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Opinion

Title **Impact Assessment on: Communication on agricultural product quality policy – RESUBMISSION**

(revised draft version of 2 April 2009)

Lead DG **AGRI**

1) Impact Assessment Board Opinion

(A) Context

The aim of agricultural product quality policy is to give consumers the information they need about agricultural product characteristics and farming attributes to make purchasing decisions and thus enabling farmers to get a fair price that reflects the quality of the product they provide. The main categories of instrument are (1) the EU Quality Schemes (geographical indications, organic farming etc.), (2) private sector value-adding Certification Schemes that differentiate products, (3) farm assurance schemes guaranteeing that the basic requirements have been followed, and (4) EU Marketing Standards, laying down defined product identities and classes (i.e. what can be called 'skimmed milk', 'fruit juice' etc.), value-adding terms ('extra virgin', 'free range', etc.) and place of farming labelling. Considering the issues with existing schemes and the risk that new product quality policies would develop incoherently, this Impact Assessment provides analysis to support the development of strategic orientations in the field of agricultural product quality policy. A corresponding Communication will not contain legislative proposals – these will be brought forward, if needed, in 2010 and be accompanied by their own impact assessments targeted on the measures then proposed.

(B) Positive aspects

Compared to the previous version, the report has been considerably redrafted. Overall consistency and readability have been improved and the scope and focus of the report have been clarified. The problem definition provides a better overview of crosscutting issues and the options are presented and compared in a coherent way.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: The revised draft report takes into account most of the

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recommendations that the Board made in its first opinion. The report still needs to develop the presentation and assessment of the complete package of preferred options. In addition, it should clarify which options are indeed 'preferred' and eliminate any inconsistencies on this issue in different sections of the report.

(1) Assess the effectiveness of the complete package of preferred options. The new Section 6.5 *Overall policy coherence and synergies between preferred options* of the report should be further developed so that it (a) presents clearly the full list of preferred options, (b) explains which of the options are alternatives and which could be combined, (c) reflects how the chosen options would create links across four policy domains concerned (Marketing Standards, Geographical Indications, Traditional specialities and Certification Schemes) and (d) assesses the effectiveness of the whole package in terms of the specific objectives (reducing information asymmetry, improving coherence of EU measures and reducing complexity).

(2) Clarify the inconsistencies in the presentation of the preferred options. In the first version of the IA report examined by the Board the compulsory label of 'place-of farming' was foreseen as a preferred option. Following the concerns of the Board on the unclear benefits and lack of evidence on cost-effectiveness of this measure, the revised IA report in its Section 6.1 no longer concludes that this would be a preferred option. However, the table in Section 6.5 mentions Option 1.5 'place-of farming labelling' yet again as a preferred option. The same table mentions Option 1.2 'replace marketing standards by a general standard' as a preferred option, although Section 6.1 concludes that this is not the case. These inconsistencies should be explained or eliminated.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with. The IAB accepts that the IA report is longer than the recommended 30 pages because it covers four policy domains. The tables in Section 6.3 should state that Option 3.2 is a 'simplified' certification, as otherwise the difference with the status quo is not apparent.

2) IAB scrutiny process

Reference number	2009/AGRI/003 (CLWP priority initiative)
Author DG	AGRI
External expertise used	No
Date of Board Meeting	Written procedure
Date of adoption of Opinion	08 AVR. 2009 The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 30 March 2009