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# Promotion measures for agricultural products adopted by the Council

Today the Council adopted the regulation on information provision and promotion measures for agricultural products on the internal market and in third countries (<u>PE-CONS 90/14</u>) following an agreement at first reading with the European Parliament. The United Kingdom, the Netherlands and Swedish delegations voted against.

The President of the Council, Mr Martina noted that "With the adoption of the new legal framework regarding information and promotion actions for agricultural products in the internal market and the third countries, I believe that we have achieved the goal of improving the competitiveness of agriculture in the EU as to achieve greater equity."

The regulation renews the legal framework for the promotion of European agricultural products on the internal market and in third countries in the context of the very competitive environment the EU faces today.

It provides a framework for setting strategic priorities and encouraging promotion in new markets, such as in third countries. Furthermore, as the reformed common agricultural policy (CAP) that will enter into force on 1 January 2015 encourages farmers to organise themselves, the new promotion scheme will be opened up to new beneficiaries, such as producer organisations. The regulation also provides new opportunities for promotion, by mentioning the origin of products or brand names under certain conditions.

In order to underline the importance of promotion with a view to increasing the competitiveness of EU food and agriculture products in the world, there will be a gradual but significant increase in the budget - from EUR 61.5 million in the 2013 budget to EUR 200 million in 2020. Moreover, management of the programmes has been facilitated, and support for promotion in third countries has been increased. In this regard, the regulation also provides for the development of new technical support services for stakeholders, favouring the exchange of information on information provision and promotion measures or good practices and allowing their expertise to be developed.

A political agreement on the regulation was reached in April this year under the Hellenic Presidency between the Council, the European Parliament and the Commission.

The main issues of the regulation on which the EU institutions agreed are detailed in the annex.

#### **Eligible products**

Information and promotion measures can cover:

- the products listed in annex I to the Treaty on the Functioning of the European Union (TFEU);
- food products listed in an annex to the draft regulation based on the model of annex I to regulation 1151/2012<sup>1</sup> on quality schemes for agricultural products and foodstuffs to which cotton and sweetcorn have been added;
- spirit drinks and wine with a protected geographical indication and also beer under certain conditions:
- in the context of multiproduct promotion, the fishery and aquaculture products listed in annex 1 to regulation 1379/2013<sup>2</sup> on the common organisation of the markets in fishery and aquaculture products.

#### **National quality schemes**

National quality schemes referred to under the new legal framework for rural development (regulation 1305/2013³) can be promoted as part of these measures.

#### Indications of brands

Information provision and promotion measures must not be brand-oriented. However, indication of brand in the promotion programme is now possible under certain conditions defined further in an implementing act in respect of internal market. This provision is expected to further open up the possibilities for improving the promotion of agricultural products.

#### **Proposing organisations**

In order to increase the number of programmes and improve their quality, the range of beneficiaries has been extended. In addition to trade or inter-trade organisations and producer organisations in the EU, the proposing organisations now include, under certain conditions, other bodies of the agrifood sector.

## Involvement of the member states in the promotion programmes

Although member states will play an active role in assisting the proposing organisations in the preparation of their proposals at a national level, once submitted to the Commission the proposals will have to be assessed at EU level in accordance with regulation 966/2012<sup>4</sup> and its implementing rules. However, the Commission will provide the member states with appropriate information on all programmes proposed and selected.

<sup>&</sup>lt;sup>1</sup> OJ L 343, 14.12.2012, p.1

OJ L 354, 28.12.2013, p. 1

<sup>&</sup>lt;sup>3</sup> OJ L 347, 20.12.2013, p. 487

OJ L 298, 26.10.2012, p. 1

### Financing of the measures

The EU financial contribution to the promotion programmes will be:

- 70% of the eligible expenditure in the case of simple programmes on the internal market;
- 80% of the eligible expenditure in the case of multi programmes on the internal market and all programmes in foreign countries;
- 85% of the eligible expenditure in the case of crises with no distinction between simple and multi-programmes.

In the absence of national co-financing, this will give SMEs and producer organisations the financial capacity to engage in such actions. The EU financial contribution will be increased respectively to 75%, 85% and 90% of the eligible expenditure for the proposing organisations established in Member States receiving financial assistance in accordance with Articles 136 and 143 TFEU on 1 January 2014 or thereafter.