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(Resolutions, recommendations and opinions)

OPINIONS

COMMITTEE OF THE REGIONS

88TH PLENARY SESSION HELD ON 27 AND 28 JANUARY 2011

Opinion of the Committee of the Regions on 'Local food systems' (outlook opinion)

(2011/C 104/01)

THE COMMITTEE OF THE REGIONS considers that:

- local food systems support the local and regional economy. These systems are of the utmost importance in less-favoured regions; they stimulate the exploitation of local potential and help to improve the image of unappreciated and often neglected regions;
- short distribution channels lead to greater interaction between consumers and producers. They create relationships based on trust and make products easily traceable by consumers. They also provide a basic level of food sovereignty;
- local food systems bring environmental benefits through more sustainable production systems;
- the European Commission should therefore:
 1. suggest that Member States should consider targets for developing local food systems in their Rural Development Strategy, to be executed by LRAs with support from the EU and national authorities;
 2. adopt definitions of 'Local Food Products' and 'Local Food Systems', and introduce a new logo and identify a common symbol and scheme identity for local products, to be added to the Agriculture Product Quality Policy regulation;
 3. introduce a direct marketing scheme for registered local products, to be operated by Member States at LRA level;
 4. explore whether Article 26 of Directive 2004/18/EC on the coordination of procedures for the award of public contracts could be amended such that 'locally produced' can be a standard selection criterion in tenders for the supply of food to, for instance, schools, nursing homes and public facilities.

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THE COMMITTEE OF THE REGIONS

I. CHALLENGES AND OBJECTIVES

considering that the topic of the report 'Local Food Systems' should be seen in a broader context, stresses that:

Food and agriculture related to the EU 2020 Strategy

1. the world is currently facing a diverse and significant set of challenges: rapid population growth, growth of expenditure capacity and climate change;

2. these challenges are accompanied by the threat of scarcity of food, feed, fossil energies, commodities, fibres and fresh water, by increasing soil degradation and biodiversity loss and by an increasing risk of financial market failure, of political imbalance and of armed conflicts;

3. food security is furthermore influenced by global population shifts away from rural areas towards metropolitan areas, by improvement of the output of existing food production sites worldwide, by changing nature areas into new production areas, by development of new types of production and by the loss of food production areas to biofuel production and urban sprawl;

4. globally, an estimated 80 % of food is currently produced and marketed at local level. In the European Union, this figure is about 20 %;

European agriculture model

5. there is no single European model in agriculture – the model is multifaceted and its diversity is a major asset;

6. to get the best out of a plural model, the links between farming and consumers' expectations must be strengthened, as must the links between farm production and local, regional and international markets;

7. in the plural model, the local food system is a key issue that has so far not been sufficiently addressed and that should be supported in a professional, structural, innovative way;

European objectives on agriculture

8. the primary purpose of European farming is to produce and provide food for people in the Member States, taking account of the need for fair competition and environmental protection, and of the need to ensure that it also meets the other required standards of food safety, quality and affordability;

9. future agriculture and food supply must be more sparing in the use of water and fossil fuels, use less fertiliser and phytosanitary products, be more diversified and be smarter in making the most of synergies between arable farming, livestock farming, organic waste management, residual currents and renewable energy production;

10. producers should be able to make a proper living from their produce, but the current system does not provide the balance of powers in the food supply chain and the food prices and margins required;

11. the Common Agricultural Policy after 2013 must rebalance its support in favour of employment and of maintaining an agricultural presence in all of Europe's arable areas, whilst paying special attention to vulnerable areas, including peri-urban territories. The emphasis placed by the Commission on the territories in its proposed priorities for the CAP towards 2020 should therefore be welcomed;

12. the development of local food systems is particularly relevant for local and regional authorities (LRAs). These LRAs play an important role defining, encouraging and supporting a sustainable development of the rural economy, including creating favourable conditions for local food systems.

II. BENEFITS OF LOCAL FOOD SYSTEMS

points out that:

Economic benefits of local food systems

13. the topic of 'Local Food Systems' is of great significance and concerns much more than the positioning of a new range of European local products, in addition to products placed under already widely-known quality schemes;

14. local food systems support the local and regional economy by providing employment in agriculture and food production, including processing, distribution, marketing and sales activities and services. These systems are of the utmost importance in remote rural areas, peri-urban areas, mountainous areas, vulnerable areas and underprivileged areas; they stimulate the exploitation of local potential and help to improve the image of unappreciated and often neglected regions;

15. when income is spent locally on locally produced food, it stays within the region and has a strong multiplier effect of the order of three on the regional income of the community compared with ordinary trade patterns;

16. investing in local food systems would lead to economic recovery in underprivileged areas, better incomes for local producers, stronger cooperation between stakeholders, revived entrepreneurship, better openings to local markets, more employment, lower costs and maintenance of the local level of services and provisions;

Social benefits of local food systems

17. short distribution channels lead to greater interaction and mutual knowledge and understanding between consumers and producers. Through personal knowledge of producers they create relationships based on trust and make products easily traceable by consumers. They also provide a basic level of food sovereignty;

18. offering local products with authentic, traditional, original, sustainable, seasonal or other locally appreciated features supports social cohesion and community spirit and encourages the community to display environmental friendly behaviour. Sales outlets for local products such as direct sales stalls and open-air markets often contribute to the process of social and professional inclusion for consumers, producers and sellers;

19. as the Slow Food movement expresses in its philosophy on Sustainable Food Communities, consumers have a basic right to locally-produced, tasty, healthy food. The movement also believes that these communities should be connected in a global network. Quick access to fresh produce through the sale of local products helps to improve public health by diversifying diets and preserving the organic qualities of food (which are diminished by long-term preservation systems);

20. global food security is supported by the maintenance of local food production capacity in industrialised countries. In

growing metropolitan areas, the ability to meet food demand would require the expansion of local and even urban food production;

Environmental benefits of Local Food Systems

21. local food systems bring environmental benefits through more sustainable production systems, reduced transport externalities (food miles) and opportunities to create circular systems based on organic waste, residues and renewable energy;

22. every foodstuff has a 'food miles' count, leading to carbon emissions and resulting from transportation movements made between the local production area and the consumer. This goes for both fresh food and (the ingredients of) processed food. Local food systems contribute to lowering the amount of food miles generated by a community;

23. a local food product should preferably have a lower carbon footprint than an imported similar product. This footprint can be calculated by performing a Life Cycle Analysis on the product;

24. producers are more likely to link unique selling points to consumers' expectations when they are operating in a local food system. These USPs may concern sustainable production circumstances, organic production or accompanying environmental services;

25. the creation of local outlets for food products produced in very small quantities or with specific taste characteristics can help maintain biodiversity and promote the development of fruit and vegetable varieties and animal species in danger of disappearing;

26. local food systems can nowadays be linked to circular economy systems and other regional challenges, such as organic waste management, water management, reuse of production residues – such as heat – and renewable energy;

Flaws in the food supply chain

27. local food systems can help to secure a fair income for farmers and restore the balance of powers in the food supply chain. As globalisation and increased concentration of food distribution have led to a gap between rises in production costs (3,6 % a year since 1996), in consumer prices (3,3 % a year) and in prices for farmers (2,1 % a year), systems that improve the negotiation powers of farmers, such as short distribution circuits, are welcomed;

Current policy of relevance to local products

28. the Agriculture Product Quality Policy of the European Union involves criteria for quality schemes that enable producers to register a Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Speciality Guaranteed (TSG) or Organic Farming Guaranteed. For these product categories, labels have been issued. The labels can only be used for the registered products, in order to support marketing targets and help to protect brands. The products are usually distributed in substantial volumes, through a number of channels, to a number of markets;

29. regions that are currently looking into their traditional, gastronomic and agricultural values, are counting dozens or even hundreds of local products that could be included in a professional local food system but would not suit nor need a PDO, PGI, TRG or OF registration – although some would have the potential to evolve towards that. An additional framework to support local products would be welcomed.

III. POLICY RECOMMENDATIONS

notes that:

Previous advice on local food products

30. recommendations on local food products were previously made in the Opinion of the Committee of the Regions of 18 September 1996 on Promoting and protecting local products – a trump-card for the regions⁽¹⁾, and most of these recommendations are still relevant;

31. it deeply regrets the fact that the European Commission's current legislative proposals on agricultural product quality policy fall short of the initial draft on two key issues for the Committee of the Regions relating to the promotion of local products: the labelling of hill farming products and direct sales by small producers on local markets;

Definitions

32. a common definition of a 'Local Food Product' is needed. Since all food is produced or processed locally, differentiating characteristics and features must be defined. These must be clear and simple, in order to avoid complex registration and control procedures;

33. a Local Food Product:

- 1) is produced locally/regionally,
- 2) contributes to the local/regional rural development strategy,

- 3) is sold to the consumer through the shortest chain that is possible, reasonable and efficient: involving no more links than a) the producer or the locally-established producer organisation, b) the party or cooperative of parties responsible for matching supply and demand, and c) the consumer,
- 4) can be sold at the local retail store or open-air market based on a local contract, but can not be sold – under the Local Food label – to a retail central buying department,
- 5) is targeted at consumers with one or more specific selling points such as taste, freshness, high quality, cultural motivation, local tradition, local speciality, animal welfare, environmental value, health aspects or sustainable production circumstances,
- 6) is sold as close as possible, reasonable and efficient: the distance variables may differ according to product, region and circumstances but come down to one crucial question: is the point of sale the closest one the consumer has access to (this may vary from 1 to over 30 miles),

7) is connected to a local food system;

34. the short chain as referred to above can be categorised as follows:

- producers as consumers, where consumers grow their own products,
- producer-consumer partnerships, where consumers share the risks and rewards of production with the producer(s) and a written agreement regulates the direct sale of the product,
- producers' direct sale to consumers without preliminary agreements between the two categories, as is the case for sales at farmers' markets, regular or occasional local open-air markets or at on-farm shops,
- producers' sales through local outlets or collective marketing mechanisms, including sales through new media such as online sales portals on the internet, allowing more direct or easier delivery of the produce to the final consumers than via traditional channels;

35. a Local Food System:

- 1) is a Business to Consumer system,
- 2) comprises products that are locally produced in the home region or in a region that participates in a cooperative of home regions,

⁽¹⁾ CdR 54/96 fin.

- 3) is an intertwined set of processes, linking producers to a) consumers and b) society, i.e. the environment and the regional economy,
- 4) consists of several components on several levels, ranging from farm level to interregional level, including production and processing of foods, marketing and promotion, branding and labelling, consumer and society involvement, delivery of accompanying public goods, distribution and transportation, health and food safety measures, management of waste and energy aspects and training and education;

Introduction and development of Local Food Scheme and Local Food Systems

36. in future strategic guidelines for rural development, the European Commission could suggest that Member States should consider targets for developing local food systems in their Rural Development Strategy, to be executed by LRAs with support from the EU and national authorities;

37. a local food system is best served by a partnership approach, so the establishment of partnerships should be supported, also for consumers;

38. a local food system can only be developed successfully when considered in a more comprehensive and integrated manner, as part of broader local or regional development processes, and when it forms an integral part of proactive LRA policy, including spatial planning policy. To support LRAs in this, a model strategy and a model roadmap would be welcomed. This system could include a land-use planning strategy in areas particularly subject to urban pressure in order to encourage new producers to set up there;

39. LRAs could also be made responsible for approving the registration of local food products, allowing registered products to use the 'Local Product' logo and performing monitoring activities. They could do so in close cooperation with regional stakeholders, for instance with a LEADER group, a farmer organisation or a chamber of commerce. Results could be communicated, monitored and updated by the European Rural Development Network;

40. an independent monitoring system should include the following principles:

- the evaluation against the requirements for accessing the Local Product Quality Scheme should involve both the product and the farming enterprise concerned and preferably be carried out by a regional commission,

- technical assistance and information for producers on commercial opportunities and the technical conditions for joining systems,

- audits by survey should be conducted over the years, such that all products, enterprises and supply chain partners would be subject to regular inspection, also with the support of consumer organisations,

- inspections could lead to the expulsion of a product from the scheme,

- deliberately misleading the consumer should be regarded as an offence;

41. the protection of the intellectual property of recognised products should be ensured in the internal market, with Member States being required to intervene, when needed;

42. in the event of a commercial development or misappropriation of the product's reputation, Local Food Products should be allowed to evolve towards a higher level of protection, as provided by the PGI, PDO, TSE or OF recognition;

Measurements and tools needed at EU level

43. from an administrative, financial and economic point of view, there is a strong interest in proposing a new European instrument tailored to identifying and supporting Local Food Products;

44. measures to be taken should, from the viewpoint of typology, refer to:

- creating an enabling environment, for which tools are legislative framing, institutional framing, policy framing, research, training and education,

- intervening in the supply chain, using tools such as certification, marketing, promotion, public-private partnerships and public procurement,

- piloting and/or upscaling, by supporting trials and demonstration initiatives and the dissemination and replication of these,

- funding, with European, national, regional or local financing;

therefore:

45. the EU should adopt definitions of 'Local Food Products' and 'Local Food Systems';

46. the EU should introduce a new logo and identify a common symbol and scheme identity for local products, to be added to the Agriculture Product Quality Policy regulation. Use of the EU logo would be on a voluntary basis, with existing quality marks in the Member States and regions remaining valid and useable. Each Member State must also retain the right to introduce its own quality marks within its regions/provinces in future;

47. the EU could ask the European Rural Development Network to establish an online database for registered products;

48. the EU could ask the European Rural Development Network to establish an online database for existing local food systems, thus enabling interested parties to record best practices;

49. the EU could introduce a direct marketing scheme for registered local products, to be operated by Member States at LRA level. This scheme should include support for the promotion of local food products and could be placed under axis 1 of the second pillar of the CAP, the Rural Development Policy;

50. the EU could develop a measure to help LRAs, producer associations or producer association collectives to start up a local food system, involving support for the activities mentioned under the definitions proposed, including related investments. This measure could be placed under axis 1 and/or 3 or the LEADER programmes of the Rural Development Policy;

51. the EU could also include opportunities for local food systems in other funds, such as the European Regional Development Fund, INTERREG, the European Social Fund and the Research Framework Programmes;

52. all production and distribution should be performed according to food legislation and obligatory hygiene regulations, in order to guarantee health and food safety. However, since

local food products are often not made in industrial contexts or with industrial methods, public support could also involve alternative solutions;

Potential of public procurement

53. public procurement involves up to 16 % of the gross domestic product of the EU. Article 6 of the Treaty establishing the European Community (1997) requires the integration of all environmental and social objectives into all EU policies. Public procurement can simultaneously be sustainable procurement, when used to support wider social, economic and environmental objectives in ways that offer long-term benefits. From this point of view, governments' huge spending power could be used as a lever for the development of local food systems;

54. Directive 2004/18/EC of the European Parliament and the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts states that the principle of freedom of movement of goods must be respected at all times, which means that local suppliers cannot be favoured;

55. however, the regulation allows specific conditions and criteria to be incorporated in the call for tenders concerning public supply contracts, which may include particular aspects and features such as freshness or production circumstances;

56. this possibility allows local suppliers to be selected. Nonetheless, the European Commission is asked to explore whether Article 26 of the Regulation could be amended such that 'locally produced' can be a standard selection criterion in tenders for the supply of food to, for instance, schools, nursing homes and public facilities;

57. the Commission is asked to give wide publicity to existing opportunities;

58. the Commission is asked to take the opportunity offered by the new Single Market Act to clarify existing provisions and to simplify them to make things easier for local authorities and their local suppliers.

Brussels, 27 January 2011.

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of the Committee of the Regions*
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