# PROMOTION OF AGRICULTURAL PRODUCTS AND ALCOHOLIC BEVERAGES THROUGH EUROPEAN QUALITY SCHEMES IN EU COUNTRIES FOR THE YEAR 2022

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#### Abstract

European quality schemes used at Community level have the role of ensuring the legal protection of agri-food products and alcoholic beverages, thus having an important promotional role. Thus, consumers perceive the products whose names are protected by means of quality schemes as having a higher value, which results in increased sales, but also in other benefits of a quantitative and qualitative nature for the producers and the area of origin. This article presents, in the first part, some aspects with regard to the impact, from a marketing perspective, of the use of quality schemes, using in particular information from literature, and subsequently renders the situation in the EU countries, at the level of 2022, regarding the number of products protected under the various quality schemes, by country and by category of protected product, using official information. Several quality schemes are used in the European Union: Geographical indications (Protected designation of origin, Protected geographical indication, Geographical indication), Traditional speciality guaranteed, Mountain product, Product of EU's outermost regions, but this paper refers only to products whose name was protected via Geographical indications and Traditionals speciality guaranteed.

#### Keywords

european quality schemes, geographical indications, traditional speciality guaranteed, European Union

### JEL Classification

L15, M31, Q13

### Introduction

In the literature related to the promotion of agri-food products, in addition to other specific promotion techniques (advertising, sales promotion, public relations, etc.), also used for other categories of goods, there are also distinctive signs regarding quality. On the territory of the European Union, according to current legislation, the following quality schemes are used (according to https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained\_ro, accessed on 27.08.2022):

- *Geographical indications*, which include:
  - o Protected designation of origin PDO (for food and wine)
  - Protected geographical indication PGI (for food and wine)
  - o Geographical indication GI (for spirit drinks);
- Traditional speciality guaranteed TSG;
- Mountain product;
- Product of EU's outermost regions;

In accordance with Regulation (EU) No 1151/2012,

- ✓ "designation of origin is a name which identifies a product: originating in a specific place, region or, in exceptional cases, a country; whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and the production steps of which all take place in the defined geographical area". [...]
- ✓ "geographical indication is a name which identifies a product: originating in a specific place, region or country; whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and at least one of the production steps of which take place in the defined geographical area. [...]
- ✓ a name shall be eligible for registration as a *traditional speciality guaranteed* where it describes a specific product or foodstuff that: results from a mode of production, processing or composition corresponding to traditional practice for that product or foodstuff; or is produced from raw materials or ingredients that are those traditionally used."

**Mountain product** refers to products manufactured in mountainous areas, in difficult natural conditions. **Product of EU's outermost regions** refers to products from regions of the EU that face difficulties due to remoteness and insularity, which sometimes also involve difficult geographical and meteorological conditions. (according to <a href="https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained\_ro">https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes-explained\_ro</a>, accessed on 27.08.2022).

Products protected by geographical indications and traditional specialties guaranteed are registered in the Register of the names of agricultural products and foodstuffs, wine, and spirit drinks that are registered and protected across the EU – eAmbrosia.

Globally, the EU has been at the forefront of promoting the protection of product names for wines, spirits and agricultural products, with considerable emphasis on promoting 'traditional' methods of food production in rural areas. (Deacon, 2018).

### Some aspects of the impact of the use of quality schemes from a marketing perspective

Although the main purpose for which the quality schemes were developed was the legal protection of products, their promotional role is indisputable, this article generally referring to products whose name has been protected through PDO, PGI, GI, TSG.

Thus, Uzelac, Mijatović and Lukinović (2022), specified that, through the legal protection conferred, the quality schemes protect the producers of counterfeit products (surrogates on the market), thus giving the right to the exclusive use of the protected names of the products. Also, the promotion of products based on their protected origin leads to an increase in their market value, as a result of the trust that consumers have in these products.

Favorable appreciation / increased consumer confidence in these products is highlighted in numerous papers. For example, Russo, Bilucaglia, Circi, Bellati, Valesi, Laureanti, Licitra and Zito (2022), specified that products with origin certification are perceived as more durable, safer and of better quality. Other studies have demonstrated that labeling systems regulated by EU legislation, which establish strict requirements regarding food product standards (such as: geographical indications and traditional specialties guaranteed) are obviously appreciated by consumers (Gracia and De-Magistris, 2016).

Geographical indications offer economic benefits to the holder of the respective right, as well as to the place of origin / environment of provenance of the product (Sitepu, 2018), their main function being the recognition and protection of the specifics of the producing regions, contributing to the preservation of heritage (Flores and Falcade, 2019).

Thus, with their implementation, the quality schemes (geographical indications, traditional specialties guaranteed) played an important role in the recovery of a large and diverse amount of traditional agricultural and food products, as well as in preventing the disappearance of other products. In fact, in the absence of these quality schemes many of the currently protected products would be lost or at least not marketed outside their regional and national borders (Bonadonna, Macar, Peira and Giachino, 2017).

Practically, "traditional" foods constitute an important part of European cultural heritage (Harriet Deacon, 2018), Traditional products have a significant role in promoting a region, representing communication vectors in terms of features, customs, traditions, identity and part of the experience of the region (traditional food products play a significant role in marketing of a region as a vehicle of communicating a place's features, customs, traditions, identity and part of the region's experience) (Florek and Gazda, 2021).

A study carried out in Poland, among producers who have adopted different product labeling schemes, highlighted that the impact that food quality labels have on their own activity is particularly materialized in the increase of profits, sales volume and sales prices. Thus, the producers declared that the adoption of food quality labels offers opportunities for improving the market and access to distribution channels, product acceptance, increasing production, sales and profits, the positive perception of consumers towards their own products and improving the image of the producer. (Jakubowska, Wierzejski and Lewicki, 2021)

The increased market success of products whose name has been protected through various quality schemes (PDO, PGI, GI, TSG) is also evidenced by the evolution of their sales. Thus, according to the data provided by AND-International, for the years 2010 and 2017, food products and alcoholic beverages recorded sales at the EU level in the amount of EUR 77,148 million, which represents an increase compared to 2010 by 41.5%.

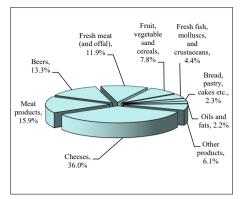
Table 1. Sales value of products under PDO, PGI, GI, TSG, in UE\* countries in 2010 and 2017 (million EUR)

Year	2010	2017**	change 2017/2010 (%)
Wines (PDO + PGI)	29630	39418	33.0
Agricultural products and foodstuffs	16603	27339	64.7
- PDO + PGI	16603	24950	50.3
- TGS	0	2389	ı
Spirit drinks (GI)	8249	10347	25.4
Aromatised wine (GI)	31	43	38.7
Total	54513	77148	41.5

Source: taken and processed after AND International study for DG AGRI, 2019
\*including Great Britain

By category of agri-food products, it can be seen that the highest sales at the level of the EU countries were recorded by: "Cheeses", "Meat products" and "Beers", in terms of products with geographical indications and respectively "Meat products" at products protected as traditional specialties guaranteed.

<sup>\*\*2017</sup> is the last year for which we found official data available at the time of this work.



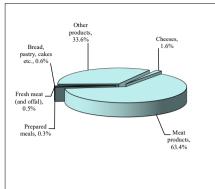


Figure 1. Structure of sales value of agricultural products and foodstuffs under PDO and PGI in 2017

Figure 2. Structure of sales value of agricultural products and foodstuffs under TSG in 2017

Source: processed after AND International study for DG AGRI, 2019

### The number of agri-food products and alcoholic beverages belonging to EU countries protected by quality marks (PDO, PGI, GI, TSG), in 2022

Regarding the number of names of agro-food products and alcoholic beverages protected by quality marks, it registered, at the level of the EU countries, an upward trend, in the context of the increased interest in obtaining protection for new and new products.

In the year 2022, a number of over 3300 agricultural and food products, including alcoholic beverages, belonging to the countries of the European Union were protected by means of geographical indications and traditional specialties guaranteed, most of them being represented by wines (over 48%) and food and agricultural products (44%) (Table 2).

Table 2. The number of agri-food products and alcoholic beverages belonging to protected EU countries, by categories of quality schemes and products, in 2022 (number of products registered on 27.08.2022)

Product category	Number of products	% in total
Wine (PGI, PDO)	1614	48.70
- PDO	1176	
- PGI	438	
Food and agricultural products (PGI, PDO, TSG)	1458	44.00
- PDO	635	
- PGI	763	
- TGS	60	
Spirit drinks (GI)	242	7.30
Total	3314	100%

Source: Elaborated by author based on eAmbrosia database (accessed on 27.08.2022)

### The number of wines, belonging to EU countries, protected by geographical indications, by country

According to the information entered in the eAmbrosia database, in 2022, more than 1,600 wines belonging to EU countries were protected by PDO (72.9%) or PGI (27.1%). The distribution of PDO or PGI wines by country is presented in figure no. 3.

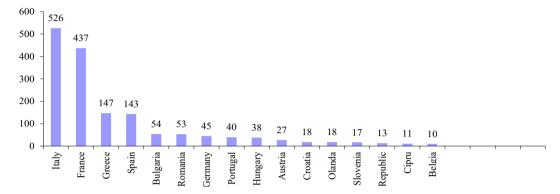


Figure 3. The number of wines belonging to EU countries protected by quality marks (PDO, PGI), by country, in 2022 (as of 27.08.2022)

Note: for 1 product, the registration application was submitted by two states, being reported under the law of both states

Source: Elaborated by author based on eAmbrosia database (accessed on 27.08.2022)

There is a high concentration regarding countries and the number of wine protected names, thus, approximately 60% of the total number of protected names at the community level are registered in Italy (32.6% of the total) and France (27.1%). Greece (9.1%) and Spain (8.9%) also stand out in the hierarchy of EU countries from the perspective of the number of wines protected by PDO or PGI.

## The number of agricultural and food products, belonging to EU countries, protected by geographical indications and traditional specialties guaranteed, by country

According to eAmbrosia, almost 1400 agricultural and food products, belonging to EU countries, were protected at the community level in 2022, their distribution by country being presented in figure no. 4.

The countries with the most agricultural and food products protected through PDO or PGI are Italy (22.5%), France (18.5%) and Spain (14.5%).

The categories of agricultural and food products that register the most products protected by geographical indications are "Fruit, vegetables and cereals, fresh or processed" (more than a quarter of the total products protected by means of these categories of quality schemes) and "Cheeses" (17%).

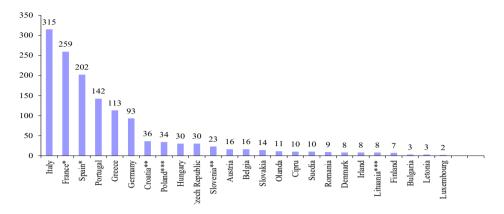


Figure 4. The amount of agricultural and food products belonging to EU countries protected by geographical indications, by country, in 2022 (as of 27.08.2022)

Note: for a number of 5 products, the application for registration was submitted by two states, being reported under the law of both states.

Source: Elaborated by author based on eAmbrosia database (accessed on 27.08.2022)

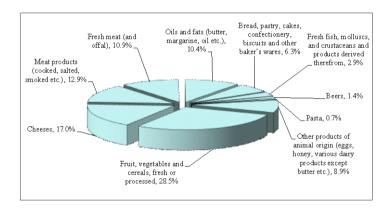


Figure 5. Structure of the number of names of agricultural and food products belonging to EU countries, protected by geographical indications, by product category, in 2022 (as of 27.08.2022)

Source: Adapted by author based on eAmbrosia database (accessed on 27.08.2022).

Also, in 2022, 60 agricultural and food products, belonging to EU countries, were protected by means of Traditional specialty guaranteed, according to the eAmbrosia database, their distribution by country being shown in figure 6.

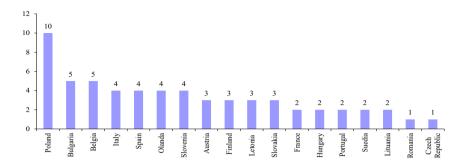


Figure 6. The amount of agricultural and food products belonging to EU countries protected by Traditional specialty guaranteed, by country, in 2022 (as of 27.08.2022)

Source: Elaborated by author based on eAmbrosia database (accessed on 27.08.2022)

In the case of products protected through the STG, Poland stands out with the most protected products, followed, equally, by Bulgaria and Belgium.

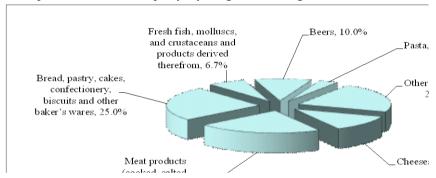


Figure 7. Structure of the number of names of agricultural and food products belonging to EU countries, protected by traditional specialties guaranteed, by product category, in 2022 (as of 27.08.2022)

Source: Adapted by author based on eAmbrosia database (accessed on 27.08.2022)

By means of traditional specialties guaranteed, products belonging to the categories "Bread, pastry, cakes, confectionery, biscuits and other baker's wares" (25%) and "Meat products (cooked, salted, smoked etc.)" (21.7%) were especially protected.

### The number of spirits, belonging to EU countries, protected by geographical indications, by country $% \left( \frac{1}{2}\right) =\frac{1}{2}\left( \frac{1}{2}\right) +\frac{1}{2}\left( \frac{1}{$

In the spirits category, over 240 products were protected at the EU level in 2022, through Geographical indication, the countries with the most protected names being: France, Germany and Italy. (Figure 8)

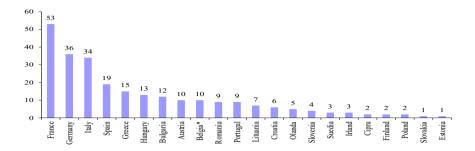


Figure 8. The amount of spirits, belonging to EU countries, protected by Geographical indication, by country (as of 27.08.2022)

Note: for a number of 12 products the application for registration was submitted by two or more states, being reported under the law of all those states.

Source: Elaborated by author based on eAmbrosia database (accessed on 27.08.2022)

Making a comparison between the share held by the EU member countries (including the United Kingdom and excluding Estonia and Latvia, for which we do not have data) in total names protected by means of geographical indications (excluding aromatised wine), as well as the share in total sales (sales value) based on the information of 2017 (the last for which we have official data on sales at the level of EU countries), we observe a direct connection between the value of the two indicators (see figure no. 9). It is therefore obvious that a greater number of products protected by quality schemes is associated with higher sales of this product category and, implicitly, with a whole series of other advantages both for the producers and for the environment of origin of the products so after as we stated before.



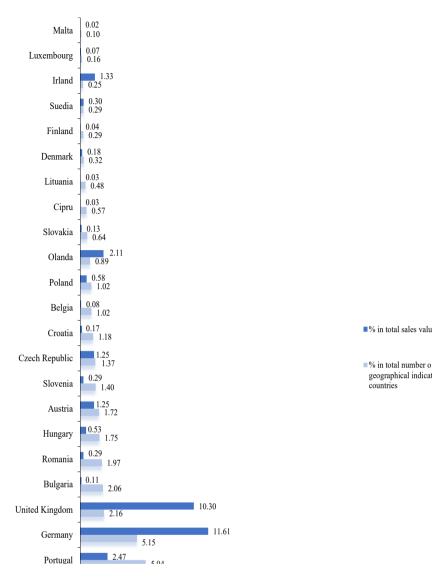


Figure 9. The share held by some of the member states in total sales value\* and in total geographical indications\* registered at the level of EU countries, in 2017

\* excluding aromatised wine

Source: Elaborated by author based on AND International study for DG AGRI

### **Conclusions**

The use of distinctive quality marks is both a means of protection and promotion of agri-food products, bringing real benefits to consumers, producers and the environment in which they were produced. In an extremely synthetic presentation, if for the consumer the distinctive signs of quality represent a means of identifying the products (made in a certain area or according to a traditional recipe) and of guaranteeing the quality, for the producer, the products protected by means of the schemes quality also bring financial benefits, in the sense that, enjoying a higher perceived value, they are sold at higher prices, which means higher profits, sales markets (internal, but especially external), benefits in terms of image etc. In addition, these quality schemes bring real

benefits for the environment of origin, in the sense that they represent real tools for promoting the values of the areas to which they belong.

The number of names protected by quality marks (PDO, PGI, STG, GI) at the European level reached 3314 in 2022 (27.08.2022), of which 48.7% represented wines, 44% food and agriculture products and 7 .3% spirit drinks. Among the member countries, Italy and France stand out in particular with the most protected names, both in terms of wines, as well as food and agricultural products, and in the category of spirits, France, Germany and Italy are in the first places in the EU. Also, in the top of the countries with a large number of products protected by means of geographical indications are Spain, Greece and Portugal. Referring to the guaranteed traditional specialties, their number at the level of the EU countries amounted to 60 on the same date previously indicated, in first place among the member countries, with the largest number of protected products being located in Poland. At the level of the EU countries, there is a real link between the sales made for these categories of products and the number of products protected by these schemes, a larger number of protected products being associated with higher sales and (starting from those presented previously) with benefits additional for producers and area / country of origin.

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