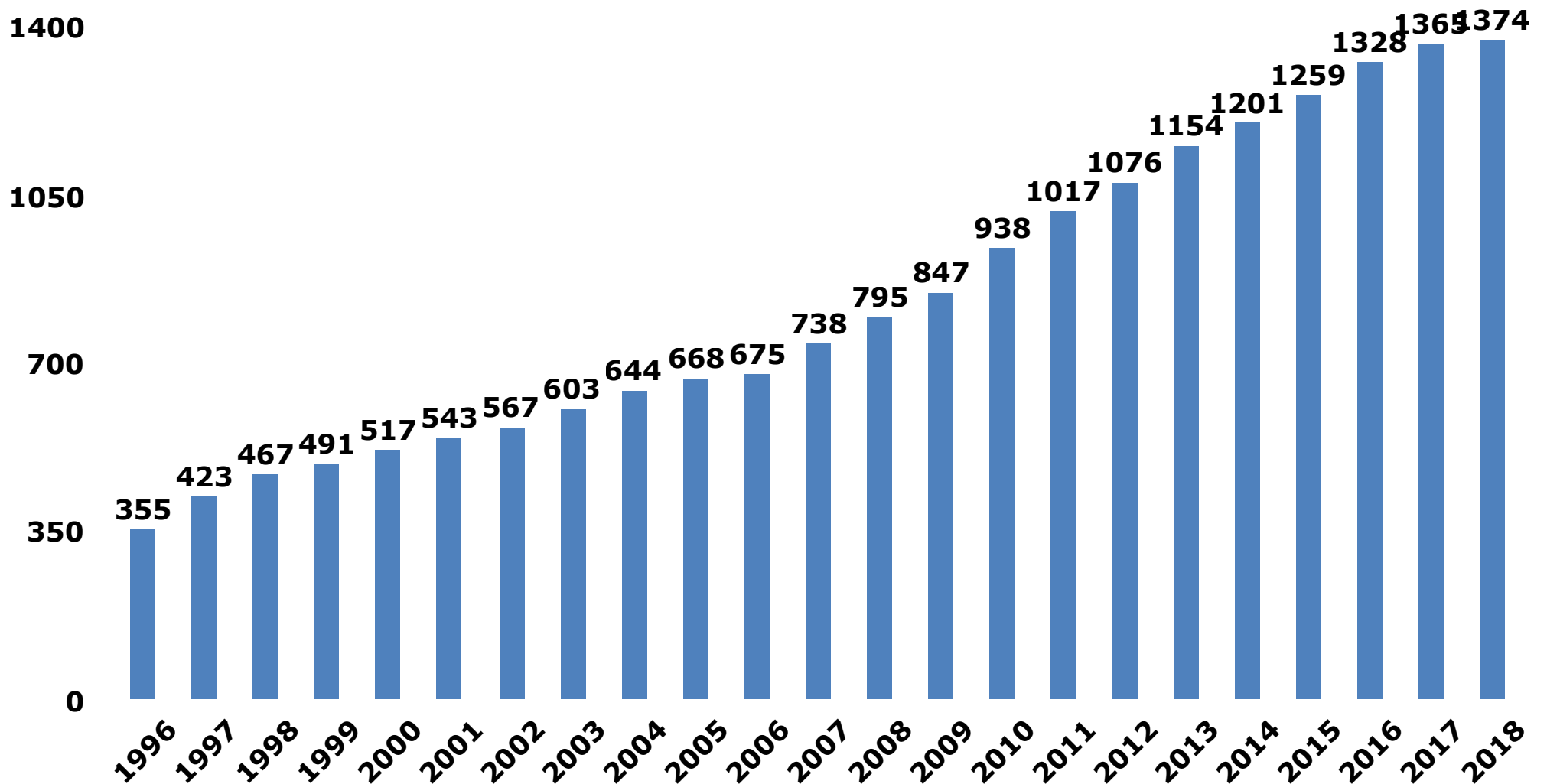
## Registered GIs – 3278 – by sector (Sept. 2019)



## Registered GIs (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**







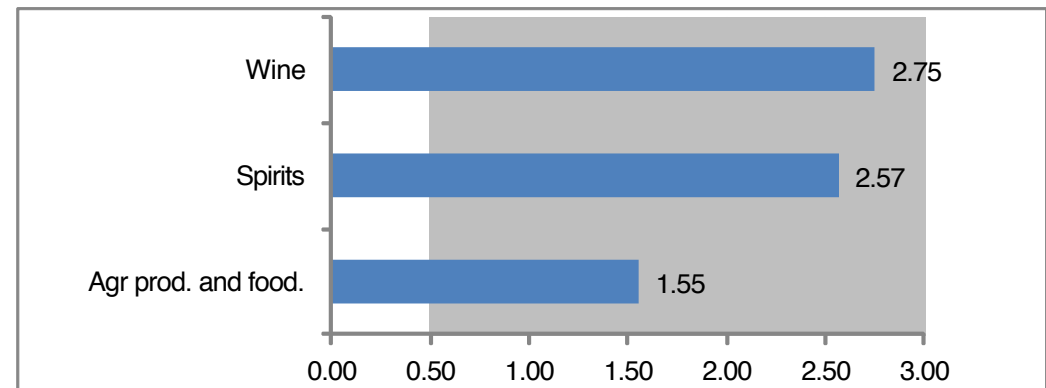
# Value premium

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

→ on average, the price of a GI product is **2.14** times the price of a comparable non-GI product

/!\ **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 rate in the EU27 by scheme



2019 update to be published soon

# 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 (and TSGs): €77.1 billion in 2017 (estimated at wholesale value in the region of production)

= 7% of the total EU food and drink sector (5.7% in 2010)

- *Estimate of EU GI/TSGs **exports value** to non-EU countries:*  
**€ 17,03 billion (2017)**

*=15,5% of EU food and drink industry exports*

(provisional data)

## 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**  
(... 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)



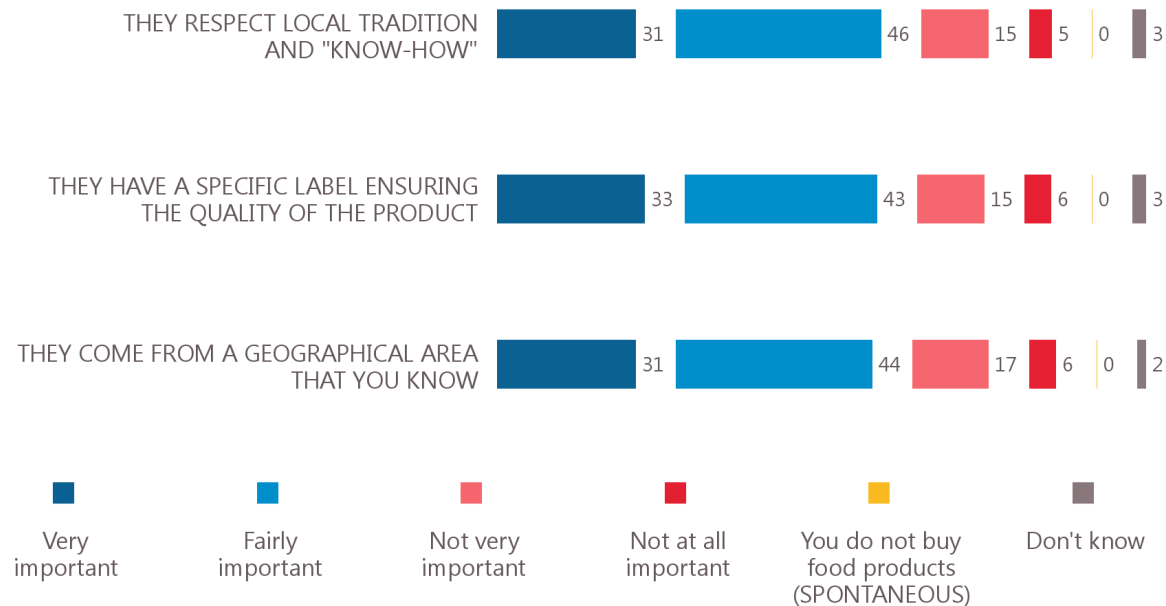
# EU GIs: what is in for consumers

- 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

**QC13** How important or not are the following factors in your decision to buy food products?  
(% - EU)



Labels  
identified by  
consumers:

Fairtrade,  
organic, PDO,  
PGI, TSG

# 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

- 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

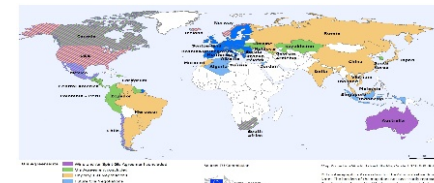
- European Agricultural Fund for Rural Development – part of EU's Common Agricultural Policy (CAP) – 2014-2020 - (Regulation (EU) No 1305/2013)

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

- 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



# EU GIs – developments and looking ahead

- **European Commission 2019-2024**

*"...strengthen the system of geographical indications. It is a key part of maintaining high food quality and standards and ensuring that our cultural, gastronomic and local heritage is preserved and certified as authentic across the world"*

*sustainable development goals, Green Deal, Farm to Fork Strategy, long-term vision for rural areas, promote Europe's high-quality food standards, ...*

- **Regulatory – modernisation and simplification**

- **New Regulation on spirits GIs** (relationship GIs/TMs, controls, goods in transit, ...)
- **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)
- **Evaluation GI policy** (on-going public consultation)

- **Geneva Act adhesion**

(EU accession November 2019 – entry into force 2020)

- **Cooperation with EUIPO**

(GIview, relation GI/Trademarks, IPKEY initiative)

- **Update 2010 study on value of EU GIs**



# Thank you!

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*[https://ec.europa.eu/info/food-farming-fisheries/  
food-safety-and-quality/certification\\_en](https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification_en)*