

Summary from Round Table 3

“Adding value to the EastAgri Region’s agricultural products: good agricultural practices, quality labels and geographical indications”

Gilles Mettetal, (Director, Agribusiness, ERBD) opened the session with a few words on food quality, emphasizing that even in the context of soaring food prices where the accent is put on quantity, it is increasingly important to take into account quality as regards three main areas:

- ***Quality of the product:*** example of the *terroir* as a basis for this kind of quality with emphasis on geographical indication (GI);
- ***Quality of the production system:*** standards — such as good agricultural practices — are more and more an entry barrier to international and retail markets;
- ***Quality of the enterprise:*** considering social aspects and social responsibility in agroprocessing.

The first presentation (E. Vandecastelaere, FAO/AGNS) proposed an overview of quality labels and standards related to differentiation, adding-value or market access.

As regard quality, a distinction has to be made between (i) basic or generic quality a product has to present in order to be put on the market (consumers protection) and (ii) the supplementary level of quality, corresponding to the valorisation of a specific quality due to certain characteristics (social, environmental, cultural, origin) as the result of a strategy of differentiation (voluntary approach). Another distinction to be made is between B2B standards aiming at improve internal value chain performance and label for consumers. An important issue of these voluntary approaches is the coordination between private and public sector: private sector is the main driver to answer new consumer’s demand, while the public sector implements regulation and sets up an institutional framework required for consumer protection and safety. In some cases it can play a role in enhancing quality labels in a perspective of rural development, as is the case for geographical indications.

Case studies were made on GIs (<http://www.foodquality-origin.org/EasternEuropean.html>) and revealed the difficulties due to their recent development and the needs for capacity building. In this view, interesting projects could be developed with a joint public-private approach: aiming at reinforcing the regulatory and institutional framework while supporting the value chain organisation and product marketing. The forthcoming regional seminar on *Quality Products Linked to Geographical Origin and Traditions*, organized with Ministry of Agriculture of Serbia, Agridea and Seedeve, in Belgrade, 3–4 December (<http://www.foodquality-origin.org/documents/seminarBelgrade.pdf>).

Catherine Rogy, the representative of the French Ministry in charge in particular of food industry and quality labels, presented the policy and the institutional framework for implementation of quality labels, in order both to create market opportunities and answer consumer’s demand. Different labels exist corresponding to different consumer’s expectations: label rouge, appellation and geographical indications, organic, etc.. For each a specific official logo has been developed. As regards the European logo for geographical indication, it was interesting to see that it can be used by third countries which have registered GIs in the European system. The presentation was completed by Véronique Fouks, the representative of INAO, the French National Institute for Quality and Origin. The French system is quite sophisticated, and has been built on the French agriculture model, based in particular on a strong collective organisation. The presenter insisted on the fact that each country has to develop its own adequate model. The responsibility of governments is to offer the adequate system and enable producers to meet requirements.

Martial Sekely, from Lactalis presented their work in the Region (Russia, Ukraine, Kazakhstan, Moldova, Croatia, Western Balkans). He explained the problems faced as regard quality criteria: marketing of dairy products mean for them to invest in agriculture and breeding. Indeed, the quality level of milk there is lower than in Europe: the minimum quality characteristics are not always met

which create a difficult question for the enterprise as there is a lack of milk to supply the market demand.

Anne Richard, from CNAOL, the French National Council for appellations on dairy products, presented the importance of geographical indications for cheese in France: 47 cheese appellations exist. In particular she highlighted the positive impact of those labels as regard rural development through the recent socioeconomic study on Savoy cheeses with appellation.

Ljerka Puljic, from Agrokor, presented the strategy of this highly successful vertically integrated enterprise in the food sector; being the market leader across most of its business segments in the Balkans. Supported by EBRD from its beginnings, the company is now a very important producer–processor–retailers and traders for the EastAgri region. One of the main points discussed was the strategy to be present at all value chain stages, from farm to high quality restaurant.

Finally, Galina Mozgovenko, the representative of Souzplodimport of Russia, presented the situation of the geographical indication in Russia. Difficulties come from historical development in Russia, as well legal obstacles and administrative aspects. The intellectual Property law was adopted in 1992 and the first GI was in 1996, there are now 107 GIs from which 17 for food and agricultural products (vodka, honey, cheese etc). Their perspectives are to harmonize their system with EU legislation and create an institution for GIs.

The workshop was an interesting example for how public and private sector can work together in this important field. GIs can be used as an important tool for rural development, showing there are differences between Western and Eastern countries as regard their implementation of GI standards. It was interesting to compare the EastAgri region to more advanced cases in the European Union such as France. Equally the private sector needs to provide important inputs to the regulatory bodies as to where domestic GI indication is desired and where the government should focus on consumer protection only.

A joint action and concerted approach between private sector and governments are a key success factor and should be enhanced.