

COUNCIL OF THE EUROPEAN UNION

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10253/14

AGRI 386 AGRILEG 117 AGRIORG 88

NOTE

From:	Presidency
To:	Special Committee on Agriculture
Subject:	Report from the Commission to the European Parliament and the Council on the case for a local farming and direct sales labelling scheme.
	- Presidency non-paper

At the SCA meeting on 5 May 2014 in Athens, the Commission report to the EP and the Council on the case for a local farming and direct sales was presented and discussed. The Presidency requested delegations to express their views on the forthcoming actions to be taken on this dossier and it suggested three possible scenarios ((i) to create a stand alone labelling scheme, (ii) to set an optional quality term for local farming or (iii) to maintain the status quo).

In order to streamline the discussions at the SCA on 2 June, the Presidency has prepared a non-paper (see <u>Annex</u>) aiming at analysing these options in more detail.

10253/14 SB/dd 1

DG B 2

Non-paper

Local farming and direct sales labelling

At the informal SCA meeting in Athens on 5 May 2014, the Commission Report to the EP and the Council on the case for a local farming and direct sales was presented and discussed. The Presidency asked Member States to pronounce themselves on the following options:

- 1. a stand-alone labelling scheme for local farming and direct sales, possibly with a logo,
- 2. an optional quality term (OQT) for local farming and direct sales, and
- 3. maintaining the status quo (i.e. no EU level labelling).

The present document aims at analysing these options in more detail.

LEGAL INSTRUMENT

A new certification scheme could either be set up through an amendment of the Quality Regulation, or as a stand-alone scheme. In both cases, it would require a Commission proposal to be adopted via the normal ordinary legislative procedure (approval by EP and Council).

The reservation of a new optional quality term is according to Article 30 of the Quality Regulation delegated to the Commission the power of reserving new optional quality terms via a Commission Delegated Regulation:

"In order to take account of the expectations of consumers, developments in scientific and technical knowledge, the market situation, and developments in marketing standards and in international standards, the Commission shall be empowered to adopt delegated acts, in accordance with Article 56, reserving an additional optional quality term and laying down its conditions of use."

Should a new labelling scheme or optional quality term be created, an appropriate name would need to be found in all official EU languages. The question of the name is also important when reflecting on the issue of co-existence between a new labelling scheme and schemes and systems that already exist for the same or similar purpose in the Member States. On one side it should be determined how to ensure continuation of already established national, regional and local labelling schemes; public or private. On the other hand it also needs to be considered how such co-existence might affect consumer understanding of the labels and what actions should be taken that a label at EU level could help consumers to better understand the value added of labelled products.

COMPARISON OF OPTIONS

The main elements of comparison between the three options could be summarised as follows:

	Option 1 - Stand-alone scheme	Option 2 - Optional quality term	Option 3 - Status quo
Legal instrument	Amendment to the Regulation (EU) No 1151/2012 on quality schemes via an EP/Council Regulation, or Stand-alone Regulation of EP and Council	Commission Delegated Regulation	_
Requirements/ scope	To be defined in scheme	To be defined respecting the conditions of Article 29(1) of Regulation (EU) No 1151/2012	National, regional or local schemes covering products of local farming and direct sales, respecting relevant EU legislation, for example general labelling rules, geographical indications, internal market provisions etc.
Products covered	Scheme within Regulation (EU) No 1151/2012: same as scope of Regulation (EU) No 1151/2012 (agricultural products intended for human consumption listed in Annex I to the Treaty and other agricultural products and foodstuffs listed in Annex I to that Regulation) Stand-alone scheme outside Regulation (EU) No 1151/2012: to be defined in scheme, could also include non-food products not covered by Regulation (EU) No 1151/2012.	Pre-defined - same as scope of Regulation (EU) No 1151/2012 (agricultural products intended for human consumption listed in Annex I to the Treaty and other agricultural products and foodstuffs listed in Annex I to that Regulation)	To be defined in scheme, could also include non-food products not covered by Regulation (EU) No 1151/2012.

Controls Logo/symbol	To be defined in the Regulation, possibly official controls in accordance with Regulation (EC) No 882/2004 (certification procedure)	Basic rule set out in Article 34 of the Quality Regulation: Member States shall undertake checks, based on a risk analysis, to ensure compliance with the requirements and, in the event of a breach, shall apply appropriate administrative penalties; Member States to decide about implementation Not possible via the	Controls to ensure compliance with general labelling rules Possible
	proposal)	delegated act as optional quality terms are "words only"	
Link to rural development support	Automatic if inserted into Quality Regulation; possible if considered a quality scheme in a standalone EP/Council Regulation	Automatic as optional quality terms are "quality schemes" by definition	Possible if conditions of Article 16 (1) (b) or (c) of Regulation 1305/2013 are complied with (quality schemes for agricultural products, recognised by MS; or voluntary agricultural product specification schemes complying with the Union guidelines)
Link to promotion programmes	Automatic if inserted into Quality Regulation; possible if considered a quality scheme in a stand- alone EP/Council Regulation	Automatic as optional quality terms are "quality schemes" by definition	Possible if conditions of Article 16 (1) (b) or (c) of Regulation 1305/2013 are complied with (idem above)
Protection against misuse, fraud and misleading practices	Yes, depending on formulation	Yes, covered by protection of optional quality terms as set out in the Quality Regulation and by general labelling rules.	Possible, for example if registered as trade mark or under national rules on unfair competition or food labelling, or via the Food information for consumers Regulation 1169/2011