

**POSITION PAPER ON THE SPECIFIC  
« LOCAL FARMING AND DIRECT SALES »  
LABELLING SCHEME**

European Regulation No 1151/2012 was issued on quality schemes for agricultural products and foodstuffs on 14 December, 2012. This text specifically prescribes that (article 55):

*« No later than 4 January 2014 the Commission shall present a report to the European Parliament and to the Council **on the case for a new local farming and direct sales labelling scheme** to assist producers in marketing their produce locally. That report (...) should take into account other criteria, such as the possibilities of reducing carbon emissions and waste through short production and distribution chains (...). »*

The objective of specific labelling, such as it is considered here by the Commission, would appear to link the idea of production methods (« local agriculture ») with that of marketing methods (« direct sales »). But, based on the experience we have in this sector, we believe that linking « non-industrial » agricultural and food products with direct sales – or leading the consumer to believe that the two must necessarily be linked – can prevent the economic development and viability of small farms and small food companies.

**For this reason, in the case where labelling terms have to be decided, we are in favour of production methods (« local agriculture ») and marketing methods (« direct sales ») being treated separately.**

The rest of this note presents the characteristics of our sector, along with an explanation for the reasons of our positioning and proposals.

***Cheese processing is a sector where farmhouse and artisan production have remained important***

In the field of cheese and dairy products, alongside « industrial » dairy production and processing, a farmhouse and artisan channel has always been maintained in rural areas all over Europe.

This sector is made up of three types of enterprises:

- « Farmhouse » cheesemakers who process milk from their own livestock
- « Artisan » cheesemakers who collect milk from local breeders, and process it in small structures following traditional techniques
- « Mixed » cheesemakers who process milk from both their own livestock and local breeders

Whatever the case, these are generally family enterprises manufacturing locally-recognised products, due to the fact that they are based on traditional and specific know-how. These companies are economically viable, and are often a capital support for difficult rural territories in which dairy breeding is one of the only activities possible.

It is difficult to know precisely the number of companies concerned in Europe, as there are few reliable statistics on this sector. In the framework of the FACE association, we estimate at around 13,000 the number of small cheesemakers in our 11 countries: Italy, Spain, Germany, Sweden, Netherlands, Ireland, Great Britain, Norway, Finland, Poland, France.

***In practice, farmhouse and artisan cheesemakers use a variety of marketing methods which are adapted to their economic or geographical, etc. contexts.***

Notions of “direct sales” and “short supply chains” meet definitions which are slightly different depending on whether we are talking of health, trade or milk quota legislation. The following definitions, which are generally admitted, can be referred to:

- « Direct sales » means marketing by the producer himself directly to the final consumer (small groceries, restaurants, small supermarkets, etc.).
- « Short supply chain » means sales via a single « retail » type intermediary between the producer and the consumer « small groceries, restaurants, small and bigger supermarkets, etc. ».

These direct or short supply chains are preferred by small producers as they make it possible to retain at their level the majority of the economic added-value generated by their products (margins, reduced transport costs, etc.). Nevertheless, depending on the situation, these circuits alone are not always sufficient to sell the production and balance the accounts of the enterprises. Many farm producers actually sell all or part of their products in longer circuits: via refiners, wholesalers or other distribution platforms. This type of solution is widely used in a number of AOP farmhouse cheese channels. In some countries, supermarkets represent 85 to 90 of the cheese market. To work without them would be suicidal for farmers.

Short supply chains are not accessible or advantageous for all small scale producers. For example, they are demanding in terms of manpower (presence in markets, availability in the case of farm sale) and this can represent a real problem for the very small enterprises made up of one or two people. Moreover, territorial considerations must also be taken into account: for example, enterprises located in periurban areas find it easier to sell on the spot than those located in more isolated areas...

On the other hand, to limit farmhouse and artisan products to « short supply chains » would actually result in limiting access for certain populations, specifically urban populations which have little opportunity of getting anywhere near where these products are manufactured. This means also limiting the development of small scale cheesemakers.

### ***A variety of marketing methods, recognised and supervised by European hygiene regulations***

Since the early 90s, European hygiene regulations have set up conditions and defined status relative to methods of marketing foodstuffs with the Hygiene Package.

The « European sanitary approval » status enables agro food enterprises, whatever their size, to sell their production with no geographical or type-of-circuit restriction.

The establishments which have not sought this approval also have a status recognised by the Hygiene Package. They are however submitted to restrictions on marketing: if direct sale to the final consumer is still possible, sale to intermediaries is also allowed but must be local and limited to small quantities. The details of these criteria are to be fixed by each member state.

Thus, for over 20 years, farmhouse and artisan cheesemakers have been working at bringing their establishments and practices into conformity with these European regulations as much from an individual point of view (adapting premises, setting up hygiene control schemes, etc.) as from a collective point of view (guide to good practices of hygiene for the channels, work with the member states on the application of flexibility, etc).

Today, according to an internal study which we have carried out within the FACE Association, the number of cheesemakers with a European hygiene approval status varies between 40 and 100% in the different countries represented within the association.

Our « small cheesemakers » have access to the same markets as the other enterprises, which we esteem to be justified and beneficial for both producers and consumers.

Regulations on labelling which would mainly favour only short supply chains as outlets for our farmhouse and artisan cheesemaking sector would appear to us to challenge some of the objectives of the hygiene rules.

### ***To sum up, what do we suggest for specific labelling?***

For all the reasons detailed above, labelling which links production and marketing methods does not appear to be relevant to us.

Moreover, from our point of view, labelling relative to “direct sale” is of no interest. When consumers benefit from direct contact with producers, is the mere fact of adding it to a label an additional advantage? Although the aim of such a labelling might be to differentiate « true farm producers » from « resellers » who are often present on the markets, we believe that the « cost/profit » ratio would be relatively low. This would oblige farm producers to have two stocks of labels, according to whether they sell direct or through an intermediary.

On the other hand, we are all in favour of labelling relative to our production methods, harmonised at a European level.

Our products are from small economic channels which are cost-effective and coherent in terms of sustainable development, on condition that they can valorise those products at a fair price, which is necessarily higher than those of more « industrial » products. This necessitates specific labelling on the products which allows consumers, wherever they are carrying out their purchases, to identify farmhouse and artisan products.

According to a study we have carried out in the countries represented within the FACE Association, only two of our 11 countries have set up an « official » definition of farmhouse cheese and an associated labelling: the Netherlands (« Boerenkaas et Boerderijzuivel ») and France (« farmhouse cheese »).

Nevertheless, in all 11 countries, whether there is a formal definition or not, the « small cheesemakers » generally meet the following criteria: the milk processed is mainly produced on the spot or on production farms nearby. This is a specific criterion which sets them apart from more industrial structures and which is adapted to a high level of hygiene and technology quality necessary for traditional processes.

When the milk is produced on the spot, verification of the technological characteristics of the milk, and the hygiene conditions in which it was produced (health of the animals, blocking techniques, etc.) is facilitated; especially as the work is often carried out by the same people! Moreover, the milk produced on the spot undergoes little or no storage, and is not transported, reducing the risk of deterioration.

In the case of milk bought outside but nearby, cheesemakers set up procedures for checking the quality of the milk in agreement with their suppliers. Geographical proximity enables artisan cheesemakers to control the quality of their milk better than large industrial cheesemakers can (large number of producers, located over large areas, etc.).

We realise that our proposals are particularly specific of our channel. We have no preconceived opinion on the choices to be made for other product channels which should be consulted individually.