

The Bavarian Position on the Green Paper Promotion of Quality Products

Ladies and Gentlemen,

Before I begin with the actual contribution to the Green Paper, let me briefly say a few words about the *Cluster Ernährung* which I am here to represent. We act on behalf of the Bavarian State Ministry for Food, Agriculture and Forestry to provide a comprehensive advisory service to PDO / PGI applicants. We provide consultation to Bavarian producers from the moment they first register their products with the German Patent and Trademark Office to the moment the products are finally registered with the EU database DOOR. This is a long-winded process in which *Cluster Ernährung* performs the role of a mediator, balancing the interests of the various companies involved in the registration. We also help protection associations to communicate with authorities on a national and EU basis. Another important task we carry out is to introduce businesses and research organisations to funding programmes on EU, federal and state levels.

Finally, we have been a key player in establishing an association known as HAL, in German Herkunftsschutz Agrarerzeugnisse und Lebensmittel, which is an association of PDO and PGI producers. The purpose of this association is to pool the interests of German producers and carry out specific promotional activities. *Cluster Ernährung* acts as an adviser to the association, and I would like to inform you of some of the main points that have emerged from our dealings with members of the association.

The Green Paper raises the key question of whether the Commission itself should use key slogans, such as “The Taste of Europe”, for promotional purposes. We take the view that consumers are not interested in products that have a “European flavour”, but in products that come from particular parts of Europe. We assume that a product has

not a positive impact because it is designated as being a European speciality or being of European origin. This is because such a designation appears to have a levelling effect. Accordingly, it would not make sense to make such a claim for all PDO / PGI products. Funded protection associations can carry out this task more efficiently themselves by promoting their own products.

What I want to say is, that there should be no key slogans as there is no single European flavour. Lumping whole product categories under a single European marketing slogan - for example “Beer from Europe!” - devalues the identity of any one product. The diversity that Europe has to offer has to be taken into account.

The actions of individual member states, protection associations and organisations should be given a lot more support. Generic promotion has hardly any impact and very high wastage. The economy, however, knows its market and its customers better and knows what works. This cannot be done by the EU. Moreover, only then are those systems supported that are accepted in the economy. The disclosure respectively promotion of the PDO / PGI system should always only be based on existing PDO / PGI products.

In this context it is also appropriate to allow brands as part of the promotion. The only criterion should be to ensure that the brand is presented with a protected indication of origin. The consumer would also be interested to know which companies produce the product or who the traditional producers are. Measures aimed at increasing the visibility of an indication of origin but where the names of the producers cannot be mentioned are not effective.

The EU subsidised campaign “Weltgenusserbe” (World Culinary Heritage) is an example of where it can be a handicap for individual producers not to be able to use elements from it for their own brand-oriented promotion. This needlessly limits the impact of what could be achieved.

Companies are not willing to spend their money on promotional activities from which they cannot expect to obtain at least one indirect benefit. EU requirements are too strict and they undermine the impact of their campaigns and the use of funds.

It should therefore be made significantly easier for individual companies to be able to promote their products as part of a promoted speciality group without making use of funds. For example, “Müller-Bräu” is part of the EU-funded “Weltgenusserbe Bayern” programme. Public funds could thus achieve a multiple effect. Private sector activities should be able to extend or broaden campaigns. It should be possible to refer to parts of the programme or use logos.

Now, I would like to come to the issue of multi-state programmes. The multi-state programme approach is not very efficient from a marketing point of view, which is why it should no longer be made a priority. As already mentioned, there is no single European flavour. You cannot promote several different products from different member states at the same time. Particular products make consumers think of particular countries. Feta cheese makes you think of Greece and beer makes you think of Bavaria or the Czech Republic. There are deep-rooted associations between particular products and regions or countries which have evolved over hundreds of years, and these associations explain why such products are held in high esteem by consumers.

The communication strategies of a multi-state programme inevitably result in a levelling effect and a devaluation of product identities. We believe that multi-state programmes only make sense if there is just one product or product category. I am thinking specifically here of a joint promotion of the Halletauer hops from Germany and the Saazer Hops from the Czech Republic in third countries.

Another very important area for us is the promotion of small-scale producer associations. In terms of protected indications of origin, it is necessary to ensure in particular that the smaller associations of producers, which are not as financially

strong and which mainly market their products locally or regionally, engage more in information and promotional activities in order to promote the development of local and regional markets. The present funding scheme favours applications from a number of protection associations which produce different PDO / PGI products. Furthermore, the applications that have been favoured to date are those where the protection associations come from different member states. Another hindrance is that the member state is the smallest possible unit for promotional activities.

For associations that produce a product aimed at the regional market, existing promotion is irrelevant and is associated with excessive bureaucracy. In future it must therefore be possible for promotional activities to be restricted to the local sales area. In this context, it makes sense for a protection association to be able to make a funding application by itself, as it is rare to have a number of protected designations of origin for regionally based protection associations in the same area. Consequently it should also be possible to allow promotional activities that have a somewhat smaller overall budget and which are not as restrictive in their requirements and reporting obligations. The latter point takes account of the fact that most small-scale protection associations are run by volunteers and do not have the resources to administrate projects at the level that is currently required.

We are aware that the proposed changes, which should lead to a larger number of applications from smaller protection associations, will entail an increased administrative burden for the Commission. However, it should be emphasised that it is mostly small-scale producers that serve local and regional markets which can be promoted. A lot can be achieved with few resources.

This was a brief outline of some of the key points that *Cluster Ernährung* wanted to bring to the discussion from a German perspective. I hope and wish that we can use this Green Paper discussion to bring about a substantial improvement for these smaller associations and producers and greater participation in promotional activities.

Thank you very much.