



Voluntary Report - public distribution

Date: 11/08/2001

GAIN Report #FR1062

France

Agricultural Situation

French and EU Product Origin and Quality Labeling 2001

Approved by:

Besa L. Kotati

U.S. Embassy

Prepared by:

RGauthier/M.C. Henard

Report Highlights:

In France and in Europe (EU), there is a growing number of food products sold with specialized labels for quality and origin. There are currently four labels and certificate of conformity or logos used in certifying quality and/or origin. These labels are (1) "Appellation" of origin; (2) label "Rouge" (red); (3) organic label; and certificate of conformity. EU authorities have created three Europe-wide quality and origin labels/logos in the past few years.

In line with other EU countries, French consumers are demanding high quality, origin-labeled foodstuffs. As a result, food companies and supermarket chains have committed themselves to marketing quality and origin labeled products for their French and European customers.

General Summary	2
I. French Quality Labels and Standards	Page 2 of 5
A. Appellation of Origin (AOC)	Page 2 of 5
B. Label Rouge	Page 2 of 5
C. Organic Agriculture Denomination	Page 3 of 5
D. Certification of Conformity	Page 3 of 5
II. European Union Quality/Origin Logos	Page 4 of 5
A. Protected Designation of Origin (PDO)	Page 4 of 5
B. Protected Geographical Indication (PGI)	Page 4 of 5
C. Traditional Specialty Guaranteed (TSG)	Page 4 of 5
III. Recent Developments	Page 5 of 5

General Summary

In France, there are four certifications of quality and origin in use: 1) Appellation of origin (AOC), 2) Label "Rouge" (red) and regional labels, 3) organic label, and 4) "certificate" of conformity. Although certified products can be more expensive, they are growing in popularity with French consumers who demand high quality and are increasingly interested in food safety.

In addition to these French certifications, the French Ministry of Agriculture and Fisheries (MinAg) was in large part responsible for the creation of the three European quality labels/logos, namely: (1) Protected Designation of Origin (PDO); (2) Protected Geographical Indication (PGI); and (3) Traditional Specialty Guaranteed (TSG) labels/logos.

Information on French and European quality/origin labels is available on the French MinAg's website: <http://www.agriculture.gouv.fr/alim/sign/welcome.html> and on the European Commission's website: http://europa.eu.int/comm/agriculture/qual/en/fr_en.htm

Average exchange rate used in this report:

1999: USD 1 = FF 6.10

2000: USD 1 = FF 7.13

I. French Quality Labels and Standards

A. Appellation of Origin (AOC)

The Appellation of Origin (AOC) was created in 1935 for wines, then expanded to include dairy products, and since 1990 has included many other agricultural and food products, such as olive oil. This appellation is an indication of origin only, not of quality.

In 2000, 113,000 French farms produced products carrying AOC classification. Total sales amounted to FF 120.8 billion (\$16.9 billion), of which wines and spirits represented \$15 billion and cheeses \$1.75 billion.

Wines and Spirits: Approximately 73,000 producers and 462,757 hectares of vineyards are producing AOC products, i.e., 53 percent of the total French vineyards. The amount of AOC wine produced accounted for 85 percent of total French wine production in value. One third of AOC wines and spirits produced in France are exported.

Dairy Products: Approximately 28,000 milk farmers produce AOC dairy products (cheese, butter and cream) in France, representing about 20 percent of the total value of the French dairy production. Around 181,000 MT of AOC cheese and 22,000 MT of AOC butter and cream are produced annually. The production is raw milk cheese.

Other Food Products: Around 12,000 French farmers and companies produce AOC products other than wines and dairy products, such as farm-raised poultry (1 million head), fruits and vegetables (36,000 MT), olive oil and essential oils. AOC olive oil currently represents 25 percent of French production. It is expected to grow to 40 or 50 percent by 2003.

B. Label Rouge



The national Label Rouge and the equivalent regional labels were created in 1960. The Label Rouge is the national label put into place by the French Ministry of Agriculture and Fisheries (MinAg). It guarantees product quality. A product must meet strict controls by licenced certifying organizations, at all stages of production, processing and distribution.

Regional labels are governed by the same criteria as the Label Rouge but on a regional (i.e. state) level. For example: “Emmental de Franche Comte” is Emmental cheese produced in the region called “Franche Comte.”

In 1999, there were 101 million head of poultry, 76,000 MT of beef, pork and lamb, 17,000 MT dairy products, 11,600 MT of fruits and vegetables, and 4,000 MT of seafood (mainly salmon) sold with the Label Rouge logo.

In 2000, there were 51,517 producers of Label Rouge and regional labeled products in France including 340 wholesalers and 6,630 distributors. The market level for products sold under these labels was valued at FF 10.8 billion (\$1.8 billion).

C. Organic Agriculture Denomination



Organic agriculture was recognized in France in 1990, and is identified by the AB logo (AB is the acronym for Agriculture Biologique, meaning organic agriculture in French). The AB logo is the property of the French Ministry of Agriculture and fisheries and identifies a mode of agriculture and guarantees that the product is produced in accordance with EU Regulation 2092/91 as modified, which guarantees that a product is produced without chemicals and in such a way that protects the environment.

The Government of France has issued an action plan in 19XX to further develop organic agriculture. Organic farming in France was practiced on 370,000 hectares in 2000, a 17 percent increase from 1999. Organic production now accounts for 1.3 percent of total French agricultural land. Organic sales in France are currently estimated at \$700 million, and are expected to reach \$2.6 billion by 2003.

Since April 2000, products and ingredients containing at least 95 percent organic inputs as per EU Regulation and manufactured in the European Union are authorized to bear the European organic logo.

D. Certification of Conformity



The Certification of Conformity is meant to be a mark of quality. It was adopted in 1990. It certifies that a product strictly follows established manufacturing rules, and contains the properties required by these rules. This certification guarantees to the consumer consistent quality, and the truthfulness of the product labeling. In 2000, products sold under the certification of conformity reached FF 13 billion (\$1.8 billion), a four percent increase from 1999.

II. European Union Quality/Origin Logos

In an effort to harmonize labeling with the European Union (EU), a regulation on geographic denomination and appellation of origin was adopted in 1992. Three labels/logos of quality and origin within the European Union were created. There are currently 570 cheeses, meats, fruits, vegetables and processed European products registered carrying these quality/origin logos.

A. Protected Designation of Origin (PDO)



The PDO logo is used to identify foodstuffs produced, processed and prepared in a specific geographical area using recognized know-how. Currently 57 PDOs have been recognized by France, mostly for cheeses produced from different EU countries. Wines are not yet part of the EU regulation for PDO food products.

"Protected Designation of Origin" translates into French as "Appellation d'Origine Protégée," as indicated on the logo.

B. Protected Geographical Indication (PGI)



The PGI logo, less strict than the PDO, indicates that at least one phase of the product, either production, processing or preparation, originates in a certain country/region. Also, the product should have a good reputation. To date, France has some 66 PGI marked products, which is over 30 percent of all European PGI product, representing sales of \$650 million mostly poultry, dairy products and meat.

French products approved to be labeled with PDO and PGI are principally fresh meat and offals (38 percent), cheeses (32 percent) and fruits and vegetables (16 percent).

"Protected Geographical Indication" is "Indication Géographique Protégée" in French, as indicated on the above logo.

C. Traditional Specialty Guaranteed (TSG)



The TSG logo does not refer to the origin but highlights traditional character, either in the composition or means of production of a product. No French products are labeled with TSG.

"Traditional Specialty Guaranteed" is "Spécialité Traditionnelle Garantie" in French, as indicated on the logo.

III. Recent Developments

There has been a number of food safety crises in the past few years in France, including the Bovine Spongiform Encephalopathy (BSE) crises of 1996 and 2000 that hurt the beef industry and the dioxin crisis that hurt the poultry industry in 1999. As a result, French consumers are demanding information on the origin and characteristics of food products. As a result, products sold under quality and origin labels, created by the French Government (GOF), have gained the confidence of an increasing number of French consumers.

An example of the quick reaction of the MinAg and beef sector to the BSE crisis in 1996 was the creation of a logo indicating the French origin of beef products on the French market. The VBF (Viande Bovine Francaise) help re-establish consumer trust in beef safety after 996 and it is still used on beef produced from animals born, raised and slaughtered in France.

In the second BSE crisis, that started in November 2000, French consumers partially replaced average quality beef with high-quality beef sold with quality labels. Despite higher retail prices for foodstuffs sold under quality/origin labels, French supermarkets are including more and more of these products on their shelves, in large part under the supermarket's private label. Producing quality/origin certified food products have also had a positive impact on domestic farm income.

Recently, sustainable agriculture has been publicized by supermarket chains and food processing companies as an interim between regular agriculture and organic farming. This type of agriculture uses less fertilizers, pesticides and water in a concern to preserve both the environment (like in organic farming) and the profitability of farms (like in intensive agriculture). Since sustainable agriculture is not yet clearly defined, and a number of food companies and supermarket chains used it as a marketing tool, the Ministry of Agriculture and Fisheries asked Guy Paillotin, former President of the French Research Institute in Agronomy (INRA), to draft a report on the issue. This report was released in February 2000, and considered sustainable agriculture as the agriculture of the future. However, it stated sustainable agriculture should not be used as a marketing tool, but only as a way to protect the environment. Guy Paillotin proposed to create a certification for entire farms rather than specific products or production types, as it is the case for products under other quality/origin logos. To date, the MinAg has not decided how to promote sustainable agriculture.