am 28/05/09

FOOD QUALITY CERTIFICATION: ADDING VALUE TO FARM PRODUCE BRUSSELS, 6 FEBRUARY 2006

# CONFERENCE CONCLUSIONS

- 1. EU standards for food placed on the market are among the **toughest in the world**:
  - All food, whether EU-produced or imported, meets **high product standards of safety** and hygiene.
  - EU farmers and producers also adhere to detailed norms of **animal welfare**, **environmental protection**, and **labour and employment**.
  - An **EU quality label** indicating compliance with EU norms, or with a superior standard, was discussed, while questions were raised concerning its possible operation.
- 2. Economic evidence on **certification scheme performance** indicates that they can
  - give farmers access to key markets;
  - **inform** consumers effectively about food quality, origin, environmental care and animal welfare;
  - increase **efficiency** of the farm operation;
  - have positive impacts on rural development (tourism, infrastructure, etc.), on maintaining local culture and traditions and on enhancing social cohesion in rural areas based on initial research;
  - **reduce costs** within the supply chain through vertical integration;
  - add value for producers, although this effect varies from scheme to scheme;
  - **lead to price increases** in all parts of the chain, but not in all cases enough to cover additional costs;
  - **be most successful** when adequate marketing management capabilities are present.
- 3. However, there are a number of **concerns** about the ways in which some schemes have developed, leading to:
  - heavy and duplicative **administrative costs** and burdens;
  - competition issues and potential barriers to the functioning of the **single market**;
  - difficulties for exporters from **developing countries** (especially small-scale producers in the Least Developed Countries); and
  - stakeholder concerns about **transparency** of schemes.

#### These concerns must be addressed.

- 4. Heavy and duplicative administrative costs and burdens
  - Mutual recognition and benchmarking of basic requirement schemes have already led to an overall reduction in the number of schemes, reducing overlap and duplicative audits. This process should continue.
  - While the number of differentiation schemes continues to grow, efforts to harmonise criteria are emerging also in this area.

- Where overlap and duplication of audits occur, certifiers and retailers must get together
  to set benchmarks, promote recognition and banish duplication from audits and
  controls. Certifiers must be able to combine audits of similar schemes, and reduce the
  costs and time burden for farmers in so doing.
- Farmers and first-stage processors should participate in the development and operation

   if not the ownership of certification schemes.

# 5. Competition and barriers to the functioning of the single market

- Authorities in the Member States and the Commission must ensure respect of single market rules and prevent collusion or abuse of dominant positions.
- Strong market power of large retail chains can reduce benefits to farmers.

# 6. Difficulties for exporters from developing countries

- Private standards for imports from developing countries can improve farming efficiency, promote good agricultural practices, and stabilise business relations
- However:
  - only the best farmers are able to be certified; the weakest may be excluded;
  - schemes may be perceived as barriers to market access;
  - stakeholders in developing countries should play a role in the development of schemes;
  - technical assistance for capacity building should be provided under aid programmes (but need to avoid creating new dependencies).

# 7. Transparency

• Certification scheme owners should increase transparency by **placing specifications on the internet**, making them accessible to the press and public.

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