

The new promotion policy

Synoptic Presentation

*DG Agriculture and Rural Development
European Commission*

13/10/2015

General disclaimer

This synoptic presentation aims at facilitating the reading of the different acts composing the new promotion regime.

It is in any respect a legal interpretation of the applicable legislation.

- Regulation of the European Parliament and the Council (EU) n°1144/2014
- Commission Delegated Regulation (EU) n° 1829/2015
- Commission Implementing Regulation (EU) n° 1831/2015
- Commission Implementing Decision C(2015) 6852

Planning - Promotion policy reform process

4 November 2014

**Publication of the new basic act
Regulation (EU) No 1144/2014 of 22.10.14**

December 2014

Adoption of 2 decisions to delegate tasks to executive agency

2015

**Delegated
Regulation
(EU) No
1829/2015**

DA- adoption
by the
Commission
23.4.2015

Scrutiny period
no objection

**Implementing
Regulation
(EU) No
1831/2015**

Positive
opinion of the
Committee
8.9.2015

Adopted by the
Commission
7.10.2015

**Annual Work
Programme for
2016
C(2015)6852**

Positive
opinion of the
Committee
29.9.2015

Adopted by the
Commission
13.10.2015

Preparatory
work related
to the
delegation to
the
Executive
agency in
Luxembourg

1 December 2015

Application of the new system

Increased pressure on the EU agricultural sector

Challenges

Fierce competition against European agricultural products

- Increased liberalisation of trade (FTA's)
- Increased globalisation of the world economy
- Promotion policies of EU competitors
- Abolition of export refunds

Increased cost pressure on EU farming economy

- Gradual increase of agricultural prices/ steep increase of energy and fertiliser prices
- Stricter production standards
- Strengthened requirements related to environment and climate change

Lack of awareness of the qualities of EU agricultural products

- Only 14% of Europeans recognize the PDO/PGI logos

What's new in the reform to meet the objectives?

**Targeted on EU
added value**



**Align with needs of
the sector**



**Greater
effectiveness**

- **Clear priorities** established **annually** - work programme
- Increase the promotion campaigns in **third-country market**
- Enhance the **cooperation between operators** from different MS through **multi programmes**
- **Incentive EU cofinancing** rates

- Enlarge to **new beneficiaries**
- **Wider** list of eligible **products** including processed products
- Recognition of the strategic importance of **brands** and **origin**
- Reactive in case of **crisis**
- **Technical support** services

- **New selection process** with gain in time and evaluation exclusively at Commission level through external experts
- **End-up** of **national cofinancing**
- **Simplification** of administrative procedure for **Multi-programmes : directly managed** by the Commission
- Delegation to an **executive agency** foreseen

Increased expenditure : up to 200M€

Eligible products and schemes



- ✓ All agricultural products covered excluding tobacco
- ✓ Open to certain processed products listed in Annex (beer, chocolate, pasta, sweet corn, cotton...)
- ✓ Spirits with a Protected Geographical Indication

- ✓ Wine:
 - ✓ Simple programmes = Basket approach
 - ✓ Multi programmes = Wine alone possible
 - ✓ On the internal market = Information on quality schemes or responsible consumption

- ✓ Fishery and aquaculture products : Basket approach

- ✓ Schemes : EU quality schemes, organic, RUP, national quality schemes

A wider list of eligible products including processed products.

Consistent with other CAP promotion measures and EU policy on alcohol consumption

Eligible products/ schemes and delegated act

- ✓ Union message
- ✓ In the internal market, for **schemes as referred to in Article 5(4)** of Regulation (EU) No 1144/2014 :
 - ✓ to focus on the(se) scheme(s) in its main Union message
 - ✓ one or several products can illustrate(s) the(se) scheme(s)
 - ✓ products shall appear as a secondary message in relation to the main Union Message

Proposing organisations



- ✓ Trade or inter-trade organisations representative of the sector(s) concerned at MS
- ✓ Trade or inter-trade organisations at EU level
- ✓ Producer organisations
- ✓ Bodies with public service mission in charge of promotion of agricultural products (example: Agence Bio, Chambers of agriculture)

Clarification of the status of beneficiaries

New beneficiaries coherent with Single CMO post 2013

Proposing organisations and delegated act

- ✓ Shall be **representative** of the sector or product concerned
- ✓ Trade or inter-trade organisations:
 - 50% rule;
 - interbranch organisations recognised by the Member State
- ✓ Group – GIs: 50% rule
- ✓ Producer organisations recognised by the Member State
- ✓ Agri-food sector body :
 - representatives of that product(s) or sector among its memberships;
 - exception: programmes carried out after a loss of consumer confidence
- ✓ **<50% : Flexibility** for lower thresholds and specific circumstances justifying treating the PO as being representative
- ✓ **No permanent support** : A proposing organisation shall **not receive support** for information and promotion programmes on the same product or scheme, carried out in the same geographical market on **more than two consecutive occasions**.

EU generic promotion with recognition of the strategic importance of brands and origin (1/2)

VISIBILITY OF BRANDS

- ✓ Each brand equally visible
- ✓ Graphic presentation smaller format than the main European EU message of the campaign
- ✓ In general, several brands displayed

Brands and implementing act

- ✓ Brands : Trade marks
- ✓ Brands can be mentioned only for **certain types of actions** :
 - Demonstrations (incl.fairs, B2B events) & tastings
 - Websites
- ✓ Justification of why the mention of brands is necessary to meet the objectives of the campaign to be done in the application
- ✓ Equal visibility and in a distinct area compared to main EU message
- ✓ Minimum of **5 brands**
- ✓ Maximum of **5% of the total surface area**

- ✓ Conditions to derogate to the minimum number of 5:
 - Less brands produced; and
 - Not possible to build a multi-products or multi-country programme

- ✓ Derogation for national quality schemes registered as trademarks (Flandria, Label Rouge)

Brands : example for poster

Banner with several brands under the main message



***Only for illustration purpose regarding how brand names can appear.
Any EU co-financed programme shall respect all eligibility conditions of the
promotion policy regulation.***

Brands : example for a stand

Individual but identical booth for each representative of brands
Same size of the names of the brands – under an EU message



***Only for illustration purpose regarding how brands can be showcased.
Any EU co-financed programme shall respect all eligibility conditions of the
promotion policy regulation.***

EU generic promotion with recognition of the strategic importance of brands and origin (2/2)

MENTION OF ORIGIN

- ✓ Internal market : always secondary in relation to the main EU message of the campaign
- ✓ Third country market may be on the same level as the main EU message of the campaign
- ✓ Products recognised under EU quality schemes (PDO, PGI...) : the origin as registered in the denomination may be mentioned without any restriction

Not acceptable: programmes which encourage or give preference to the purchase of domestic products



- Article 34 TFUE
- Case 249/81 Commission v Ireland [1982] ECR 4005

Origin and implementing act

- ✓ The mention of origin shall be limited **to visual supports**
- ✓ Implicit or explicit references
- ✓ Shall not divert or mislead the Union message

- ✓ The mention of origin should be the **national origin or common supra national origin**

- ✓ **EU quality schemes** which refer to origin may mention their specific origin without any restriction
- ✓ **RUP logo** may mention the name of the outermost regions in the related graphic symbols and related visual material
- ✓ **National quality schemes** which refer to origin may mention this origin, provided that:
 - It is secondary in relation to the main Union message of the campaign in the IM,
 - may be on the same level as the main Union message of the campaign in TC

Example Internal Market : PDO/PGI/STG



Discover the ORIGIN

Bourgogne Wines
Parma Ham
Douro Wines,
Parmigiano-
Reggiano Cheese
Porto

ENJOY
IT'S FROM
EUROPE

Campagne financée avec le concours
de l'Union Européenne

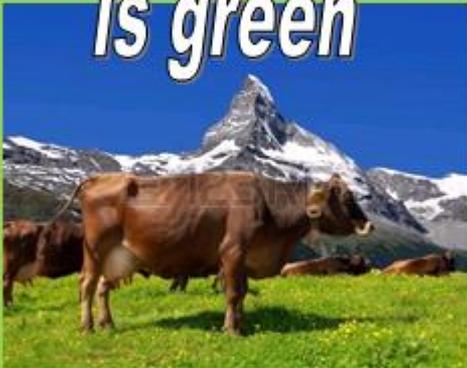
The advertisement features a central image of wine glasses and cheese. It includes the European Union flag, the flags of France, Italy, and Portugal, and a circular logo for Protected Designation of Origin (PDO). The text 'ENJOY IT'S FROM EUROPE' is prominently displayed in a red box.

Examples

Origin on Internal market

Origin on third countries

*The European Milk
is green*



The European milk from Italy and Austria



 Campagne financée avec le concours
de l'Union Européenne

Le kiwi en Europe c'est possible !!



*La force du Kiwi d'Italie,
de France et d'Espagne*



 Campagne financée avec le concours
de l'Union Européenne

Example - Programme :

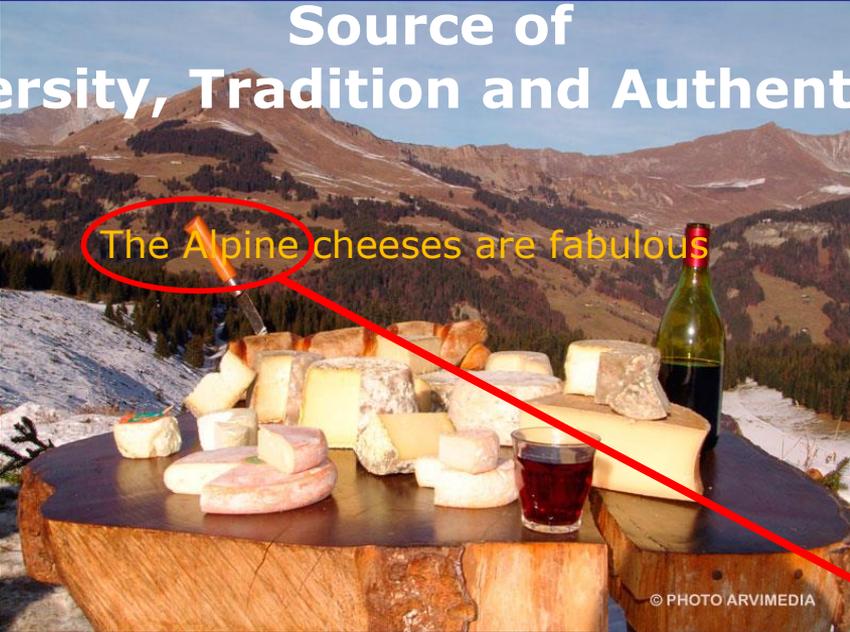
- on the internal market
- Generic information campaign

- **Main Message:** the quality of EU cheeses
- **Objective:** increase the awareness on the qualities of EU cheeses (diversity etc..)
- **Programme** = set of consistent actions to raise the objective

- ⇒ Actions on EU cheeses
- ⇒ Illustrations and/or secondary message with mention of Alpine cheeses

TASTE THE EUROPEAN CHEESES !!

Source of Diversity, Tradition and Authenticity



The Alpine cheeses are fabulous

ENJOY IT'S FROM EUROPE

© PHOTO ARVIMEDIA

Alpine = origin
supranational 😊
IM : 2nd 😊

Different types of actions

Information and promotion programmes :

- ✓ 1 to 3 years
- ✓ Submitted by proposing organisations (PO)
- ✓ **SIMPLE programmes** : one or more PO from the same MS
- ✓ **MULTI programmes** : several POs from several MS + EU organisations

Commission initiatives :

- ✓ Information and promotion measures :
 - ❖ High-level missions
 - ❖ Participation in trade fairs
 - ❖ Own campaigns
- ✓ Technical support services

Simple programmes and delegated act

- ✓ Be of significant scale

- ✓ In the **Internal Market** shall be implemented :
 - in at least **2 Member States**, or
 - in 1 Member State if not the one of origin of the proposing organisation(s)

- ✓ This requirement does **NOT apply for programmes**:
 - on **Union quality schemes** (points a, b, c of article 5,4)
 - relaying a message/ **proper dietary practices** (EC white paper COM(2007)279)

Implementation of the simple programmes and delegated and implementing acts

- ✓ Implementation through an implementing body
- ✓ Selection of the implementing body through a competitive procedure:
 - ✓ ensuring best value for money
 - ✓ Body governed by public law : Directive 2014/24/EU on public procurement
- ✓ Selection before the signature of the contract
- ✓ A PO may implement certain parts of the programme itself, subject to the following conditions:
 - ✓ the PO has at least three years' experience of implementing promotion measures;
 - ✓ the PO ensures that the cost of the measure which it plans to carry out itself is not in excess of the normal market rates.

New technical support services offered by the Commission

As example :

- ✓ Help proposing organisations to design their programmes and implement them in an effective manner
- ✓ Create a platform for exchanges – generate contacts between proposing organisations (e.g. interest in carrying out a multi programme)
- ✓ Organising trainings, conferences to exchange views and methodology
- ✓ Help operators to develop their export activities

Cofinancing rates

- ✓ ~~National cofinancing~~
- ✓ **EU cofinancing rates :**



	Type of programmes	
	Simple	Multi
Internal market	70%	80%
External market	80%	80%
In case of serious market disturbance/ loss of consumer confidence	85%	85%

+ 5% for MS under financial assistance

New selection procedures

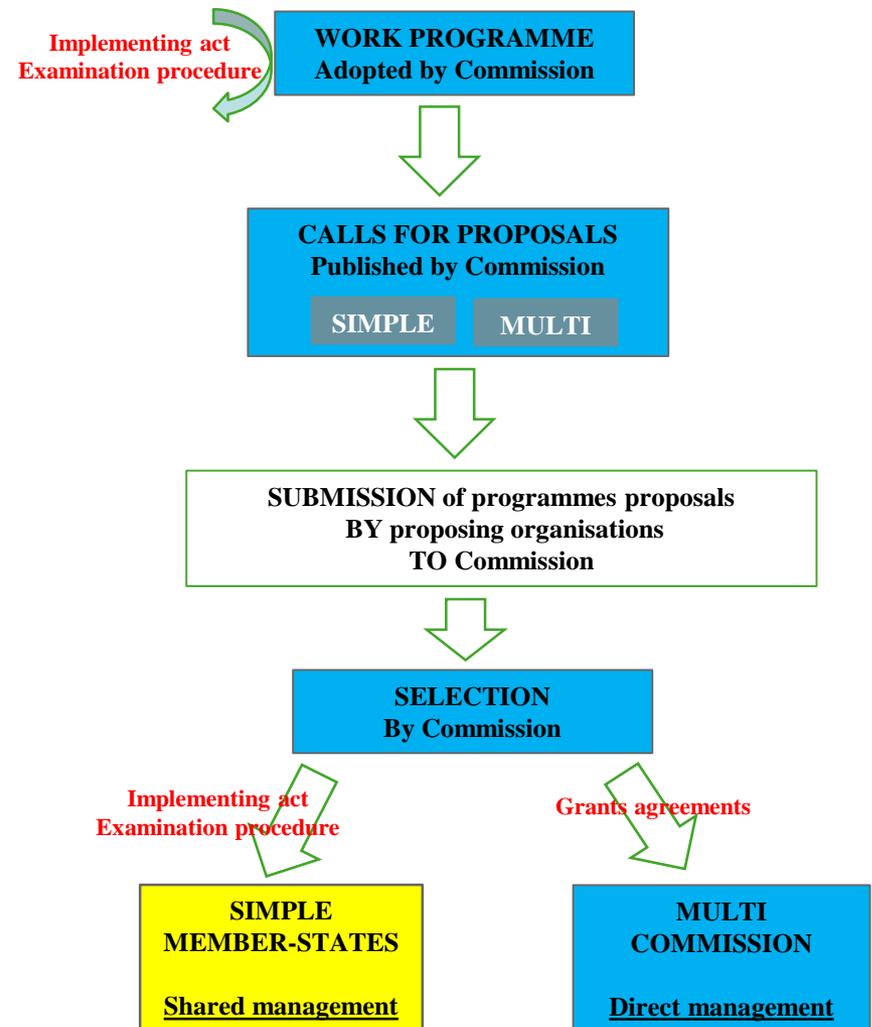
- ✓ Programme directly submitted to European Commission



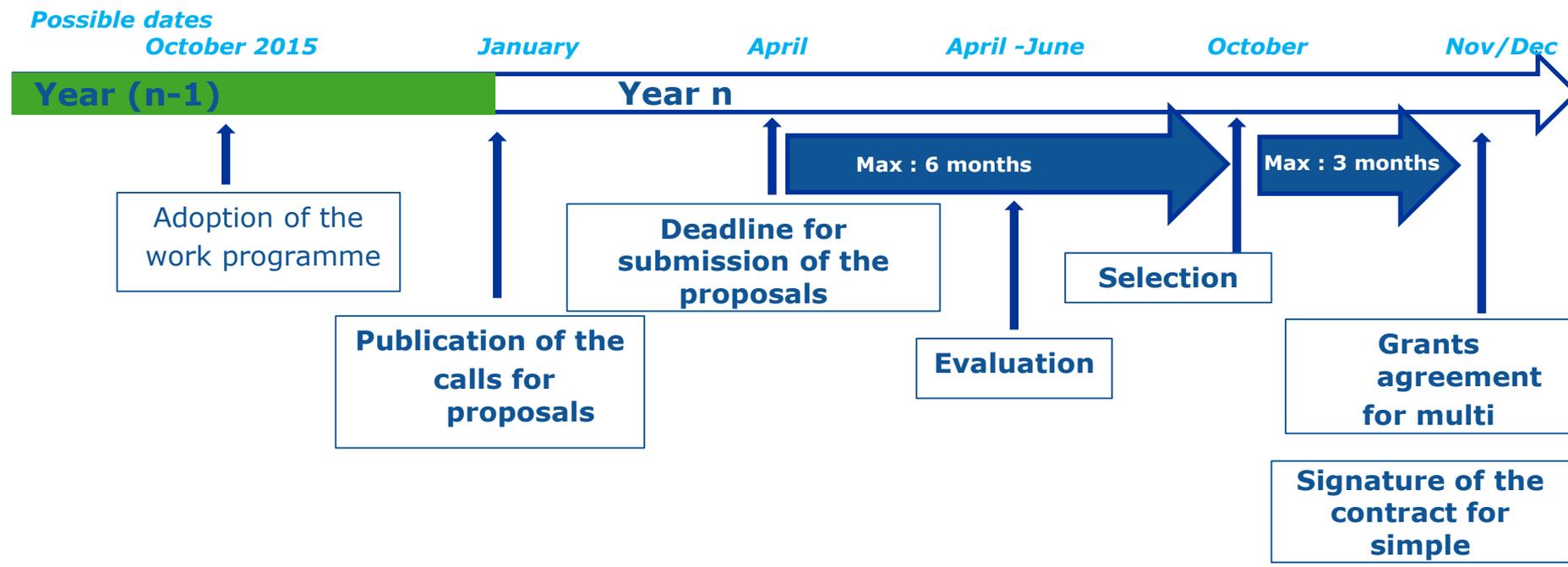
No national cofinancing anymore

- ✓ 1 selection per year based on priorities established in annual work programme

- ✓ Implementation adapted to the specificities of simple-multi programmes



Timeline: Indicative!!!!



Management of the programme and delegated and implementing acts

Goal of simplification

- Multi programmes directly managed by the Commission
- Simplified implementing rules for simple programmes :
 - No performance security anymore
 - Control of visuals within the periodic technical report accompanying each payment request and not via an ex-ante approval by the MS
 - Flexibility with regard to the start of the implementation of the programme i.e. up to 6 mths after conclusion of the contract
 - Advance : 20% of the total EU contribution for the programme
 - Security for advance payment limited to 100%
 - Audit Certificate on the financial statements if more than 325,000 EURO
 - Costs of the securities and audit certificate are to be eligible
 - Interim payments paid on top of the advance (limited to 90% of the EU contribution)

Better assessment of the impact

- Tool kit of indicators
- Standardisation of the reporting

Delegation to an Executive Agency

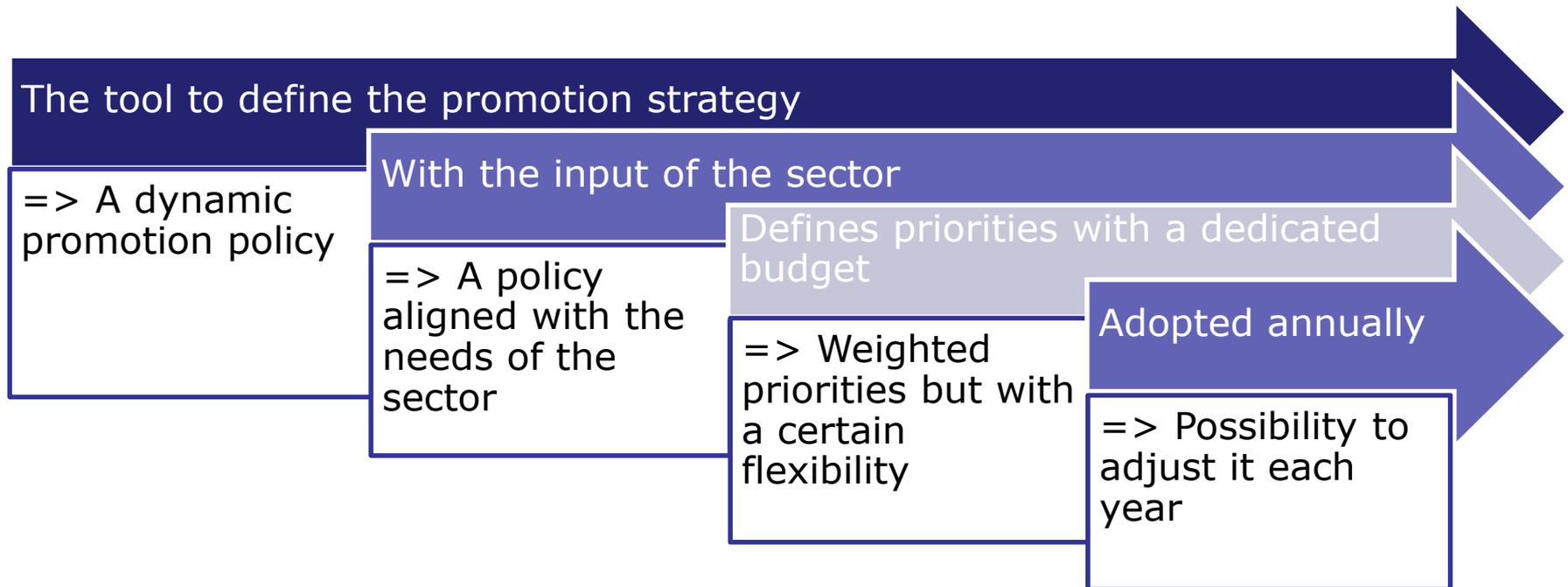
Which executive agency ?

- ✓ Delegation foreseen to Consumers, Health, Agriculture And Food Executive Agency (CHAFAEA) –see Decision 2014/927/EU-
- ✓ Based in Luxemburg

Why an executive agency ?

- ✓ Experience and specialisation in project management
- ✓ Improved service delivery
- ✓ Cost efficiency
- ✓ Increase the EU's visibility

Establishment of the priorities What is the work programme ?



How did we draft the market priorities?

- The objectives of the Regulation itself: (i) increase the number of activities aimed at third countries where there is the highest potential of growth and (ii) in the internal market, inform consumers about the high standards of EU products, notably the EU quality logos;
- For third countries, a macro-economic analysis on projected increase in imports for a selection of products suitable for inclusion in promotion programmes on existing or emerging markets, peered with imports' growth potential, as well as a policy evaluation on FTAs or expected removal of SPS barriers;
- Contributions from stakeholders, consulted through the Civil Dialogue Group on Quality and Promotion of 21 November 2014
- Specific market situation of the milk and pig meat sectors

The market priorities Annual Work Programme for 2016

Internal market

- ❖ Information on EU quality schemes (PDO/PGI/TSG, Organic, Outermost regions)
- ❖ Other innovative programmes (=quality in general, characteristics of EU products, etc)
- ❖ Programmes on dairy/milk or pig meat

Third-country market

- ❖ China/Japan/South Korea
- ❖ USA/Canada
- ❖ Latin America
- ❖ South East Asia
- ❖ Africa and Middle East
- ❖ Other geographical areas
- ❖ Programmes on dairy/milk or pig meat targeting any third countries

The market priorities implemented through simple/multi programmes

- ❖ 10 market priorities
- ❖ Budget management constrain: Need to dissociate the budget envelop for simple programmes from the one for multi programmes
- ❖ Phasing in of the budget for multi programmes but 2016 amount too limited to be split

- ❖ Simple programmes :
 - ❖ Internal market : 3 priorities
 - ❖ Third country markets : 7 priorities
 - ❖ Following a serious market disturbance
- ❖ Multi programmes : single priority

The Annual Work Programme for 2016 : SIMPLE programmes

1. Internal market 27%

- ❖ Information on EU quality schemes
(PDO/PGI/TSG, Organic, Outermost regions)
- ❖ Other innovative programmes
(=quality in general, characteristics of EU products, etc)
- ❖ Programmes on milk/dairy or pig meat

2. Third-country market 70%

- ❖ China/Japan/South-Korea
- ❖ USA/Canada
- ❖ Latin America
- ❖ South East Asia
- ❖ Africa Middle East
- ❖ Other geographical areas
- ❖ Programmes on milk/dairy or pig meat targeting
any third country

3. Serious market disturbance 3%

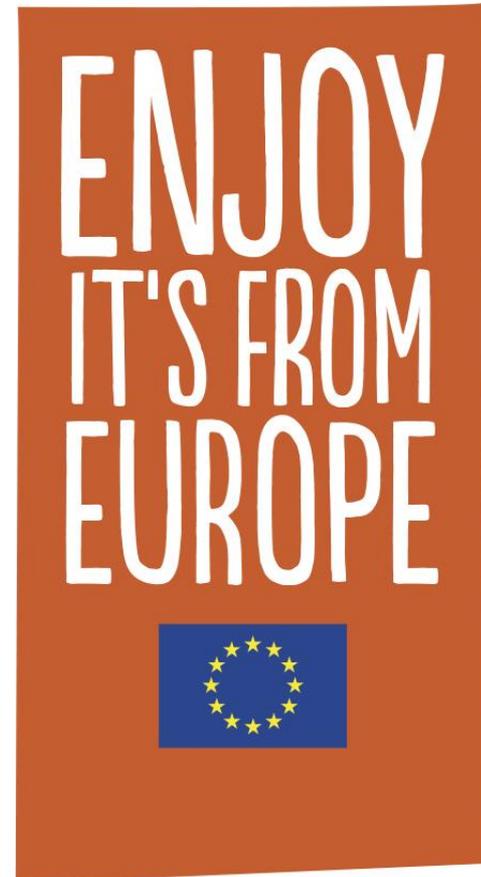
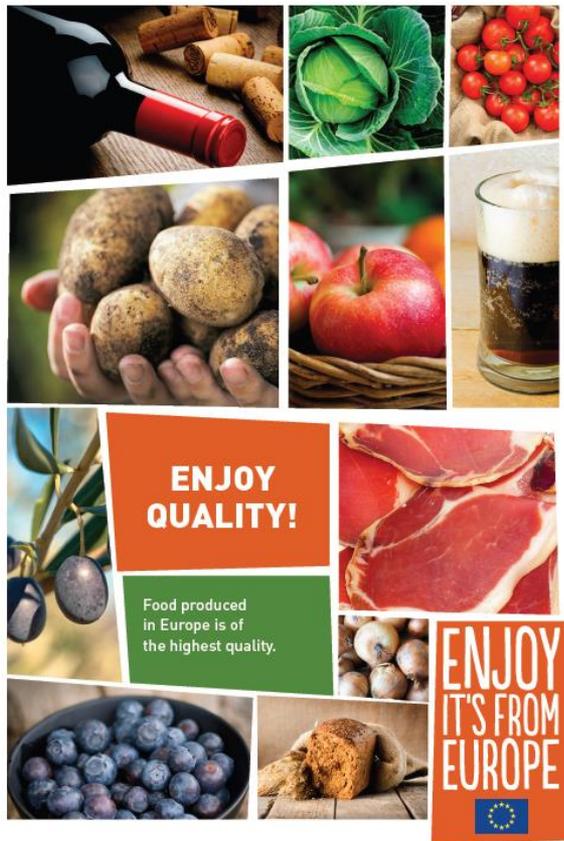
The Annual Work Programme for 2016

Indicative repartition of budget for cofinanced programmes

	Amount foreseen
Simple programmes - Internal Market	26 M€
<u>Topic 1*</u> - Information and promotion programmes aiming at increasing the awareness and recognition of Union quality schemes as defined in Article 5(4)a,b and c of Regulation (EU) 1144/2014	10 M€
<u>Topic 2*</u> - Information and promotion programmes aiming at highlighting the specific features of agricultural methods in the Union and the characteristics of European agricultural and food products	7 M€
<u>Topic 3</u> - Information and promotion programmes on milk/dairy, pig meat products or a combination of those two	9 M€
Simple programmes - in Third countries	68 M€
<u>Topic 4*</u> - Information and promotion programmes targeting China, Japan, South Korea and customs territory of Taiwan	12 M€
<u>Topic 5*</u> -Information and promotion programmes targeting USA and/or Canada	12 M€
<u>Topic 6*</u> - Central and South America and the Carribean	7 M€
<u>Topic7*</u> - South East Asia, meaning Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Vietnam	7 M€
<u>Topic 8*</u> - Africa and Middle East	4,5 M€
<u>Topic 9*</u> - other geographical areas	4,5 M€
<u>Topic 10</u> - Information and promotion programmes on milk/dairy products, pig meat products or a combination of those two targeting any third country	21 M€
Multi programmes	14 M€
Simple programmes - in case of serious market disturbance	3 M€
<i>*These programmes shall not cover milk/dairy products, pig meat products or a combination of those two. They may however cover milk/dairy products, pig meat products or a combination of those two if they are associated with other products.</i>	Total 111 M€

Lastly, enjoy it's from Europe!

A new signature for future campaigns



For further information

Europa web-site

http://ec.europa.eu/agriculture/promotion/policy/index_en.htm



Thank you