

Round Table, 12 September - FAO

France has long been a country that has given priority to the development of quality-focused programmes. France invented the concept of the *appellation d'origine*, the protected designation of origin. And France was a key actor in ensuring that attention to quality is taken into account in the European Union's regulations.

France's policy in the area of official programmes to promote quality is part and parcel of a general policy on food.

The implementation of policy on food quality is a key component in France's strategy for the development of the agriculture and agrifood sectors. This is because quality is a source of decisive advantage in the context of intense market competition and relatively undifferentiated products. It is reflected in greater value-added and improved competitiveness for the farming and agrifood sectors that provide France with independence for its food supply, dynamic economic activity in its regions and a positive trade balance of nearly €8 billion.

Also, and more especially, food is important for our fellow citizens, who express strong and legitimate expectations with regard not only to the safety for health of food and a balanced diet, but also the pleasure, good taste and conviviality involved in its consumption, the sustainability of modes of production, and ensuring that high value is attached to the link between products, local context, or *terroir*, and expertise. It is for this reason that the promotion of our agrifood products under quality signs, products whose worth is highly appreciated not only in France but also in foreign markets, is more relevant than ever.

In order to respond to this issue, the Ministry of Agriculture and Fisheries has put in place a specific policy on official quality signs. A legislative and regulatory framework for the labelling system has been in existence for many years. In order to support our official quality signs over the long term, a reform was recently set in train in a statute adopted in 2006 and based around three key objectives: comprehensibility, transparency and confidence.

The specific character of our labelling system stems from the fact that this policy is founded on **voluntary action by sector professionals**, with the support of government for the definition of production conditions specific to each sign, supervision of checks on due adherence to those conditions on the part of market operators and prosecution of violations relating to improper use of signs.

Labelling that identifies product quality and origin provides a “guarantee” to consumers and an invaluable commercial advantage to market operators.

I – Labelling that identifies product quality and origin provides a “guarantee” to consumers backed by strong government involvement

Clear messages expressed in a small number of key terms meeting consumer expectations are associated with each of quality or origin sign:

- Quality related to taste: the *label rouge* or red label;
- Quality linked to origin (the *terroir* or specific local conditions): the *appellation d'origine*, protected designation of origin and the protected geographical indication (PDO, PGI);
- Quality related to certain traditions: traditional speciality guaranteed (TSG);
- Quality related to the environment: organic farming (*Agriculture Biologique* – AB).

In a context typified by constantly rising consumer demand for clear, reliable information on the products they consume and by a multiplicity of private-sector initiatives making use of the term “quality”, government involvement can be seen to be all the more essential.

The success of programmes focused on quality and origin is the outcome of a successful alliance of initiatives by farmers and agrifood companies and backing from government. In the context of this type of approach, some operators (producers, processors), because it fits a strategy directed at commercial value-added and/or logic based on regional considerations, may decide to group together to build a collective programme validated by issuance of an official quality sign. A precise, verified set of specifications then sets out the principles and procedures for producing a given product in a given geographical area, such as to justify special recognition by the authorities. Such groups of market operators also have the task of driving the programme they have initiated and developing it over time. This is in fact extremely important if the economic positioning of the products concerned is to be assured.

Management of the whole range of official quality signs (examination of applications and checks) has been entrusted to a single public body answering directly to government, which has allocated it a budget of €20m: INAO (*Institut national de l'origine et de la qualité* / National institute for product origins and quality). INAO is structured around a number of specialist committees for the various official signs. The relevant sector professionals for the products covered by a sign enjoy a dominant role; the committees bring together distributors, consumers and government. INAO is also responsible for protecting the official quality signs, especially against unauthorised use both inside and outside France.

Checks on adherence to the mandatory specifications are carried out by competent and independent third-party bodies accredited by government. Their role is to certify for the consumer on an ongoing basis that the promises embodied in the specifications for products covered by official quality signs are actually kept. This is essential and constitutes a key prerequisite for maintenance of the commercial dynamic driving our quality signs. Consumers’ need for government backing is in this way fully expressed within the framework of French policy on quality signs for agricultural and agrifood products.

For consumers, official signs identifying quality and origin can thus provide a guarantee of quality because the conditions governing product recognition and verification are backed by government.

II – An invaluable commercial advantage for market operators

Labelling to identify quality or origin provides protection for traditional production areas and can add value to the expertise of sector enterprises: approximately 200,000 farmers and growers and over 13,000 agrifood firms (both individual tradesmen and manufacturing companies) and suppliers (hatcheries, feed firms, etc.) are now participants in the policy to add value to agricultural and food products.

Such labelling fosters variety and diversification in production. It enables producers to market products that are differentiated on the basis of clearly identifiable specific characteristics. Quality signs provide in this way an excellent tool for easier market access, especially for modestly sized enterprises. The products involved, which benefit from a guarantee of adherence to a defined set of specifications, thus enjoy easier access to the major retail chains and to export markets.

Labelling to identify quality and origin is also a tool for market segmentation that fulfils a genuine economic purpose: the quality and origin signs concerned respond to identified needs felt by consumers, who are thus enabled to recognise products bearing national or Community logos.

Additionally, definition of the product specifications to be met requires collective organisation on the part of producers and their partners downstream in the chain. The collective management to be put in place relates to the actual definition of the product, its quality features and the processes used to make it. This capacity for collective organisation is a crucial factor for if efforts to achieve differentiation based on the origin or the quality of agrifood products are to succeed. It also allows the value-added generated to be spread more evenly over the various links in the supply chain.

III Involvement of the public authorities in promoting official quality signs to consumers

As I have previously indicated, official quality signs are key vehicles for differentiation, diversification and growth in our agriculture and in our rural areas, with a view to sustainable development, to which they have contributed for very many years.

For this system to survive, it is of course necessary to arouse the interest of consumers in the products concerned and to develop every factor capable of informing them of the characteristics of quality signs and foster their widespread use. This is so because the multiplicity of private-sector initiatives may lead to confusion between official signs and miscellaneous commercial claims. In this connection, I should like however to make it clear that the concept of the official quality sign is not incompatible with that of the commercial brand. As an instance of this, allow me to cite Champagne, a protected geographical indication and designated origin for wine. Champagne as a place of origin has many brands that are well known outside France.

The development of market awareness of quality signs is for this reason a goal for government, as is the improvement of general understanding of the guarantees provided to consumers by each of the official signs. We must also seek to convince

consumers that the extra effort made by sector professionals to offer a product of special quality is deserving of fair monetary reward.

In a context typified by aggressive claims of superior quality by brands devoid of any link to an official quality sign, public communication campaigns have been initiated by the Ministry of Agriculture in conjunction with INAO.

In this connection, it is apparent that a major tool for the promotion of official quality signs is their marketing by the major retail chains. Firstly, because the coverage of national territory by these chains provides a useful and effective vehicle for the widespread presence and marketing of officially quality-labelled products, and also because this marketing channel is likely by its very nature to ensure that the vast majority of consumers have access to the products concerned.

The Minister of Agriculture and Fisheries therefore wished to conduct this autumn in conjunction with the major retail chains a promotional programme – the “Month of Origins and Quality” – to be marked by a competition.

The Ministry of Agriculture and Fisheries is also helping to put in place a range of programmes informing consumers on specific local production areas or *terroirs*, nutrition and balanced diets, and designed to bring consumers closer to the agricultural community.

IV Specific support for organic farming

Organic farming is the focus of specific support from government due not only to its undeniable positive impact on the environment, but also because of growing demand from French consumers. Organic farming is still insufficiently developed in France. Its share of total utilised agricultural area amounts to only 2%. Annual sales revenue generated by organic farming stands at around €1.6 billion, out of a total of €60 billion for agriculture as a whole. More than four consumers out of every ten say that they eat at least one organic product a month and the supply is insufficient. For these reasons, a plan was therefore launched last September by the Ministry of Agriculture to develop organic farming and treble the land area given over to it within five years.

Central government has put in place a number of schemes to support organic farming:

- A special fiscal measure (a tax credit) to support farmers and growers in the initial years of their conversion to organic farming in order to help them cope with the extra costs involved (investment, training, and so on).
- Measures designed to assist conversion to, or maintenance of organic farming.
- Financial support for the structuring of organic supply chains.
- Specific measures in the area of research & development and training.

To conclude on this, a special agency answering directly to government, the *Agence Bio*, has been set up specifically to address the development and promotion of organic farming.

Conclusion

Signs identifying product quality and origin are essential tools not only for agricultural policy but also for public policy directed at the regions and the environment, as well as for the maintenance of healthy food consumption. Food in France also has a gastronomic dimension very closely linked to our country's cultural identity. This involves learning to appreciate healthy food, a balanced and varied diet and the consumption of products of high quality.

In this connection, the public authorities have a duty to protect exacting voluntary action taken by the producers of products rooted in specific local conditions, the *terroir*, products of superior quality and products deriving from the application of especially environmentally friendly techniques.

As a final word, let me add that **in order to conduct an effective policy on food quality**, it is essential to grasp consumers' level of knowledge more accurately, to understand better their behaviour when making purchase decisions, the influence of their lifestyles and their concerns, as well as their perception and understanding of the messages sent out not only by the authorities but also by the media and sector professionals. To that end, in May 2006 the Ministry of Agriculture set up a body to monitor public perceptions in the food domain. This has now submitted its initial conclusions on the food-related behaviour patterns of the French public (purchasing, consumption, preferred dishes, and so on), their perception of the link between food and health and their perception of quality as it relates to food.