

About The Need for A Harmonised Labelling for Locally Produced Food: A Study of Local Food Labels in Selected EU Member States

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* Presented at the 38th IBIMA International Conference, 23-24 November 2021, Seville, Spain

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Abstract

Consumers are increasingly interested in buying locally produced food but often cannot recognise it on the market. As the European Union has not introduced a local food labelling scheme, the study examines how selected countries defined and labelled local food and whether the implemented brands are suitable for fulfilling their functions of identifying, promoting and guaranteeing local products, avoiding misleading consumers. The question of to what extent geographical indications can be used as a tool to identify locally produced food is also considered. The analysis shows that there is a variety of local or regional, public and private brands that are the result of bottom-up initiatives and local self-governance, but their proliferation, differences in legal nature and the meaning of the messages conveyed adversely affect their function. Therefore, a harmonised labelling should be introduced at the UE level, otherwise at a national level, as a ready-made tool for promoting and distinguishing local products on the market, ensuring a uniform understanding of the label for all participants in the food chain, preventing fraud and unfair competition, and giving consumers confidence in its message.

Keywords: Short Supply Chains, Local Food Systems, Collective Marks, Geographical Indications.

Introduction

In the perception of European consumers local products, in particular, those made by small-scale producers, are of better quality (in terms of freshness, nutritional value), and are produced using more environmentally friendly methods, less packaging and a lower carbon footprint as pointed out by Augère-Granier (2016), researcher of the European Parliament. In contrast, food sold within long supply chains often requires preservatives, pre-packaging and implies a high consumption of fossil fuels which increases environmental pollution (Minta et al. 2013). Producers and consumers are increasingly interested in returning to 'locality' which is the opposite of globalization, standardization and industrialization of food production. This phenomenon is called by Santini and Gomez y Paloma (eds. 2013) 'food re-localisation'. Therefore, as noted by Grimonprez (2016), local agricultural products should proudly display distinctive signs because the 'local' character attributed to a food product is a feature of the product to be valued. Instead, Commission Staff (2013) points out that consumers interested in purchasing locally produced food often cannot recognise it on the market.

Article 55 of EU Regulation 1151/2012 raised the issue of the creation of a labelling scheme applicable to local farming and direct sales 'to assist producers in marketing their produce locally' and called on the European Commission (EC) to prepare a relevant report on the subject. The EC in its Report of 2013 acknowledged that a local farming and a direct sales labelling scheme would improve the visibility and recognition of local food, and help consumers make informed choices and farmers to promote their products, and that '[p]rotection against imitations by appropriate labelling information at EU level could

Cite this Article as: Anna KAPALA, Vol. 2021 (35) "About The Need for A Harmonised Labelling for Locally Produced Food: A Study of Local Food Labels in Selected EU Member States", Communications of International Proceedings, Vol. 2021 (35), ISBN: 978-0-9998551-7-1, ISSN: 2767-9640. Article ID 38150121.

reduce the risk of misleading consumers'. It also suggested that 'if a labelling scheme were to be created, it should be optional, simple and inexpensive'. However, the EC preferred to be more cautious at the definition level and stated in its 2013 Report that it would be difficult to implement harmonised labelling on the European level of the local farming, and that 'it would appear arbitrary'. Thus, the EU has not implemented such an instrument and has left the matter to the discretion of the Member States. In fact, there are many national, regional and local labelling schemes, public or private, in the Member States.

So far the EU legally recognised the phenomenon of 'short supply chain' by providing its definition in Regulation (EU) 1305/2013 (Art 2 para 1 (m)) to determine which initiatives are eligible for funding from the European Agricultural Fund for Rural Development. Short supply chains imply a distribution of food in close proximity to where it is produced, and therefore concern 'local' products. However, the EU did not provide for a legal definition of 'locally produced food' or a labelling scheme for local agriculture. Thus, it seems interesting to investigate how the different EU Member States have defined and labelled local products or if they have provided for any other instruments to distinguish these products. The study aims to determine the legal nature of the implemented labels and whether they are appropriate to fulfil their function of identifying, promoting and guaranteeing locally produced foods, avoiding unfair competition, as well as preventing consumers from being misled, and on this basis to answer the question of whether a harmonised labelling scheme should be introduced.

The hypothesis about the necessity to implement a labelling scheme is complemented by an analysis of whether the existing legal instrument of geographical indications may be sufficient to label local products. For the analysis three UE Member States have been chosen: Italy, France and Poland. Italy and France are countries where the appreciation of local and regional specialities has a long tradition which is also reflected in various legislative initiatives in this area. Poland has issued important rules supporting the participation of farmers in short supply chains. In the first part of the study, the focus is on understanding the concept of local food. Then, examples of labels communicating local provenance of food implemented in the selected countries are presented. Finally, the question is raised to what extent geographical indications can be used as a tool to identify locally produced food.

Concept of Local Food

The term 'local food' has no single definition, legal or otherwise definition. The term 'local' is usually expressed in terms of geographical proximity, i.e. as the short distance between the place of production and the place where the product is sold or consumed. 'Local' from Latin *localis* means a place and it is associated with space, and more specifically, with a limited area in a geographical sense (Sirsi 2014; Strambi 2018). Therefore, Strambi (2018) point out, it can be assumed that local food 'means that there is geographical proximity between farmer and consumer, so that food is produced close to where it is consumed, but there is no standardization of the distance (...)'. However, as highlighted by Kebir and Torre (2016), 'local' should not be confused with the Protected Designations of Origin (PDO) or Protected Geographical Indications (PGI) quality system, although both may overlap. When PDO or PGI products are sold under the short supply chains, on the farm, in agritourism, or on farmers' markets they correspond to the concept of locally produced food.

The EU, as mentioned before, defines short supply chains, and for the purposes of its 2013 Report, the EC defined the term 'local farming' as 'the production of agricultural products and foodstuffs with the aim of selling them in *an area reasonably close to the farm of production* [author italics]'. Subsequently, EU Regulation 807/2014, in art. 11(2), included the concept of 'local market' stating that it should be defined by the Member States by specifying the distance in kilometres within the radius of the farm from which the product originates, where it must be processed and sold to the final consumer. In the 2014 Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014-2020, the EU suggests a limit of 75 km radius between the local market and the farm.

Labels to communicate the local origin of food in France, Italy and Poland

Local food labels In France

In French law, the only distinguishing term is '*fermier*', and other derivative terms: '*produit de la ferme*', '*produit à la ferme*', '*produit pays*', contained in Article L. 641-19 *Code rural et de la pêche maritime*, which are not, however, precisely defined in the implementing decree. Tools that producers can use to promote their local products are trademarks, labels or advertisements. However, the label informs consumers about the characteristics of the products, including their origin, and not about the local origin. Sellers may use optional information or an advertisement for the food to convey a particular attribute of food, in particular its 'local' origin. In order to guarantee the origin of the products and their relationship with the producer, collective marks seem to be the most appropriate. Their legal status will be discussed later, but at this point, it should be mentioned that this tool often requires the collective action of associations with the approval of local authorities to promote local agriculture.

A good example is the geographical collective mark 'Product in Brittany' (*Produit en Bretagne*). It can only be used by producers who have their production and processing plants located in Brittany and whose products are also bought or consumed there. The 'Product in Brittany' mark, therefore, emphasises both the geographical origin of the products and their 'local' character for Breton consumers. However, it is important to bear in mind that, according to art. 14 Regulation (EU) 1151/2012, these kinds of marks must not reproduce a PDO or PGI.

Another marketing tool used for food products is simple collective marks. Their function is to identify the origin of products and services from a group of actors (association, group of manufacturers, producers or traders, legal person under public law) authorised to use it. Chambers of agriculture have developed simple collective marks such as '*Produit de la ferme - bienvenue à la ferme*', registered at the French National Institute of Industrial Property by the Permanent Assembly of Chambers of Agriculture, or '*Les marchés de producteurs de pays*' that can be used in the direct sale.

The simple collective mark has both been implemented by private stakeholders as a private brand, as in the case of E. Leclerc's brand '*Alliances locales*', and by public stakeholders, as in the case of '*Ici.C.Local*' (*Innovation pour la coopération et l'information en circuit local*). The '*Ici.C.Local*' is a simple collective mark registered at the National Institute of Intellectual Property (INPI) by the National Institute of Agronomic Research (INRA) and the City of Grabels to promote and highlight local food products from short supply chains in retail outlets by using a specific colour. Each manufacturer can use it free of charge for their products that meet the terms of use of the trademark, such as the requirement to have the production site at most 150 kilometres from the place of sale. In this context, as Kondi (2019) points out, the brand directly targets local origin.

The '*Alliances locales*' is a trademark established between the E. Leclerc group and local producers. It is an example of a simple collective mark implemented on the initiative of producers, small and medium-sized enterprises and large and medium-sized retail outlets. In these private initiatives, it is the private standards set by sector stakeholders that aim to guarantee local origin or product quality to consumers. The initiative, as noted by Kondi (2019), also allows local producers to be fairly remunerated and distributors to meet consumer expectations for local products that they perceive as healthy, safe and environmentally friendly.

Local food labels in Italy

In Italy, the instrument for communicating the geographical proximity of food is the term 'agricultural products within 0 km', which until now has operated at a regional level, where the relevant regional regulations have been issued. A national bill (C.183) that aims to introduce the term uniformly throughout Italy defines it as a 'promotion and awarding instrument' to promote and distinguish products by highlighting their local origin directly from the producer, and in particular that they were produced in close proximity and sold without the participation of an intermediary. Undoubtedly, this is an interesting proposal for a nationwide unified labelling system tool, which is to help producers sell their products locally and inform consumers about the local origin of food.

Another example of a tool that can be useful in communicating the 'localness' of food is the 'local denominations of origin' (*denominazioni locali d'origine De.Co.*). These are guarantee marks introduced by municipalities, which indicate the product's origin in the municipality. Rubino (2007) notes that they are designed to preserve the originality and identity of the territory and to enhance local production and gastronomic traditions. Municipalities, also at the initiative of citizens or producers, may create a public register of local products bearing the De.Co. logo proving the origin of the product and the historical and cultural link with the territory of the commune. Matteoli (2011) emphasizes that it is important that the specification of De.Co. does not emphasise any link between the origin and the characteristics of the products as this would be contrary to EU law and would require the application of the EU registration procedure as a PDO or PGI. De.Co, however, is limited to the neutral certification of the presence overtime on the territory of a specific product that is part of the cultural heritage of the local community. Geographical indications established at the regional level are another tool for communicating local origin. An example is '*Qualità Trentino*', a mark established by the Trentino Alto Adige region to 'facilitate the development of a systemic and integrated offer of products, services and activities in the Province of Trento'. According to Trapè (2012), in general, priority should be given to the purchase of products bearing the '*Qualità Trentino*' brand. It is noted in the literature that with the establishment of a regional territorial brand, the effect is to strengthen local products, preferred over all other products outside the territory.

Local food labels in Poland

Legislation on 'retail agricultural trade' requires the place of sale to be labelled in a marketplace with the farmer's name and the address where the food is produced (art. 44a (2) of the Act of 25 August 2008 on food and nutrition safety). As there are no regulations on labelling local food in Polish law, this issue is left to the bottom-up, voluntary initiatives of local communities, the farmers or distributors. One of the examples of the regional brand is the promotional system '*Dolina Baryczy Poleca*' ('Barycz Valley Recommends'), aimed at supporting the sale of local products and services that are

environmentally friendly. Producers based in the Barycz Valley area may apply for the right to the mark if they meet certain criteria, such as connection with the region, tradition, environmental friendliness, uniqueness, quality, cooperation. Brand users benefit from the joint, integrated promotional events and workshops. The 'Barycz Valley' mark is managed by Partnership for the Barycz Valley Association.

Another example is the 'Local Product System from Małopolska', owned by the Partnership for the Environment Foundation. Producers from the Małopolska region can obtain a certificate of the regional origin for their product if its recipe is inspired by local history, natural and cultural heritage, is produced on an ecological, integrated or extensive farm, using a non-mass production method, and from natural raw materials from a given region, excluding GMO. To ensure the quality of certified products the Foundation carries out monitoring of compliance of the production process with the product specification.

Geographical indications as a tool to identify local food

Due to the lack of a proper labelling scheme of the local farming, a farmer, to promote his products, when selling them directly to the final consumer, can use geographical denominations. However, as Rochdi points out (2016), even though the geographical names have the merit of 'localizing' a production, they do not express the 'local' character, i.e. the geographical proximity between the place of production and the place of sale. As mentioned before 'local food' should not be confused with PDO or PGI quality system, although both may overlap in the case when these products are locally marketed, e.g. in the same region where they are produced. In general, geographical indications have a greater impact on long supply chains where there are no direct relations between producer and consumer. Similarly, as direct selling is developing especially in the field of organic production, the term 'organic agriculture' is of great importance for this activity, although it does not indicate proximity either.

Two concepts should also be distinguished: simple geographical indications and qualified geographical indications, namely PDO and PGI. The latter point to the existence of a significant link between the quality of the product and the territory it comes from. While simple GIs can indicate a product's origin in a certain territory (eg '*vino Toscano*') but without ensuring a link between the origin and the quality of the product. In this case, the only condition is that the marking is truthful, i.e. that the presentation of the product uses the geographical name of the place where the product was actually produced.

In contrast to simple GIs, a qualified geographical indication is an expression of a link between a geographical name and organoleptic characteristics conferred on a product by a given territory, which the consumer expects to find in that product bearing that geographical name. Such geographical names, as Matteoli point out (2014) can only be protected under the EU quality system (as PDO or PGI), which is exhaustive and not complementary with national systems. This was confirmed by the European Court of Justice in case 478/07 *Budějovický Budvar*. Germanò et al. (2014) notes that the EU, therefore, has a system that regulates the use of geographical names to designate agri-food products and protects the exclusive right of producers in a given geographical area to use the toponym to distinguish their products on the market from other products produced outside that area, as set out in the Regulation EU 1151/2012.

Simple GIs remain outside the quality scheme established by the EU, therefore they are not registered in the European Union or protected under the provisions of EU Regulation 1151/2012. Simple geographic indications are protected under national intellectual property law against deceptive use of the mark and are registered as collective marks, examples of which are given in the previous paragraphs, which was confirmed by the European Court of Justice in case. 482/09 *Budějovický Budvar*. PDO and PGI are legally protected against counterfeiting or any association with the protected indication or other action that would exploit the reputation of the designation. In addition, the protection regime is uniformly provided by the EU to ensure that European producers and consumers have a uniform understanding of the markings and trust in the reliability of product quality that the mark suggests. Each Member State must establish administrative and judicial measures, as foreseen in art. 13(3), and art. 36 and 37 of Regulation (EU) 1151/2012, to ensure that PDO and PGI products meet the specifications registered by the European Commission, and on the other hand, that producers who legally market their products bearing the PDO and PGI marks can benefit from the control system in order to be protected against any illegal use of the markings, as noted by Germanò et al. (2014).

Conclusions

The study showed that among the presented labels and tools to communicate the locality of food some refer to the geographical proximity between the place of production and the place of sale, while the others do not, but indicate the origin of a product. The most appropriate for local food, indicating the mentioned proximity, is the Italian label 'agricultural products within 0 km', which currently operates at the regional level. The Italian draft law, aimed at is uniform implementation, represents a significant example of a national initiative in this regard.

Other examples are simple collective marks established by public stakeholders or private entities in collaboration with local public authorities to identify the local origin, which require producers to have a production site within a certain distance of kilometres from the place of sale, thus referring to the criterion of geographical proximity. Criteria are set by local communities of producers and consumers and mark control is exercised by the participants themselves. There are also examples of simple collective marks implemented as private brands on the initiative of private food chain actors who set their own standards to guarantee consumers the local origin or quality of the products. Collective marks are registered and protected under intellectual property laws, and their use is specified in the regulations by its owner.

PDOs and PGIs indicate the origin of the product and also do not specify the proximity between the place of production and the point of sale. However, their role in the local food system cannot be underestimated as they contribute the most to the reputation and visibility of local products. When products with such designations are intended for sale at local markets, i.e. in the region where they were produced, they fit into the concept of local food in the meaning used in this study. When placed on the global market through long supply chains, they do not reflect the characteristics expected of locally produced food, such as freshness or a reduced carbon footprint. Nevertheless, PDO and PGI can be valuable tools to assist producers to sell their products and to help consumers identify the origin of the product since they benefit from official logos and are protected against copying and abuses of reputation at the European and international levels.

These various local or regional labels, public and private, which indicate the local origin of the product or that the product has been produced locally, undoubtedly in the absence of an EU or national labelling system, are very important and valuable bottom-up initiatives and the result of local governance. Nevertheless, they differ in terms of the legal nature, stakeholders initiating their creation, the legal basis on which they operate and the meanings of the messages they convey. The multiplicity of labels, signs and definitions may be problematic and lead to misunderstandings and confusion among consumers and other stakeholders in the food chain. Another problem is the question of which labels are the most appropriate, trustworthy and recognisable by consumers.

Given the above circumstances, the most desirable and appropriate would be the introduction of a uniform labelling scheme at the EU level. EU-labelled products could benefit from the official logo, understood uniformly throughout the union territory, as well as uniform or harmonised rules for registration, control and protection between the EU Member States. The EU has nevertheless not decided to introduce such a label. Instead, the EC announced in its 'Farm to Fork Strategy' that it will make 'a legislative proposal for a framework for a sustainable food system before the end of 2023'. In this case, if locally produced food meets sustainability standards, it will be able to benefit from this planned new labelling system. As for labels indicating the proximity of the product's origin to the point of sale or consumption, this is currently a matter for the Member States. Therefore, the conclusion is that a harmonised definition and a label of locally produced food should be introduced at a national level unless done by the UE. This would ensure a uniform understanding of the label for all actors in the food chain and would give consumers confidence in its message, thus preventing them from being confused or misled, as pointed by Santini and Gomez y Paloma (2013). A standardised label would improve the visibility of the products in the market and help farmers and food retailers who would not have to invent their own labels and define the meaning of locally produced food or set different standards for the same term that could lead to unfair competition, but instead could use a ready-made tool provided by the national legislator.

Acknowledgment

This work was supported by the National Science Centre in Poland under Grant No. 2016/21/D/HS5/03906.

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