



FoodDrinkEurope position on the proposal for a regulation on information provision and promotion measures for agricultural products in the internal market and in third countries

FoodDrinkEurope warmly welcomes the European Commission's proposal to reform the promotion policy for EU agricultural and food products. It shares the Commission's assessment that this policy is an important tool for contributing to the competitiveness of the agri-food sector. The policy has, in particular, the potential to help increase the export capacity of the entire food supply chain including Europe's 285,000 food and drink SMEs, many of which face difficulties in accessing third markets.

In summary, FoodDrinkEurope supports the Commission proposal, in particular as it provides for:

- a clear distinction between the eligible measures on the internal market and in third countries;
- an extension of eligible products to all agricultural products and certain food products;
- the focus on promotion programmes in third countries;
- a recognition of the strategic importance of brands;
- the possibility to mention origin;
- a strategic annual work programme;
- an increased co-financing rates for programmes in third countries; and,
- the simplification of administrative procedures.

The proposal responds to a number of key concerns put forward by food business operators.

Two schemes for two different objectives

FoodDrinkEurope supports the clear distinction between the eligible measures on the internal market and in third countries, considering that they respond to **two** different objectives:

- In the EU, programmes provide a response to increasing consumers' demands for information and aim at raising their awareness on the merits of EU agricultural and food products.
- In third countries, an active and operational European promotion policy is essential to maintain and improve the presence of European operators on international markets, particularly important at a time when international trade is growing.

Extension of eligible products

The eligibility of all agricultural products and of certain food products goes in the right direction. These food products are a major outlet of the European production and, as stated by the Commission, processed products account for more than two third of the total of EU agricultural exports

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For the efficiency of promotion programmes, the list of eligible products in third countries should not be restricted. Therefore, promotion measures targeting third countries and including a basket of products should be opened up to all agricultural and food products. This means that non-Annex I products outside point 1 of Annex I of Regulation 1151/2012 should be eligible as long as they do not represent more than 20% of all the products presented in the programme.

Furthermore, FoodDrinkEurope regrets the exclusion of fishery and aquaculture products and hopes that some form of coordination with programmes promoting fish and fish products will be possible. For a number of Member States, fish and fish products represent an important part of the food offer and is an appropriate illustration of the diversity of the European diet.

For clarification, this approach is presented in the table below:

Annex I products (agricultural products)	Food products listed in point 1 of Annex I of Regulation 1151/2012	Other non-annex 1 products
All Annex I products	Beers Chocolate and derived products Bread, pastry, cakes, confectionery, biscuits, Beverages made from plants extracts Pasta Salt Mustard paste	All other non-annex 1 products In particular, products which have an offensive interest such as: Dairy products (0403) Preparation for infants (19011000)
		Fishery and aquaculture products

Currently (+/-)

Commission proposal

FoodDrinkEurope proposal

These products should not represent more than 20% of the products covered by the programme.

Visibility of commercial brands and indication of the origin of products

FoodDrinkEurope welcomes the recognition of the strategic importance of brands and origin.

- **Brands: The new provision will contribute to foster the efficiency of promotion programmes**, in particular in non-EU countries, “through a leverage effect” (Recital 13). It will enable operators to show the diversity of EU foodstuffs as processed by companies, i.e. with their brands. The delegated act will make sure that this provision does not serve private commercial interest.
- **Mentioning the origin can be of importance** when such information would prove practical and useful to the market and to consumers. It can contribute to underlining the diversity of the European food offer.

Work programme

FoodDrinkEurope supports the development of a European promotion strategy which will allow for this policy to be consistent with other ones such as the trade policy and for promotion programmes to be more targeted. Moreover, it will provide a real European dimension to the programmes.

Request:

- In addition to information on the intrinsic features of Union's agricultural and food products, the eligible measures should not exclude communication on consumers-friendly messages, such as those focusing on taste, tradition and culture, notably in third countries.
- To ensure efficiency of information and promotion programmes, the promotion policy should be coherent with the EU market access strategy. Indeed, it would be pointless to put efforts into promotion if EU products, for example animal-based products, cannot enter a given market because of SPS barriers.

New arrangements to raise the number of programmes in non-EU countries

FoodDrinkEurope shares Commission's objective to reach 75% share of programmes targeting third countries¹. It supports the specific arrangements proposed by the Commission:

- Work programme implementing targeted priorities;
- Higher co-financing rate (60%) for simple programmes targeting third countries and for all multi programmes;
- Simplified selection process for all programmes at Commission level; and,
- Simplified management of multi programmes via a one-stop system at the Commission

Request

Nevertheless, FoodDrinkEurope considers that these arrangements are not sufficiently incentive to raise significantly the number of programmes targeting third countries. Considering the absence of funding from Member States, the EU co-financing rate will be crucial in incentivizing organisations to propose programmes in third countries. Therefore, FoodDrinkEurope suggest that

- The percentage shall be increased to 70% for a simple programme targeting one or more third country (ies).
- For multi programmes targeting one or more third country (ies), the percentage shall be increased to 80%.

Commission's increased role in promotion

- The Commission's own promotion activities, particularly in trade fairs, are a good instrument to enhance the image of EU products and open up new markets. . It is important for these measures to target all eligible agricultural and food products – to be determined according to the work programme – and not to focus exclusively on products covered by EU quality schemes. These initiatives should be done in coordination with Member States' activities.
- The new technical support services will in particular be useful for SMEs to help develop their marketing strategies and increase their export capacity.

Proposing organisations

The organisations which respond to a call for proposals must be representative of the sector. In the evaluation of the eligibility criteria, in case of competing organisations, priority should be given to those organisations more representative of the sector.

¹ See Recital 8