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# „BUY NATIONAL,, CAMPAIGNS AND FOOD COUNTRY OF ORIGIN LABELING – EU LEGAL FRAMEWORK AND ITS RELEVANCE FOR SERBIA

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## ABSTRACT

After the entry into force of the Stabilization and Association Agreement, liberalization of trade in foodstuff with the EU and CEFTA countries, followed with broadening of the network of wholesalers and supermarkets which distribute imported agricultural products and foodstuff to Serbian consumers, origin labelling and promotion of domestic products in Serbia becomes an important issue. Using predominantly a comparative law method and qualitative analysis, on the basis of a number of possible options within the framework of national country of origin labelling schemes, the paper argues that the new quality initiative “Serbian quality” should be enriched with well-designed and coordinated measures promoting Serbia as a country of origin. By providing a legal framework and criteria for qualification whether promotion tools are legitimate or have equivalent effects to quantitative restrictions on food import, the paper aims to stimulate a discussion on the national initiative.

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## Introduction

Ethnocentric „buy national“ or „buy local“ campaigns, geographical indications and quality schemes which allow for the registration of protected geographical names represent both policy tools to inform potential consumers on the origin and specific properties of agricultural products and processed food, and marketing tool which aims to highlight their national, regional or supranational character and boost the consumption. Whether it takes the form of promotion campaign as a non-formal instrument, formally

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acknowledged quality scheme or the industrial property such is the geographical indication of origin, mandatory or voluntary origin labelling and promotion of origin as informational regulation of food origin reflects greater values and the impact of the origin or provenance on the qualities of the food. Innovations in food labelling aim to promote health, environmental and social sustainability of food production, culture, traditions and most recently risks of the new technologies (Albert, 2010).

Promotion of consumer ethnocentrism to protect national economies within the EU clashes with the main idea of the single market in agricultural products and foodstuffs as goods. "Buy national" and "buy local campaigns" are in accordance with the EU law in so far they are not sponsored by the State. The initial, strict approach to condemn campaigns encouraging the purchase by national food which was grounded by famous *Buy Irish* case of 1982, seems to be challenged by the new European approach on consumer information on the origin of foodstuff. The uncertainty in the dynamics of EU accession, recent developments in the EU food law on origin labelling and transnational regulation of the global food markets urge for the reconsideration of the promotion and labelling of domestic agricultural production and domestic consumption of food produced in Serbia. A careful balance must be stricken between the duty to harmonize legislation with the EU food law and to respect the principle of the free movement of agricultural products and foodstuff as goods, on one side, and the necessity to promote consumption of Serbian products in Serbia and in the third countries, including the EU.

### **Food ethnocentrism**

Consumer ethnocentrism is defined as "the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products." (Shimp and Sharma, 1987, p. 280) The effect of "country of origin" has added an important variable to the concept of consumer ethnocentrism, as this indication is an informational cue which helps consumers evaluate products and develop attitudes (Papadopoulous, 1993). Justification of domestic purchase is also widespread to refer to ethical consumerism, where consumers intentionally purchase products considered to be made ethically. Apart from protection of national traditions, consumers, public finances and the environment, national food self-sufficiency and food security is often voiced as justification of state campaigns to enhance consumer ethnocentrism (Hojnik, 2012). A product's county of origin can be presented to the consumer as "made in" label, by embedding of country or regional reference into the brand name, or promotion of the brand's selling (e.g. French cheese). Consumer ethnocentrism could be influenced by culture and family upbringing, but may also be the result of promotional campaigns. In addition to workers, producers and their associations and consumers, states may also intervene to boost domestic demand, especially through protectionism in public procurement.

The research on motives for food choice in Serbia is gaining importance in recent years (Milošević et al, 2012). Studies identified consumer skepticism, especially with regards to nutrition and health claims on food products (Mitić, Gligorijević, 2015; Gagić et al.,

2014). In domestic academic literature, a growing interest in detecting the relationship between the product country of origin and national identity could be observed (Šapić et al., 2018). Ethnocentrism of Serbian consumers has been explored in relation to brands of consumer products (Veljković, 2005). Empirical research has shown that consumer ethnocentrism in Serbia is higher among rural, older and male population (Marinković et al., 2010). Consumers in Serbia gave the highest rating to the national identity among variables such as foreign and local food products, whereas local food products rank lower than national (Šapić et al., 2018).

### **“Buy national” campaigns as barriers to free movement of goods and the new EU policy on promotion measures**

The most famous campaign in the EU was run some thirty five years ago, by the Irish Government and its Goods Council to encourage the sale of goods bearing the “Guaranteed Irish” label. In a landmark case often referenced to as *Buy Irish* case (Case 249/81, *Commission v Ireland*), the Court of Justice took a stance that not only direct organization of national campaigns by Ministries of agriculture or other public bodies, but also sponsoring and indirect influence of the potential and indirect nature, may represent obstacle to imports, and is therefore contrary to article 34 of the Treaty of Functioning of the EU in a sense that it represents a barrier to trade in goods. The same reasoning was applied in relation to the actions of the German Fund for quality marking (Case C-325/00, *Commission v Germany*). At the beginning of 1990s, German central marketing body (*Centrale Marketing Gessellschaft*) instituted a special quality label (*Marquenqualität aus deutschen Landen*) to promote quality products manufactured in Germany. Similar to this, the Austrian Agrarmarkt Marketing GmbH, a body established by the Austrian Ministry for Agriculture, established a quality seal “*AMA-Gütesiegel – Geprüfte Qualität Austria.*” Similar means of promotion of value and quality of agricultural, food and wine products were launched by public bodies usually established by ministries of agriculture in Italy (*BuonItalia SpA*), France (*Sopexa S.A.*), however the measure of a public authority in the form of advertising in favour of domestic products was not so explicit. The decision in *Buy Irish* case explains that State-sponsored promotion of national goods is illegitimate if it is primarily focused on national origin of goods. On the other hand, the promotion of specific goods having distinctive qualities, besides those of national origin, is permissible (Gormley, 2010; Hojnik, 2012). References to quality control are legitimate only if products are subject to an objective system of control (Case 222/82, *Apple and Pear Development Council v K.J. Lewis Ltd*). In a regulatory approach that is related to food quality rather than to safety, a label that bears a geographical indication provides information on the origin, quality and tradition (Echols, 2008, p. 30).

The EU implements promotion policy to help farm producers sell their products in a competitive global food market and enhance the authenticity of Union products. EU funding for food information and promotion initiatives within and out of the EU is rising from €142.5 million in 2017 to €188.5 million in 2018, and projected to reach

€200 million in 2020. The two existing kinds of promotion are: 1) promotions run by European trade or inter-trade associations and co-financed by the EU, 2) promotions run by the EU, such as diplomatic campaigns, participation in fairs and communication campaigns to promote EU farm products.

On the basis of Regulation 1144/2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries, by its Implementing Decision the European Commission defines the strategic priorities and funding criteria in a yearly work programme which outlines eligible products and possible markets. Promotion measures should not be brand or origin oriented. Brands and origin could be mentioned provided that the principle of non-discrimination is respected and measures are not aimed to encourage the consumption on the sole ground of origin. However, Article 4. par. 2 of this Regulation seems to provide a ground for discrimination of origin oriented promotion measures in non-EU states. Namely, origin of products could be visible in the internal market, where “the mention of the origin must always be secondary in relation to the main Union message of the campaign”, while “in third countries, the mention of the origin may be on the same level as the main Union message of the campaign”. In both cases, for products recognized under the quality schemes, the origin may be mentioned without any restriction.

The strategic policy is implemented through the Consumers, Health, Agriculture and Food Executive Agency. While multi-programmes involve at least two organization from at least two EU countries or one or more EU institutions and its financing is implemented by the Commission under direct management, the so called simple programmes involve one or more organisations from the same EU country and their financing is implemented by national administrations. Article 7 of the Regulation 1144/2014 specified which organisations may propose information and promotion programmes. These are trade or inter-trade organisations, established in a Member State and representative of the sector, and such organisations of the Union representative of the sector or sectors concerned, producer organisations or associations of producer organisations recognized by a Member State, and lastly, agri-food sector bodies the objective and activity of which is to provide information and promote agricultural products. Such agri-food bodies have to be specifically entrusted with a clearly defined public service mission by the Member State and must have a legal personality for at least two years prior to applying for the programme.

### **The EU normative framework on the protection of the origin of foodstuffs and national country of origin labelling**

Geographical origin as a tool of influence can represent an intellectual property tool, or informational tool. In both cases provision of information is the key element, but intellectual property attribution represents a higher dimension of the quality reputation. To prevent the misuse of notorious geographical names, the EU has established two different systems of intellectual property rights for the protection of the origin of agricultural products and foodstuffs: 1) the system of registered geographical names

(based on the Regulation 1151/2012 on Quality Schemes for Agricultural Products and Foodstuffs) and 2) European Union trade mark containing a geographical name (established on the basis of Regulation 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark– EUTM) (Couter, d'Ath, 2016; Jovanić, 2013; Blakeney, 2016). Whereas the former is limited to agricultural products and foodstuffs intended for human consumption (all products of the soil, stock farming, fisheries and some non-food products listed in Annex I of this Regulation, excluding spirit drinks regulated by separate legal instruments), the latter is not limited to food products. Geographic indications and trade marks for spirit drinks and especially wine are subject matter of the Regulation 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products ("Official Journal of the EU", no. L347) (Lučić, 2018).

Regulation 1151/2012 on Quality Schemes has established three different schemes for which the use a quality symbol is compulsory: a) the Protected Geographical Indication (PGI), b) The Protected Designation of Origin (PDO) and the Traditional Specialities Guaranteed (TSG). The third scheme relates to the traditional methods of production and recipes, and does not directly concern the origin. PGI and PDO often consist of the name of a city, region/country and a generic name of the product. Some examples are ham *Jambon d'Ardennes* or a French cheese "*Roquefort*". However, a geographical reference is not decisive; such is for example, PDO "*Feta*" designating a white cheese from Greece.<sup>4</sup> By contrast, if the product has a generic name, and does not derive its qualities from natural factors, but represent a subtype of a product, such is for example the mustard "*Moutarde de Dijon*" or cheese "*Gouda*", it will not be subject to the European rules on quality schemes. Both producers of PGI and PDO from EU and non-EU may benefit from the schemes. An example of foreign products is Turkish baklava (*Antep Baklavasi*, PGI) manufactured around the city of Gaziantep or Darjeeling black tea (PGI).

As follows from the Article 5 of the Regulation 1151/2012 on Quality Schemes, which establishes positive criteria for qualification regarding the quality and manner of production, PDO represents a sub-category of PGIs. To qualify a PDO, the product's quality of characteristics must essentially or exclusively derive from the geographical environment, with its inherent natural or human factors. By contrast, to be protected as a PGI, the quality or characteristics must essentially be attributable to the geographical origin, without a reference to the impact of the environment on the quality. Regarding the manner of production, for a PDO to be granted, all production steps should occur in the designated place of origin, whereas for a PGI, at least one production step must take place in the selected area. Therefore, PDO imposes stringent requirements, which are elaborated in product specifications.

4 Commission Regulation (EC) No 1829/2002 amending the Annex to Regulation (EC) No 1107/96 with regard to the name „Feta“, OJ 2002 L 2894/14.

Unlike PDO and PGI, which represent quality labels, European Union trade mark (EUTM) is a branding tool which requires a single application, produces effects throughout the EU, and may be registered as individual or as a collective trade mark. Unlike individual trade mark, which can not describe the place of origin of foodstuffs, collective trademark may designate the geographical origin. The collective EUTM is granted if the products of the members of an association (EUTM proprietor), may be differentiated from those of competitors. As the owner of a collective EUTM, the association can not prevent any third party to become its member, use the protected name or sign, if this is in line with honest practices in commercial, notably when the incumbent is entitled to use the geographical name on the basis of a registered PGI or PDO and which produces a product in compliance with the product specifications. For example, EUTM “*Genuine Bavarian Beer*” is owned by the association *Bayerischer Brauerbund e.V.*, which cannot prevent any third party to use the terms *Bavaria* or *Bavarian* as a part of the beer title, if they produce beer in line with the stipulated conditions.

At the EU level, several regulations and directives deal with various aspects of food labelling. While vertical labelling rules apply to specific products, Since 13 December 2016, when the obligations specified in the new Regulation 1169/2011 on the provision of food information to consumers became applicable, horizontal obligations to provide information is improved and rules preventing mislead practices are strengthened (Mahi, Conte-Salinas, 2016). The new EU law on food labelling, *inter alia*, specified mandatory origin information for fresh, chilled and frozen meat from pigs, sheep, goats and poultry. It also applies in cases when failure to indicate the country of origin might mislead the consumer, or in situations when the country of origin is given on a voluntarily basis but the origin of the primary ingredient is not the same as that of the food product. It should be underlined that even before the adoption of this regulation, country of origin labelling was already mandatory for honey, fruit and vegetables, olive oil, fishery and aquaculture products and beef, as stipulated in legislation regulating production of these specific products.

The concept of ‘country of origin’ of the food is determined in accordance with Articles 23 to 26 of Council Regulation 2913/92 of 12 October 1992 establishing the Community Customs Code (“Official Journal of the EU”, no. L302). *Stricto sensu*, this refers to the country in which the product is wholly obtained, i.e. the animal was born, reared and slaughtered. However, in modern food chains several countries could be involved in food production, and this concept often refers to a country where the products have undergone last substantial processing. It was concluded that this would not sufficiently inform the consumers about meat origin, and it was considered necessary to inform them about the country where the animal has been reared for a substantial period. To ensure the traceability from slaughtering to packaging the Commission subsequently adopted an Implementing Regulation 1137/2013 of 13 December 2013 as regards the indication of the country of origin or place of provenance for fresh, chilled and frozen meat of the above animals (“Official Journal of the EU” no. L335) applicable as of April 2015, which regulates in a more detail the indication of the place of rearing



and slaughter. For example, sausages made in Germany using Hungarian pork can still be labeled as “German”. In May 2018, the Commission has issued Implementing Regulation 2018/775 laying down rules for indicating the country of origin or place of provenance of the primary ingredient of a food (“Official Journal of the EU” no. L131).

### **Proliferation of national country of origin labelling schemes**

The new EU Regulation on food information provided a way for individual Member States to enact mandatory rules and impose measures on the on the country of origin, which require food producers to indicate the country of origin of food placed on Member States’ market, should there be a proven link between certain qualities of the food and its origin or provenance (Article 39). However, EU agriculture ministers are divided about the impact of national mandatory rules. After Belgian minister has documented the fall in exports of dairy and meat, the Dutch, German, Luxembourg and Czech representatives voiced concerns over distortion of the single market, in favour of voluntary labelling schemes (GAIN, 2017). These countries blamed the European Commission for authorizing the French pilot project, which inspired some Member States to establish similar schemes.<sup>5</sup> Namely, France has been approved a two-year trial scheme (January 1, 2017- December 31, 2018) to assess consumers’ preparedness to pay more for certain origins. For products containing more than 8 percent meat, the label must indicate the place of birth, raising and slaughter of used animals, whereas for products containing more than 50 percent milk, it must indicate the “country of collection” as well as the “country of transformation.” When collection or production takes place outside France, the label may state the origin as “EU” or “non-EU.” Italian law on the labeling of origin of dairy products such as milk, yoghurt, cheese and butter, in force as of April 19, 2017, specified a mandatory indication of the “country of milking” as well as the “country of processing” on dairy product labels.

The more stringent form of protectionism is the adoption of “local food” laws, which extend the labelling requirement to supermarkets and impose several duties in relation to the quantity of domestic products sold by supermarkets. For example, in 2011 Slovenia adopted a special law on promotion of agricultural and food products (*Zakon o promociji kmetijskih in živilskih proizvodov*, Official Journal of the Republic of Slovenia no. 26/11 and 57/12). It introduced “generic promotion” measures, to assure general information on production and advantages of certain products and quality schemes and voluntary labels. Early in 2017, the European Commission sent letters of formal notice to Hungary and Romania related to similar laws stating that both countries failed to submit evidence that national measures are justified and proportionate (Commission, 2017). Hungarian

5 Until July 2017, eight Member States introduced mandatory COOL for certain products: France (milk, milk and meat used as an ingredient), Italy (milk and milk used in dairy products, durum wheat and semolina in pasta, rice), Lithuania (milk and milk used in dairy products), Portugal (milk and milk used in dairy products), Romania (milk and dairy products), Greece (milk and milk used in dairy products, rabbit meat), Finland (milk, milk and meat used as an ingredient) and Spain (milk and dairy products).

new law obliges retailers to apply the same profit margins to domestic and imported agricultural and food products, despite the fact that the cost of imported products is subject to currency and exchange rate fluctuations. In Romania, large retailers are required to purchase at least 51% of food and agricultural products from local producers and the new law also requires retailers to promote products of Romanian origin.

### **Materials and methods**

Given that the overarching objective of this paper is to provide both the overview of the legal framework on food origin labeling in the EU as a normative barrier to marketing practices, and its impact on Serbia's obligations in terms of the processes accession to the EU, the comparative legal method was predominantly used. The inductive method is applied in the analysis of legitimate or illegitimate practices of the EU Member States. A qualitative research applied in this paper is primarily related to landmark cases of the Court of Justice of the EU (CJ) and important national country of origin labelling schemes. The main legislative sources addressed in this text are Regulation 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers ("Official Journal of the EU" no. L304) with its implementing act on origin labelling, and Regulation 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries ("Official Journal of the EU" no. L317). Additionally, in order to present the scope of the tools of protection of the origin of foodstuffs in the EU, it was necessary to provide a brief overview of the two systems of intellectual property tools. Regulation 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs ("Official Journal of the EU" no. L343) introduced the three quality schemes of quality regulation with a significant impact on origin labeling, whereas Regulation 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark ("Official Journal of the EU" no. L154) allows the registration of collective trademarks containing geographical names.

Exploration of the theoretical approaches on causes, effects and the legitimacy of national consumer ethnocentric campaigns related to foodstuffs, reasoning of the Court of Justice and the framework of national and notably EU legislation represents a basis for a policy analysis. The goal of the descriptive analysis is to examine and evaluate the available options for Serbia and other countries which applied for the EU membership. Such promotion tools must not have effects equivalent to quantitative restrictions on food import.

### **Results**

The analysis of relevant EU rules on origin labelling and its promotion was necessary to understand recent trends. The result of the analysis is the conclusion that although the Court of Justice has already ruled against Irish and German labels promoting national products, after more than three decades Member States seems to be willing



challenge the doctrine. Indeed, the new EU legislation, presented in this paper, and introduction of mandatory indications of origin for some products have relaxed the strict regime. The analysis of voluntary information and promotion regimes, had shown that Member States, implemented national food trademarks (e.g. Poland, Italy). A number of initiatives have been launched in the new Member States to employ promotional and marketing techniques. Good examples are labels *Kiváló Magyar Élelmiszer (Quality Food from Hungary)* run by Agrármarketing Centrum in partnership with the Ministry of Agriculture or *Klasa značka* quality mark awarded by the Czech Ministry of Agriculture. In the course of accession negotiations, Croatia has launched “*Buy Croatian*” campaign. Organized under auspices of the Croatian Chamber of Commerce, the campaign runs since 1997, and is based on two labels “*Hrvatska kvaliteta*” and “*Izvorno hrvatsko*”.

The comparative analysis has shown that recently introduced Serbian voluntary standard linked to geographic origin is a concept similar to the above national quality marks. Decree on the labeling of agricultural products and foodstuffs with national quality label “*Serbian Quality*” (“*Official Journal of the RS*”, no. 90/2016) is both a quality mark and a mean of promotion of origin. The overall result of this analysis is the conclusion that Serbia may introduce mandatory and voluntary labelling schemes, and a recommendation that Serbian Chamber of Commerce should engage in promotional campaigns which should not be subsidized by the State.

### Discussions

The Stabilisation and Association Agreement between the European Communities and their Member States on the one part, and the Republic of Serbia on the other part – SAA (“*Official Journal of the RS– International Contracts*” no. 83/2008) obliges State bodies and local administration to deliberately avoid breaching the commitments taken under this agreement. Given the importance of agriculture and food industry for EU, its member states and candidate countries, a number of provisions specify duties and concessions of signatories in relation to agricultural goods, fisheries and processed products. Rules on the free movement of goods aim to eliminate customs duties and charges having equivalent effect imposed in connection with the importation or exportation of goods (SAA, Art. 18), as the signatories pledge to abolish all quantitative restrictions and measures having equivalent effects (SAA, Art. 26, 27, 29, 30). From the date of entry into force of the SAA, no such restrictions shall be introduced, nor shall those already applied be increased, in trade between the Community and Serbia (SAA, Art. 36).

Serbia has also committed to provide protection for the geographical indications and designations of origin for agricultural products and foodstuffs (SAA, Art. 33). For the purpose of implementing the SAA, a special Protocol No. 3. to the Agreement stipulates the principle of territoriality and lays detailed preconditions for a product to be considered as originating from the Community or Serbia, whether wholly obtained or sufficiently worked or processed (in line with the conditions set out in the Annex II). It would be

worth to mention that under certain circumstances, the SAA provides for a safeguard clause if imports subject of concession in relation to agricultural products could cause serious disturbance to the markets or domestic regulatory mechanisms (Art. 32) or authorizes prohibitions or restrictions “justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants... Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.” (SAA, Art. 45).

In addition to the horizontal regime established by Serbian Law on Indications of Geographic Origin (“Official Journal of the RS” no. 18/2010) laws related to wine, spirit drinks and rakija contain special provisions on geographical indications. The relevant legislation specifies the conditions for granting the status of protected indications, procedure for registration and the protection of a right of a holder (Miladinović, Varga, 2011). Overall, the legal framework on geographical indications of food products is partially aligned with the EU *acquis*. Further strengthening of the legal framework and the implementation of quality policy in agriculture, as the subject matter of Chapter 11 – Agriculture and Rural Development,<sup>6</sup> represents a minor portion of Serbia’s commitments to align its legislation and upgrade administrative capacities required by the *acquis* in this area.

The Law on Agriculture and Rural Development (“Official Journal of the RS” nos. 41/2009, 10/2013 – other law and 101/2016) envisaged that the agricultural policy of Serbia is defined by the Strategy for Agriculture and Rural Development (“Official Journal of the RS”, no. 85/2014), the National Programme for Agriculture and the National Programme for Rural Development. As an umbrella document, this Strategy for the period 2014 to 2024 recognized, within one of its priority areas, strengthening the quality assurance policy to enhance the competitiveness of the agro-food sector, and promotion of local products. However, there are no specific indications on initiatives to enhance origin labeling and branding.

Serbian legal framework on obligatory declaration and nutritive information about foodstuff is mostly harmonized with the EU law. However, the labelling of products with nutrition and health claims faces a high level of consumers’ skepticism (Stojanović et al., 2010). Article 26 of the Ordinance on the declaration, labeling and advertising of food (“Official Journal of the RS” no. 19/2017, 16/2018) specified products for which the country or country and place of origin must be indicated on the declaration. This is the case for pork, sheep and goat meat, poultry and beef meat and products, honey, vegetables and fruit, fish and products of fishery, eggs and egg products.

On the basis of the Serbian Law on Indications of Geographic Origin something over fifty domestic appellations of geographic origin were protected. Almost half of the protected appellations are agricultural products (Užice ham, Linden honey from Fruška

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6 Screening Report for Chapter 11 – Agriculture and Rural Development (Ch. III (d), p. 18) specified that “Further alignment needs to be achieved and the implementation of the quality policy further strengthened.”

Gora, pickled cabbage from Futog etc.), cheese products are second largest category with around 21% (Zlata cheese, Sombor cheese etc.), followed by wine (around 17%) and lastly, mineral water (Jovičević Simin et al., 2016). An appellation of geographical origin is a part of the marketing strategy which contributes to the competitiveness of domestic products. It represents both the object of promotion and a tool of promotion.

The Decree on the labeling of agricultural products and foodstuffs with national quality label “*Serbian Quality*” (Official Journal of the RS, no. 90/2016) specified the process of quality control of products with specific characteristics which could be awarded the label. Characteristics may relate to physical, chemical, microbiological and organoleptic properties of the product, methods of production or the specific conditions that must be met during its production. Up to now, granted labels are almost exclusively reserved for processed meat products. “*Serbian Quality*” is a voluntary quality standard, which is reserved for quality food produced of raw material originating from Serbia. It would be worth to say that this label, as well as indications of geographic origin, is not considered to represent a mark of special characteristics, a subject matter of the Article 39 of the Law on Trade (Official Journal of the RS, no. 53/2010, 10/2013).

### Conclusion

Geographic origin of agricultural products and foodstuff is developing into a value driver in the EU and the global market place. In the aftermath of several food scandals, geographic origin is also seen as an appropriate instrument to tackle food safety issues. Within the framework established by Regulation 1144/2014 on information provision and promotion measures, as a third country Serbia and its food market is a target of three simple programmes co-financed by the EU covering the following: meat preparations, dairy products and olive oil.<sup>7</sup> This brings the issue on national campaigns of Serbian products to the forefront. The Republic of Serbia is a net exporter of agricultural products and processed food. Agricultural trade significantly contributes to the stabilization of the balance of payment and national competitiveness. After the entry into force of the SAA and liberalization of trade in foodstuff with the EU and CEFTA countries, followed with broadening of the network of wholesalers and supermarkets, which distribute imported agricultural products and food to Serbian consumers, the initiative on national country of origin labelling and promotion of domestic products within the territory of Serbia becomes important.

### Recommendations

The existing pool of marketable products with protected geographic indications and designations of origin, complemented with the new quality scheme “*Serbian quality*”, should be enriched with well-designed and coordinated measures promoting Serbia as country of origin, especially for certain types of strategically important Serbian agricultural products and foodstuffs. A number of possible options within the

<sup>7</sup> <https://ec.europa.eu/chafea/agri/campaigns/map-and-statistics-target-countries>

framework of national country of origin labelling schemes should be considered as viable alternatives. In order for it to be in line with Serbian commitments undertaken by signing the SAA and accession negotiations, direct sponsoring of national campaigns by the State should be avoided.

Since 2004, Serbian Chamber of Commerce, in cooperation with the Ministry of trade, tourism and telecommunications, organizes a competition for the most successful trade and corporate brands and exporters „Best from Serbia“ (*Najbolje iz Srbije*). We recommend that Serbian Chamber of Commerce extends the promotional campaign to popularize voluntary origin labelling, similar to the activities of the Croatian Chamber of Commerce.

### **Conflict of interests**

The authors declare no conflict of interest.

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