EU Island Farming and the Labelling of its Products

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EU Regulation No 1151/2012 on quality schemes for agricultural products and foodstuffs

Art 32 established:

A scheme for a Optional Quality Term (OQT) for Product of Island Farming

To facilitate the communication within the EU market of the value-adding characteristics/attributes of agricultural island products

Other policies for islands EU – Regional and Rural Dev. (Small Aegean islands Regulations), islands and outermost schemes (RUP)
What is an island?

Socio-economic importance of island farming
  for island economies
  for EU agriculture

Existing labelling schemes

Case for an Optional Quality Term (OQT) "Product of Island Farming"?
What is an island?

Common sense
'piece of land surrounded by water' (Pocket Oxford Dictionary)
intermediate size, between an islet and a continent

Eurostat
1. Minimum surface of 1 km²
2. Minimum distance between island and mainland of 1 km
3. Resident population over 50 persons
4. No fixed link (bridge, tunnel, dyke, etc.)
5. No Member State capital on the island

Cohesion and Regional Policy
"island member states eligible under the Cohesion Fund, and other islands except those on which the capital of a member state is situated or which have a fixed link to the mainland" (Council Regulation)
EU islands

>300,000 islands (220,000 SE; 75,000 FI)
~ 300 main ones (permanent population > 50 people)

Area = 2.9% of total EU area

Population = 3.1% (15.3 mio) (2010)

GDP = 290 billion EUR (2.4% of EU GDP)
COMMON FEATURES

- Constrained **geomorphology** = 72% area and 55% pop classified as 'mountain' -> pressure on coastal plains
- 2/3 double insularity (archipelagos)
- **Remoteness** and isolation: accessibility: 36.8% >90 min. from university (20% in the case of mountain)
- Peripherality: **15** Functional Urban Areas (**FUA**) on island (total EU FUA: 1595)
- Unique natural capital: **endemism** of flora/fauna
- Strong **identities** and savoir-faire; languages
- Specific **government arrangements** (e.g. Åland)
- Predominance of **tertiary sectors** (tourism, finances, public sector) 74%
- Under-representation of manufacturing 20%

**What is an island?**
DIVERSITY OF ISLANDS

- **Area** – from 1 to 25,000 km²
- **Climate & geomorphology**: flat uninhabited Northern islands / populated mountainous Mediterranean islands
  - 70% Mediterranean (% of tot. EU isl. population)
  - 17% Atlantic
  - 11% Tropical
  - 3% Northern
- **Population** – from 0 (50) to 5,000,000 hab.
- Distance to **mainland** – <1 km to 400 km (1700 km in outermost)
- **GDP/head** – from 54% (Centre Sardinia) to 147% of EU average (Aland)
- **Autonomy** of status to no specific status
AGRICULTURE

- GVA = 7.1 billion € = 2.7% (1.6% EU)

FOOD Industry

- 19% of industrial employment (13% EU)

- TOTAL AGRI-FOOD ~6% GDP (~5% EU)
ISLAND FARMING

MAIN SECTORS

- F&V
- Potatoes
- Olive
- Wine
- Sheep and goat
VALUE OF PRODUCTION PER ISLAND

- Sicily: 44%
- Sardinia: 17%
- Reunion: 5%
- Crete: 8%
- Other: 9%
- Martinique: 3%
- Guadeloupe: 3%
- Corsica: 2%
- Azores: 5%
Island farming

Vegetables
- Sicily: 56%
- Sardinia: 16%
- Crete: 7%
- Other: 11%
- Canarias: 2%
- Guadeloupe: 4%
- Reunion: 4%

Fruit
- Sicily: 62%
- Sardinia: 4%
- Other: 9%
- Martinique: 9%
- Canarias: 4%
- Guadeloupe: 4%
- Reunion: 4%

Olive
- Crete: 47%
- Sicily: 38%
- Ionian Islands: 6%
- Other: 9%

Animal products
- Sicily: 21%
- Sardinia: 33%
- Other: 16%
- Crete: 6%
- Reunion: 5%
- Cyprus: 5%
- Azores: 14%
- Other: 16%
Island farming under pressure

- **Isolation** -> costs of transport (inputs, exports)
- **Irregular transport** (climate, strikes)
- Lack of competition and **scale economies**
- Pressure on **resources** (Water, Land, Plain-Coastline)

But some do well

- Specialisation
- Eg. Azores cattle
MARKETS

- LOCAL (L) vs EXPORT (E) (%)
  - L - E
  - 40 - 60 for agricultural output
  - >50 - <50 Corsica, Greek islands
  - 20 - 80 Guadeloupe, Madeira
  - 65 - 35 for food output

- EXPORTS MOSTLY DOMESTIC
- 7-18% of exports out of same MS
  (Source: Mueller & Ferrari, JRC Report)
MANY PRIVATE TRADEMARK AND SALES NAMES (8400!)

- In conjunction with a specific geographic name

- Few refer to island in a generic way
  - Fanciful

- 1 case for island food products
TERRITORIAL COLLECTIVE AND CERTIFICATION TM\textsc{s}

- Private stakeholders / Public initiatives
- (un-harmonised) Rules on origin of products, raw materials, places of processing, traditional methods
- Beyond food products: handicrafts, services -> region branding
OFFICIAL EU SCHEMES: OUTERMOST LABEL

- Outermost territories are mostly **islands**
- **Semi generic** manner
- **High quality** required
- Duplicate Territorial TMs and Gis (Geographical Indications)
- Limited use - except for promotion funds
OFFICIAL EU SCHEMES: Islands' GIs (PDO-PGI)  
(Protection of Designated Origin - Protected Geographical Ind.n.s)

- Many island PDOs and PGIs (**10%** of total)
- >20% in **UK, GR, Irl, DK, (CY)**; >15% in **IT, SE**
- >20% for **olive oil, fruit, essential oil, wool**
OFFICIAL EU SCHEMES: Islands' GIs (PDO-PGI)

- **Most small size**, only 9 over 10 mio € Turn Over (TO) (total TO 355 mio €) (5% total agri TO of Islands)

- Largest are **cheese**: Pecorino romano, sardo, Graviera Kritis, Mahon-Menorca

- Also **fruit**: clementines de Corse, Jersey Royal Potatoes

- **Sobrasada de mallorca**, Sithia Lasithi (Crete Olive Oil), Clare Island salmon
OFFICIAL EU SCHEMES: Islands' GIs (PDO-PGI)

Destinations

- Domestic market: 80%
- EU market: 20%
- Extra EU Market: 10%
OQT LEGAL FEATURES

- relating to the ‘horizontal’ characteristics of one or more categories of products / to farming / processing attributes which apply in a specific area;
- adding value to a product as compared with similar ones
- having a European dimension

ART 32

- intended for human consumption and listed in Annex I to the Treaty; and
- the raw materials of which come from islands; and
- in the case of processed products, processing must take place on islands
PROs

- **Protection** on export markets and on local markets -> clear legal base

- **Easy** to implement and **limited costs** vs certification (small scale producers; small islands)

- Potential to convey **common message** on islands (unique and fragile natural and cultural capital)
CONs

• No interest from *private* actors if generic

• **Specialisation** of island economies contradictory to rule of "wholly produced and processed on islands"

• Possible undermining of existing initiatives -> **dilution**

-> -> -> no legal proposals by the EC - only question to the E. Council and Parliament

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Thank you for your attention

Further information:
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Annexes