



European Commission
Directorate-general of Agriculture

Newsletter

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Promotion of agricultural products

The Agriculture Council of 19 December 2000 adopted a Regulation on information and promotion actions for agricultural products on the internal market⁽¹⁾, which replaces various sectoral regulatory provisions. By simplifying and harmonising Community legislation in this area, the new Regulation facilitates resource management and promotes a comprehensive and consistent promotion policy. Measures may cover all agricultural sectors and should complement the promotional activities of companies and of national/regional authorities.

Measures are as a rule part-financed by the Community (50%), trade organisations (30%) and the Member States (20%), with an annual Community budget of EUR 45 million. The new system is largely inspired by the approach to promoting EU products outside the Union.

The purpose of Community assistance is to promote, through thematic or targeted campaigns, intrinsic product qualities or the advantages of specific production methods and control systems which meet the expectations of European consumers: high quality, nutritional values, food safety, labelling and traceability, environmental protection and animal welfare. It may also be used to confront specific problems or short-term difficulties in certain sectors. Promotion measures are intended to bring added value to measures carried out in the trade and at national level, while avoiding overlap. They may not be brand-oriented or based on product origin (except in the case of designations conferred under Community provisions on designations of origin).

Measures will include:

- public relations work, promotion and advertising (involving in particular the provision of scientific information on nutritional and health aspects);
- participation in events, fairs and exhibitions of national or European importance;
- information on European quality labels⁽²⁾ and Community labelling systems;
- information on the Community system of quality wines psr⁽³⁾;
- impact assessment. This is the only measure that the Community will finance in full.

Selection process

The themes, products and types of measure are to be selected and programmes drawn up as follows:

1. Every two years the Commission will draw up guidelines for the promotion strategy and produce an indicative distribution of the Community's contribution.
2. On that basis interested Member States will open a call for tenders to trade or inter-trade organisations (European, national or multinational).
3. These organisations are thus responsible for proposing programmes, which are to be of a maximum duration of 36 months and may cover one or more Member States. Programmes covering more than one country take priority.
4. The Member States concerned will check the proposals for conformity with Community rules and national specifications, and then send the Commission the provisional list of programmes they undertake to part-finance and the bodies chosen.
5. The Commission has a specific time limit in which to inform the Member States if measures proposed are ineligible.
6. On expiry of that deadline, the Member States will draw up a definitive list taking into account any comments by the Commission.

A homogeneous and flexible instrument

The new Regulation replaces twelve existing schemes governed by different rules. Unlike before, Member States are obliged to part-finance the programmes and are responsible for surveillance and payment, while the Commission carries out indirect programme management only. Alongside the Regulation already adopted for promotion in non-member countries, this scheme constitutes a homogeneous and flexible instrument for Community promotion of agricultural products, which is increasingly important in the current context of growing consumer expectations, decreasing agricultural aid and intensified world trade.

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(1) Regulation (EC) No 2826/2000, applicable since 1 January 2001. An implementing regulation is to follow.

(2) Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Speciality Guaranteed (TSG), organic farming, quality products in the most remote regions.

(3) Quality wines produced in specified regions (quality wines psr), wines with geographical indication, etc.

And outside the EU?

A Regulation on measures to provide information on, and to promote, agricultural products in third countries⁽⁴⁾ was adopted over a year ago (see Newsletter No 18). The aim of that Regulation is to promote Community products on markets where there is existing or potential demand and to exercise a multiplier effect on Member States' activities. It provides for public relations measures, promotion and advertising, participation at events of international importance, information campaigns on Community quality systems, studies of external markets and high-level trade visits (the latter three types of

action remain under the management of the Commission). Part-financing will as a rule be carried out in the same proportions as for the internal market, with an annual Community budget of EUR 15 million. The recently adopted implementing regulation for these measures⁽⁵⁾ provides for a first list of programmes to be presented to the Commission by 15 May 2001 and approved by the Commission by 30 September 2001 (the Commission is responsible for the final decision adopting programmes in third countries).

(4) Regulation (EC) No 2702/1999.

(5) Regulation (EC) No 2879/2000.

News in brief

Report on 'Prospects for agricultural markets (2000-2007)'

The Report on 'Prospects for agricultural markets (2000-2007)', published in December 2000 by the Directorate-General for Agriculture, describes the likely development of agricultural markets over this period taking into account macro-economic trends and the agricultural and trade policy context. Chapter I presents the market prospects (cereals, oilseeds, meat, milk and the main dairy products) in the EU. Chapter II describes the likely development of agricultural markets in the ten Central and Eastern European applicant countries. Chapter III presents the medium and long-term prospects on the world market. Based on the statistical information available in October 2000, the report does not reflect the most recent developments, in particular those affecting the Community beef and veal sector, and will therefore be updated as soon as possible. It is nevertheless an essential tool of analysis for the medium term. The report is available under the heading "Publications" on the DG AGRI website (see footer).

Sapard Bulgaria: multi-annual financing agreement

The multi-annual financing agreement for the Special Accession Programme for Agriculture and Rural Development (Sapard) in Bulgaria was signed on 18 December⁽¹⁾ by the Commissioner for Agriculture, Rural Development and Fisheries, Franz Fischler, the Bulgarian Minister of Agriculture and Forestry, Ventsislav Varbanov, and the Minister of Finance, Murayev Radev. Bulgaria is thus the first of the ten Central and Eastern European (CEEC) applicant countries to sign with the EU, following considerable legislative and administrative effort, a financing agreement which lays down the Community financial management and control rules for Sapard and fully decentralises management to a non-member country (see Newsletter No 29).

With an indicative annual budget of EUR 53.026 million, the Sapard programme for Bulgaria will start once the Commission has approved the national management body and the annual financing agreement fixing the allocation for 2001 has been agreed.

(1) See press release MEMO/00/115 on:

<http://www.europa.eu.int/rapid/start/welcome.htm>.

Bananas: Council adopts Commission's proposal

On 19 December the Agriculture Council adopted the Commission's proposal amending the Community import arrangements for bananas⁽²⁾. The amendments involve a transitional tariff quota regime (see Newsletter No 28). The new Regulation will shortly be formally adopted by the Council. It is set to enter into force on 1 April 2001, but the Commission may defer this date to 1 July if the technical preparations are not sufficiently advanced. The Commission must adopt an implementing regulation. The transitional scheme must give way to a system based on a flat-rate customs tariff by 1 January 2006 at the latest, following negotiations to be conducted under Article XXVIII of the GATT.

(2) See press release IP/00/1502 on the above website.

Slight upturn in agricultural income in 2000

According to initial estimates published on 15 December by Eurostat⁽³⁾, agricultural income per working unit rose in 2000 by 1.3% in real terms in the Fifteen (and by 1.9% in the euro zone). This slight increase is mainly due to the stabilisation of the value of agricultural production and the continuing decline in the workforce (-2.7%). Agricultural income is above 1999 levels in ten Member States and varies from -10.8% (UK) to +24% (DK).

(3) For more information please see the following website:

<http://europa.eu.int/comm/eurostat/Public/datashop/print-catalogue/EN?catalogue=Eurostat>.



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