

Committee on Agriculture
Special Session

Original: English

EUROPEAN COMMUNITIES PROPOSAL

FOOD QUALITY – IMPROVEMENT OF MARKET ACCESS OPPORTUNITIES

The European Community sees an essential link between market access and the issue of food specificity, or in other words quality food specificity. The object of opening up markets is to increase gains from trade and consumer choice. Both of these objectives can be fostered by pursuing fair competition, consumer protection and proper protection of denominations linked to food quality or food specificity. This will give consumers a real freedom to choose and grant to producers the opportunity to gain from product differentiation and to reap the rewards for their investments.

Food specificity is a factor of importance in consumer choice concerning agricultural products. There is demand for products incorporating specific and identifiable characteristics, including traditional know-how and geographical origin.

Such demand offers expanded opportunities for agricultural products and foodstuffs which can respond to consumer expectations. By providing outlets for high-value food products, it encourages producers to diversify production, and to focus on quality.

These beneficial effects, however, only materialise insofar as market access opportunities for such products are ensured. The conditions have to be created under which the consumers are able to choose products on the basis of their specific characteristics, and such consumer choice is able to reward those products.

The pursuit of fair competition, of consumer protection and of protection against the usurpation of names becomes essential to achieve this goal. Improving market access for products means improving the conditions leading to consumer recognition and responsiveness, and ensuring that usurpation of product names does not deprive the producers of the economic benefits of their investment in quality, specificity and name recognition.

It is important to underline that the preservation of food specificity is not meant to create trade barriers. Quite to the contrary, it is meant to open markets by proposing to address a major obstacle to the further development of trade opportunities, constituted by the considerable economic losses engendered by usurpation and consumer deception.

Market access and fair competition opportunities for many regional and traditional products are effectively denied by the fact that the market is either already occupied by other products which usurp the reputation of the original products, or may subsequently be occupied, due to the absence of protection, once the original product proves to be lucrative. A product which has no guarantee as to the continued protection of its specificity from usurpation cannot be said to have fair opportunities for access, as there is no incentive for investment in quality and name recognition if no reward can be reaped in the market.

Improved market access for such products is an important goal of the European Community, which is one of the largest exporters of agriculture and food products in the world.

However, this is far from being the interest of the Community alone. Developing countries, who possess a great richness and variety of food products based on traditional know-how, stand to benefit from increased access opportunities, especially to lucrative niche markets in developed countries. The Community feels that great attention should be given to ensuring that the more general objective of improved market access for developing country products should be made effective as regards products with specific characteristics, by focusing on the appropriate means to ensure that the economic benefits of the reputation and quality of such products are enjoyed by the country of origin, and not by usurpers.

Objectives

The Community's objectives can be summarised as follows :

- to obtain effective protection against usurpation of names in the food and beverages sector.
 - to make market access effective, by ensuring that product which have the right to use a certain denomination are not prevented from using such a name on the market. To prevent such a use amounts to a barrier to trade, and deprives such products of access, as their denomination is the basis of consumer recognition and therefore carries economic value.
 - to ensure consumer protection and fair competition through regulation of labelling. Labelling rules become more and more important as an instrument of product differentiation and consumer choice. They should be addressed with a view to ensuring that they also contribute to protection against usurpation and consumer deception.
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