

# ESTABLISHMENT OF THE LOCAL GUARANTEE SYSTEM

## C3.4

Consumers are increasingly careful about the quality of food products and expect guarantees with regard to the origin, method of elaboration and specific quality of products. The reputation of a GI product is based on its specific quality. If this quality is not maintained in the long term, purchasers and consumers will cease buying the product. It is therefore fundamental to assure that the rules set up by the profession in the code of practice are respected.

## Objectives

A guarantee system is needed in order to ensure that all the stakeholders using the GI respect the requirements of the code of practice and thereby assure the public and consumers that the product is in conformity with the code. It should ensure that consumers are not deceived and honest producers do not suffer from unfair competition.

## Key concepts

The main factors involved in verification of a product's conformity are:

- the raw material used and the processes as specified in the code of practice;
- traceability, to ensure that the product originates from the delimited GI area;
- the final product, as presented to consumers (labelling, aspect, taste etc.).

It should be noted that all certification systems are based primarily on self-regulation: producers must be able to demonstrate that they respect the requirements of the code of practice.

The various product conformity certification systems:

- **Certification by the supply chain** consists of guarantees provided by producers themselves, based on self-regulation (by individual producers) or internal controls (by the GI producers' organization). Within the supply chain, customers or buyers may themselves play the role of controller. The efficiency of this system relies largely on the quality of the work of the person carrying out the controls.
- **A participatory guarantee system** is based on the active participation of stakeholders, both internal and external to the GI value chain (including consumers).

These two systems are applicable in contexts in which the cultural and geographical proximity between producers and consumers (local markets for example) allows the creation of trust relationships and a close-knit social network. The risk of social exclusion works as a guarantee of respect of the rules.

- **A third-party certification** system involves an external body (private, public or mixed) without any direct interest in the economic relationship between the supplier and the buyer, which provides assurance that the relevant requirements have been followed. This system is the most widely used and is required on international markets.

These three systems are often combined to involve all the stakeholders and reduce the costs linked to certification.

## Process

### Setting up the control plan and sanctions according to the code of practice.

The control plan specifies how the rules defined in the code of practice are to be checked. It is comprised of:

- the critical point(s) to be controlled for each requirement (what);
- the method used (visual, document analysis etc.) (how);
- the moment of control (when);
- the related sanctions, depending on the seriousness of the non-compliance, either economic (fine, banning use of the GI, downgrading of the product) or social (exclusion from the group);
- the frequency of controls and the coverage (all producers, sampling).

The nature of the guarantee system depends on the particular features of the market and the economic, cultural and social context. Its implementation should not create excessive costs, making the certification too expensive and thus making it impossible for smaller producers to respect and use the GI criteria. In each situation, the certification must be defined by combining various levels:

- Self-regulation by each producer. This is the basis of all guarantee systems. Each producer must be able to verify that he or she is respecting the rules of the code of practice and must fill out the necessary traceability registration.
- Controls by the organization managing the GI, which may delegate some of the controls to local producer groups.
- External certification (independent) by public agents or private certification agencies. These may decide to delegate part of the controls to the supply chain, but must check on the quality of these controls. This is often the case for example with organoleptic tests carried out by qualified members of the supply chain.

Various types of control must be applied in order to obtain a credible guarantee system. The choice of the controls is made during development of the control plan and may be modified at any time. The guarantee system is based on the control of three main elements:

- evaluation of the production conditions (source of the raw material, production process) and the quality system (including respect of health norms) in all enterprises;
- traceability of the product from the start of the production process through to the final product, using traceability markers;
- quality of the final product through chemical and/or organoleptic analysis.

#### Managing the costs

Efficient coordination is essential with a view to reducing the costs, both direct (technical, administrative, information-related etc.) and indirect (time invested), that all verification systems create. Such coordination can be carried out for example through:

- collective certification, which reduces inspection and administrative costs;
- coordination of controls when multiple standards have to be certified (for example, organic and quality assurance), allowing a single inspection for the various specifications;
- sharing of costs among the various stakeholders in the supply chain, or provision of a mutual fund for smaller producers;
- use of existing databases managed by government institutions and working with these organizations.

## Summary

- The only good rules are those that can effectively be controlled and enforced.
- The only good controls are those that can result in sanctions or rewards.
- Controls must be neutral, impartial and independent.
- Each requirement listed in the code of practice must have a corresponding control point, which means that the code should include only elements that are essential to the specific quality of the product, taking into account the feasibility and costs of control activities.
- When designing the control system for a GI product, it is important to consider existing control schemes (public or private) for the product and seek possible synergies, especially any that can reduce costs.