



Focus Group 'Alternative solutions for livestock product differentiation'

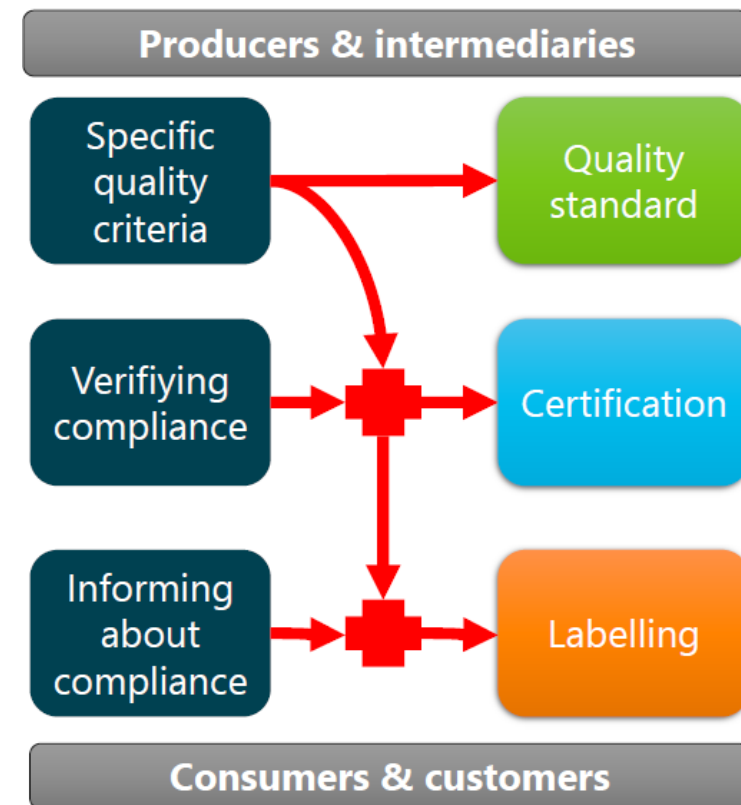
Vienna, Austria
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Mini Paper 2: Labelling & Certification in Practice – A Tool to Promote Differentiation for Livestock Products

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Introduction and objectives of the MP

- “A label is “any tag, brand, mark, pictorial or other descriptive matter, written, printed, stencilled, marked, embossed or impressed on, or attached to the packaging or container of food”.
- Labels and certificates help to ensure the quality of product and to communicate to the customers about the quality of produce.
- They help to build trust towards livestock products and customers to make informed decisions.
- The aim of this MP is to propose how labelling and certification can support the differentiation of livestock products.
- Elaborate what is labelling & certification, point out the benefits, provide examples of success stories, innovations and lessons learnt, and propose research needs

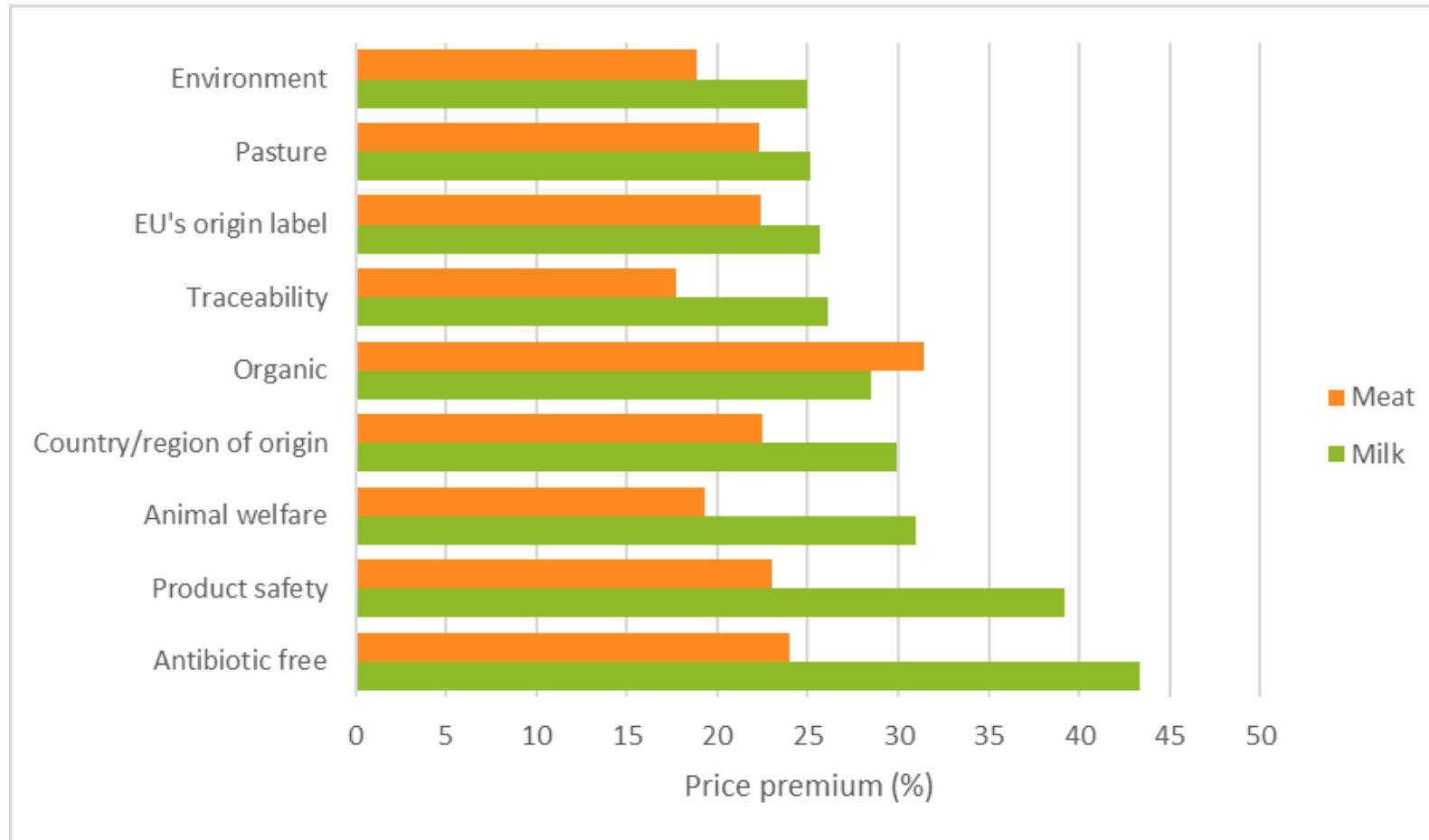


State of the art & main challenges

- EU geographical and quality indications, private labels and quality schemes offer possibilities to differentiate products and to gain benefits through market access, financial rewards, stabilized income, improved brand reputation and improved animal health, there are also costs arising from the scheme.
- Objective and verifiable, scientifically sound claims (evidence).
- Most schemes differentiate products based on source of origin, environmental amenities, animal welfare assurance or nutritional claims. Some farmers have highly developed unique production, but they are usually not labelled.
- Transparency and rigor to avoid green washing ~ 25% of environmental claims misleading?
- The main challenges for producers are related to operational adjustments and investments to comply with the scheme, audit and admin costs, competition with other schemes and distribution of costs and benefits across the chain



There is a positive willingness to pay a price premium (% on top of the standard product's price) for milk and red meat attributes



Yang and Renwick (2019).

Best practices - What is needed for successful labelling?

- › Business operators' desire for openness.
- › The participation of farmers, processors, retailers, and interest groups in designing and implementing the scheme, including the development phase and decision-making structure.
- › Consumers are aware of the label and its benefits → adequate, correct & coherent communication, easily understandable specifications and explaining how the scheme goes beyond the standard practice
- › Transparency, documentation and clarity: rules, criteria, auditing, decision-making etc.
- › It is recommended to adhere to the principle of continuous improvement.
- › Scheme's financial viability.
- › Enable benchmarking.



Examples

- **Large scale: Origin Green quality scheme in Ireland**
- Ireland's food and drink sustainability programme, operating on a national scale, uniting actors along the food chain.
- Different quality assurance schemes that cover environment, animal welfare farm management etc.
- **Smaller scale: Slowfood scheme**
- A global movement of over 2000 local groups united by the goal of ensuring everyone has access to **good** (sensory quality, raw materials), **clean** (respected via agricultural practices, processing, marketing, sustainable consumption) and **fair** (social justice; work conditions that respect humans, generate adequate compensation, respect culture and traditions) food.
- Slowfood code of ethics and conduct integrates several sustainability attributes of food.
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First Ideas for Operational Groups

- › Digital Traceability Platform for Livestock Products.
- › Animal Welfare Monitoring, may be backed with sensor technologies.
- › Regional Certification & Branding of (Extensive) Livestock Systems.
- › Farmer-Led Cooperative Certification: Fair for the farmer, local breeds, specialty products, group-level quality certification



Research needs from practice

- › The most effective business models and strategies for labelling and certification of livestock products and their efficient alignment in different contexts, including those that involve the use of IoT.
- › Finding practical ways to strengthen the position of farmers in labelling schemes (so that farmers could get their fair share).
- › Comparing different labels and certificates to uncover ways in which they are inefficient (cost or regulatory-wise) or lead to inaccurate depictions of product value, and suggest ways to improve them.
- › Integration of multiple ICT tools in cost-effective ways and adapt the requirements of certifications of labels to their use and data-driven decision-making



EU CAP Network Focus Group 'Alternative solutions for livestock product differentiation'

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All information on the Focus Group is available on the webpage:
<https://eu-cap-network.ec.europa.eu/focus-group-alternative-solutions-livestock-product-differentiation>

