

Measure fiche

Quality schemes for agricultural products and foodstuffs

Measure 3

Article 16 of Regulation (EU) No 1305/2013

.This fiche is based on the text of Regulation (EU) No 1305/2013 [EAFRD] and, when relevant, on Regulation (EU) No 1303/2013 [CPR]. Since the Delegated and Implementing Acts supplementing these regulations have not yet been adopted, some modifications to this guidance fiche might be needed after their adoption.

This guidance does not represent a binding legal interpretation of Regulation (EU) No 1305/2013. It is therefore essentially non-binding in nature and complements the related legal acts.

1. RATIONALE OF THE MEASURE

The participation of farmers in quality schemes is not fully remunerated by the market, especially at the moment of entering such schemes and in the early years of participation, when additional obligations and additional costs are imposed. Accordingly, this measure supports all new entrants to Union, national and voluntary quality schemes.

2. SUPPORT MAY ALSO COVER COSTS ARISING FROM INFORMATION AND PROMOTION ACTIVITIES IN ORDER TO IMPROVE CONSUMERS' AWARENESS OF THE EXISTENCE AND SPECIFICATIONS OF PRODUCTS PRODUCED UNDER THESE UNION AND NATIONAL QUALITY SCHEMES. WHAT'S NEW IN COMPARISON TO THE PERIOD 2007-2013

While there are no significant changes as regards the implementation of the measure within rural development programmes, contrary to the period 2007–2013 the list of Union quality schemes eligible for support under this measure are explicitly referred to in Article 16

In light of the scope of the Union quality schemes listed in Article 16, the following main **new elements** are introduced during 2014-20 as regards beneficiaries, products and schemes eligible for support under this measure:

- “Groups of farmers” as beneficiaries for the new participation and “groups of producers” for the information and promotion activities receiving support under Art. 16(1) and (2) of Reg. (EU) N° 1305/13;
- Farm certification schemes for agricultural products, cotton or foodstuffs recognised by the Member States;
- Quality schemes for purposes other than human consumption and/or new Non-Annex I products:
 - Cotton, explicitly mentioned in Article 16;
 - Some organically produced agricultural products e.g. feed;
 - Certain new products listed in Annex I to Regulation (EU) No 1151/2012;
 - Spirit drinks bearing a geographical indication;
- Designations of origin and geographical indications for aromatized wines;
- New “Optional quality terms” schemes (e.g. "mountain products") foreseen by Regulation (EU) No 1151/2012 of 21 November 2012 on quality schemes for agricultural products and foodstuffs;
- Voluntary agricultural product certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs;
- Information and promotion activities following support by Member States for new entries into eligible protected quality schemes

3. CONTRIBUTION TO FOCUS AREAS AND CROSS-CUTTING OBJECTIVES

The support for joining quality schemes and for relevant information and promotion activities is linked to Priority 3 by contributing to the reinforcement of producers' position and marketing power within the food chain enhancing like that job opportunities and the development of rural areas..

,Therefore, this measure should be programmed under :

- Priority 3: “Promoting food chain organisation and risk management in agriculture”, and in particular its Focus Area 3A: “Better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations”.

4. SCOPE, TYPE AND LEVEL OF SUPPORT

4.1. Relevant definitions

For the purpose of Article 16, the eligible costs (“**fixed costs**”) are defined as: “costs incurred for entering a supported quality scheme and the annual contribution for participating in that scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme”.

The concept of "quality" is not specifically defined in the rural development regulation, as it refers back to the relevant specific legislations backing the different quality schemes eligible for support under this measure. The same applies as regards specific terminology applicable to such schemes.

4.2. Type of operation

Support may be granted for new participation by farmers in one of the quality schemes under EU regulations listed in Article 16, national schemes or voluntary certification schemes that comply with Union best practice guidelines.

Support may also cover costs arising from information and promotion activities implemented by groups of producers in the internal market for products covered by a quality scheme receiving support in accordance with paragraph I of Art. 16, namely the Union quality schemes and the national ones, including farm certification schemes provided they comply with the criteria set out under (b) (i) (ii) (iii) and (iv). Voluntary certification schemes are excluded from the information and promotion activities.

4.3. Beneficiaries

4.4. **“Farmers and groups of farmers” for the new participation in the quality schemes and “groups of producers” for the information and promotion activities. The “groups of producers” should be receiving support under Art. 16(1) and (2) of Reg (EU) 1305/2013. They shall be entities, which bring together operators in a quality scheme for agricultural products, cotton or foodstuffs as referred to in Art. 16(1) and (2). They can be Producer Groups, Producer Organizations, inter-branch organizations or other type legal entity groups.** Eligible costs and eligibility conditions

As regards eligible costs, "fixed costs" include the following:

- a) Costs incurred for entering a supported quality scheme;
- b) Annual contribution for participating in a supported quality scheme;
- c) Expenditure on checks required to verify compliance with the specifications of the relevant scheme.

As regards eligibility **for the new participation by farmers and groups of farmers in quality schemes**, the following has to be considered:

For products recognised as EU Protected Geographical Indications, Protected Designations of Origin and Traditional Specialities Guaranteed, support can only be

granted in respect of products registered in one of the EU registers. These products can be consulted on: <http://ec.europa.eu/agriculture/quality/door/list.html>

For products registered under the EU designations of origin and geographical indications in the wine sector, support can only be granted in respect of products registered in one of the EU registers. These products can be consulted on: <http://ec.europa.eu/agriculture/markets/wine/e-bacchus/index.cfm>

For products labelled as 'mountain product', support can only be granted in respect of products fulfilling the conditions of Article 31 of Regulation (EU) No 1151/2012 (and the corresponding delegated act yet to be adopted). The Member States will have to include the list of such products in their rural development programmes. The same applies, *mutatis mutandis*, for other possible optional quality term schemes if/once established by delegated act according to Article 30 of Regulation (EU) No 1151/2012.

National schemes eligible for support if scheme complies with the criteria laid down in Article 17(1) (b). In this regard, the description of the scheme has to be provided in the rural development programmes.

Voluntary agricultural products certification schemes are eligible for support if a MS recognise they meet the Union best practice guidelines, accessible at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:341:0005:0011:EN:PDF>, and are listed in the rural development programmes. For organic products support can only be granted for products complying with the conditions of Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91.

For spirit drinks bearing a geographical indication according to Regulation (EC) No 110/2008, support can only be granted in respect of products registered in the EU register. These products can be consulted on: <http://ec.europa.eu/agriculture/spirits/>

For geographical designations of aromatized wines, support can only be granted in respect of products that are listed in Annex II to Regulation (EEC) No 1601/91.

As regards **eligibility for information and promotion activities**, the following has to be considered:

Information and promotion activities eligible for support shall be activities designed to induce among others consumers to buy the agricultural products or foodstuffs covered by Union or quality schemes, including farm certification schemes for agricultural products, cotton or foodstuffs, recognised by the Member States on the basis of the criteria set in Art. 16 (b) (i) (ii) (iii) and (iv). The new participation of at least one farmer in the protected quality schemes is necessary.

Such activities shall draw attention to the specific features or advantages of the products concerned, notably the quality, specific features of agricultural production methods in the Union, particularly in terms of authenticity, high animal welfare standards or respect for the environment linked to the quality scheme concerned, and may include the dissemination of scientific and technical knowledge about these products.

Such activities shall include, in particular, the organisation of, and/or participation in, fairs and exhibitions, similar public relation exercises and information and activities promotion via the different channels of communication or at the points of sale of national

or EU significance. The information and promotion activities might aim at the same time at increasing the sales of eligible quality products.

Only information and promotion activities in the internal market shall be eligible for support. However, such activities must not encourage consumers to buy a product due to its particular origin, except for products covered by Union or national geographical indications and designation of origin and quality wines or protected spirit drinks produced in specified regions. The origin of a product may nevertheless be indicated provided the mention of the origin is incidental to the main message. Activities related to the promotion of commercial brands shall not be eligible for support. Nevertheless, product brands may be visible during demonstrations or tasting and on information and promotion material provided as well that the reference of the product brands is subordinate to the main message.

Member States shall ensure that all information and promotion material drawn up in the context of a supported activity comply with Community and national legislation applicable in the Member State in which the information and promotion activities are carried out.

As regards the information and promotion activities for protected wines, protected aromatized wines and protected spirit drinks clear reference to the applicable legal and regulatory requirements regarding the responsible consumption of these alcoholic drinks and the risk of alcohol abuse should always be made.

4.5. Principles with regards to the setting of selection criteria and the selection of beneficiaries

Reference should be made to the "Guidelines on eligibility conditions and selection criteria".

4.6. Links to other legislation

This measure is obviously linked to the Union and national legal frameworks implementing the quality policy for agricultural products and foodstuff referred to in Article 17. Thus, the support provided under this measure indirectly underpins the objectives of such specific legislation, and is conditional on the respect of relevant provisions concerning the quality schemes in subject.

4.7. Aid intensity/amount of support

For the new participation in the quality schemes support shall be granted as an annual incentive payment, the level of which shall be determined according to the level of the "fixed costs" arising from participation in supported schemes, for a maximum duration of 5 years.

The maximum annual amount of support per scheme is 3000 €per holding.

For the information and promotion activities the maximum amount or support rate is 70% of the total eligible expenditure.

4.8. Co-financing rates

The maximum EAFRD contribution rate are established as follow (Art. 59.4):

- Max. 90% of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands.
- Max. 80% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20%.

The EAFRD contribution rate shall be 100% for amounts transferred from Pillar I to Pillar II

4.9. Focus on specific issues: measure combinations with other CAP instruments

Examples of measure combinations:

A farmer can receive support among others through Article 16, Article 14 - “Knowledge transfer and Information actions” and Article 29 - “Organic Farming”.

If training is needed to join a quality scheme, the right combination of measures, namely Articles 14 and 16, should be programmed under the relevant focus area (eg 3A).

The Article 14 measure can cover vocational training and skills acquisition actions, demonstration activities and information actions, including participation to specialized courses, workshops and coaching in the field of quality schemes for agricultural products and foodstuffs. The Article 16 measure can cover the new participation in organic food quality schemes and the Article 29 measure can cover income foregone, additional costs and transaction costs for farmers converting or maintaining organic farming practices and methods. To note that under the Article 14 measure the recipient of the funding is the service provider and not the one who is being trained.

Demarcation with Regulations (EU) No 1308/13 and (EC) No 555/2008 (wine sector): General costs linked to fees of consultation, feasibility studies, the acquisition of patent rights and licenses implementation are foreseen in the framework of the national support programmes in the wine sector in particular according to Art. 5 and 5h) of Reg.(EC) No 555/2008 (under modification for the moment).

Complementarities and/or double payments with the new horizontal promotion policy (see Proposal COM (2013) 812 fin) and the promotion activities under the national support programmes in the wine sector (see Art. 45 (1) (a) for the internal market of Regulation (EU) 1308/13) should finally be followed as the geographical coverage, namely internal market, beneficiaries, eligibility conditions and means for the information and promotion activities might be in some cases identical. When programming under rural development, Member States have to take that into account and ensure that double funding is avoided.

5. OUTPUT INDICATORS

Reference should be made to the Working Paper "Elements of strategic programming for the period 2014-2020", Annex IV.

6. VERIFIABILITY AND CONTROLLABILITY

Reference should be made to the "Guidelines on verifiability and prevention of errors".

7. TRANSITIONAL ARRANGEMENTS

Where funds allocated to the measure for the period 2007-2013 are not used up, commitments and payments may continue during 2014-15. Carry over operations can become eligible under the 2014-20 financial envelope until the end of the commitment period, provided that the eligibility rules do not change (see Commission Implementing Regulation (EU) No 335/2013 of 12 April 2013 amending Regulation (EC) No 1974/2006 laying down detailed rules for the application Council Regulation (EC) No 1698/2005).