



SPEECH BY COMMISSIONER PHIL HOGAN AT THE SECOND ANNUAL ORIGO GLOBAL FORUM

Assessor Caselli, elected representatives, ladies and gentlemen,

Thank you for inviting me to the second annual ORIGO Forum, it is my pleasure to be here with you for this very impressive event.

Today you have been engaging in an important and timely discussion about the potential of Geographical Indications quality schemes: its strengths, its weaknesses, and how we can improve it for the future.

When I come to Italy, I am always struck by the deep understanding you have of the importance and value of origin products. But of course this comes as no surprise: of all EU Member States, Italy has the highest number of recognised and protected products, with over 930 registered GI names: 603 wines, 291 foodstuff products, and 37 spirit drinks. Over 70 geographical indications stem from the Emilia Romagna region alone, including prestigious products such as Balsamic Vinegar from Modena, Prosciutto Ham from Parma and Parmesan Regianno cheese.

This country understands better than anyone the value of high quality food and its link to territory and traditions, and this is the same philosophy we are trying to promote strongly at European and global level. Our European Geographical indications regime is a definite success story – for producers, consumers and for rural development.

GIs support high-quality jobs in rural communities, and promote the European commitment to food quality and tradition around the world. GI products give producers a competitive edge and allow them to grow their exports with confidence.

Our GI products - 3,400 and counting – combine traditional production techniques with innovation in terms of quality and in terms of marketing. And this focus on quality yields positive results: products covered by geographical indications represent around 6 % of EU food and drink production, but account for 15 % of EU food and drink exports. So far so good, but we cannot afford to be complacent. Looking to the future, we must build on this success and think about how we can achieve even more.

In order to future-proof our GI sector we look to innovation and sustainability at home, and focus more on promotion and trading relationships abroad. The European Commission's proposal for the next CAP, which will be published later this month, will provide many of the necessary building blocks for reinforcing commitment to quality in agriculture.

The new CAP will integrate stronger climate and sustainability objectives while giving more leeway to Member States in choosing how to achieve the social, economic and



environmental priorities of the EU. The new CAP will be simpler and more flexible. These two principles will also apply to GIs whose schemes will be simplified further.

We are bringing in further simplifications in relation to wine GIs, and when it comes to spirits, the current recast of the EU Spirits regime will shorten procedures and secure a better division of tasks between the Commission and national authorities. Thanks to these simplifications, the management of wine and spirit GIs will be much easier, leaving more time for producers to concentrate on their core activities of production and promotion, rather than on the paper work. And it will also free up more time for authorities to support farmers who want to join the GI scheme!

I understand you spoke about innovation today. Innovation will be at the heart of the new CAP, with many opportunities for our GI producers to integrate modern technology and know-how into their traditional production practices.

Our producers are innovators by nature and know they cannot afford to stand still. It is true that GIs are anchored in the heart of our regions and based on traditions. However this strong link to local territory does not mean that production methods cannot evolve over time and be innovative - there is space for modernising. In the medium term, investing in innovation can help farmers to be more competitive and reduce their costs, thus achieving a better income.

We are also asking our farmers to contribute more to our ambitious sustainability agenda. Of course this will be a challenge, but they will also reap the commercial benefits. Good food, sustainably produced, means good business. In today's global marketplace, informed consumers pay more and more attention to the way these goods are produced. Therefore, enhancing their environment and climate credentials is a win-win for GI producers, and indeed for all farmers. Not alone do they gain an additional promotional benefit for their product, they make an active contribution to the EU's ambitious agenda in relation to the Paris Climate Agreement and the Sustainable Development Goals. This is equally true for our partners in the developing world. It is increasingly understood that geographical indications are a useful intellectual property right for developing countries which add value and promote rural socio-economic development. Sustainability criteria such as for example animal welfare, farmer welfare, and a fair income for farmers can be integrated in GI production and put forward as marketing arguments when promoting them.

The development of the rural economy goes hand in hand with the production of GIs. Because of their very nature GIs cannot be delocalised. They have a considerable impact on the local economy as they contribute to employment in the rural areas with a potential spill-over effect on local tourism, gastronomy and the preservation of cultural heritage. They constitute an added value to the diversification of farmers' revenues and help limit rural depopulation. Our proposal for the new CAP will contain ambitious plans for our rural areas to thrive beyond 2020.

GIs also rely on a well-functioning food chain. The Commission's recent legislative proposal to tackle unfair trade practices will help to protect European farmers, allowing



them to benefit from fair selling and buying conditions. This initiative once implemented will also benefit GI producers who will get a better reward for their work.

Promotion is also a key element in the success of our GIs. The EU is co-financing promotion programmes designed to increase consumption of EU products and gain new markets in an increasingly competitive world. The objective is to appeal to consumers and importers by explaining the high standards and quality of EU agri-food products. Promotion policy includes participation at fairs and regional events and in specific promotion campaigns. The promotion budget has been increased to 179 Million EUR in 2018, of which two thirds are earmarked for third countries, in particular those with high potential such as Japan, Colombia, Mexico, Canada and China. Within the EU itself, the focus is on co-financing campaigns to inform consumers about the various EU quality schemes.

This promotional work pays a clear dividend: sales of EU GIs are worth €54 billion, generating enormous importance for the EU economy, particularly the rural economy. Your third session was about GIs and trade agreements. Let me update you on the latest actions by the European Commission to advance the cause of GIs in international agreements. We firmly believe GIs not only to be good for European and global producers but for consumers over the world. The EU strongly defends our GIs in the context of various multilateral and bilateral negotiations.

For example, the recent deal with Mexico has sealed the protection of 340 European GI products. It will create new export opportunities which in turn will create more jobs and growth. Other recent agreements which achieved a very good outcome for GIs include that signed with Japan last year, with more than 200 EU GIs protected from day one, including 44 Italian GIs. These products will enjoy as high a level of protection in Japan as they have in the EU. We are also continuing to make progress on a GI agreement with China. Both sides expressed their commitment to achieve a conclusion in the last two EU-China Summits. Very good progress has been made since then and we are close to reaching an agreement. Protection of our GIs in China will mean new market opportunities, a stronger position in the food chain and higher market returns.

In conclusion, ladies and gentlemen, I believe the future is very bright for GIs, which can deliver for producers all over the world, who in this way can see their commitment to quality and to their rural community rewarded, with the protection they deserve.

Thank you.