Regional Products in the Central and Eastern European Countries that Acceded to the European Union in May 2004

Abstract

This article presents information about regional products registered by those Central European countries which joined the European Union structures in May 2004. Their membership facilitated the registration of regional products and their participation in the EU’s registration procedures. Regional and local products registered in the area of a country can become a base for the promotion of regional tourism in the regions of origin of these products. The brand recognition of these regional products also becomes a basis to improve the quality of the agricultural products and foodstuffs.

This article presents the activities of the Central European countries which are members of the EU since 2004 in their registration of regional products. The presented data shows how many products were registered within each group of products, protected by the marks: Protected Designation of Origin, Protected Geographical Indication, and Traditional Speciality Guaranteed. Verification of the statistical data allows for analysis concerning the product class, as defined in the EU directives.

1. Introduction

The European Union, since the beginning of its existence, has pointed to the need for cooperation in the field of rural development. Currently, according

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to the European Commission, rural areas in the 27 member countries represent 91% of the overall territory, and these areas are inhabited by over 56% of the population of the European Union. Each country's division into rural and urban areas has been made using three typologies. The first one was developed by the OECD, the second functions in the EU (both are demographic methods), while the division used in Poland is based on its administrative division (Zawalińska 2009, pp. 30 - 44). In 2010, documents produced by the European Union developed a new methodology. According to the new criteria for the EU's classification of areas they are divided to three groups: predominantly urban regions; predominantly rural regions; and intermediate regions. The EU policy concerning regional products applies to rural areas where these products are generated.

2. The concept of regional product in EU

In the current programming period, EU policy for rural areas has the following objectives:

- improving the competitiveness of agriculture and forestry;
- improving the environment and the countryside by supporting land management;
- improving the quality of life in rural areas and encouraging diversification of economic activity;
- promoting rural development and agricultural products related to the Common Agricultural Policy (CAP) carried out in the European Union.

CAP-related initiatives have been implemented since the late 1950s. By the year 1985, the functioning of the CAP was based on four stages of development (Szumski 2007, pp. 30 - 60), delineated as follows:

- beginning period (1957 – 1962);
- introduction of the first joint solutions in the field of agriculture (1962 – 1968);
- changes in the global markets, the first crisis of the CAP and consequently the first project of CAP policy reform (1969 – 1975);

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The year 1985 marked the beginning of the last stage of CAP development, which is characterized by the largest number of reforms. A consequence of the changes is permanent development and refinement of solutions related to the execution of the CAP. Among the most important reforms of the ongoing period of the CAP must be mentioned (Zarębski 2002, pp. 57 - 67; Feltynowski 2009, pp. 146 – 148; Szewczak 2008, pp. 35 - 50):

- the MacSharry reforms;
- the Agenda 2000 reforms;
- the Fischler reform.

The current EU programming period is characterized by a change in approach to the functioning of the CAP. The underlying principle of the CAP policy is the need to adapt agricultural production to market conditions and the demand for agricultural products. The market needs competition between farmers to help to stabilize it. An important aspect of competition in the agricultural market is improving product quality. Thus the competition forced by EU legislation has had a positive effect for consumers, who as a purchasers and end-users ultimately benefit from the highest quality products.

This care for the quality of production in the European Union is associated with the introduction of laws which enable the promotion of regions in which food production is carried out, by giving them special features. The basis for actions in this regard are the documents implemented in 1992 by Council Regulation (European Economic Community). These documents, after the organizational changes in the European Union, were replaced by two other Council Regulations (European Community):

- Regulation No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuff;
- Regulation No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed.

These regulations form the basis for rules relating to the registration of names of regional and traditional products. They are also translated into the established law in this field in the Member States. The provisions are intended to allow for the registration and protection of products which the inhabitants of the

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country and the visitors associate with the specified region of the EU. The Council Regulations are supplemented by European Commission regulations, which determine the way of carrying out the earlier quoted regulations. These encompass:


Under current EU law appropriate categories of regional and traditional products have been developed. The products have a different security level, depending on their grade in a particular category. In addition to protecting the regional product, branding makes it possible to boost the production of such articles, which has a positive impact on rural development. It also forces producers to focus on the quality of food production. These elements are consistent with the objectives the Common Agricultural Policy.

The brand of regional and traditional products allows for promoting the region of origin of agricultural products and foodstuffs. It also protects the interests of producers against unfair competition in their production. In addition, it helps create some kind of influence of regional products on the region, by


opening up opportunities to create relationships between customers and the specificity of the region, as reflected in and felt by the tastes of dishes and agricultural products and foodstuffs.

EU regulations relating to the protection system of regional and traditional products have introduced three product marks/symbols:

- Protected Designation of Origin (PDO);
- Protected Geographical Indication (PGI);
- Traditional Speciality Guaranteed (TSG).

The Protected Designation of Origin mark is given to those agricultural products and foodstuffs of which the production, processing and preparation are associated with a particular place or region. In special cases, the mark could be given to the articles originating from the entire territory of a country. A characteristic feature of products with this mark is that all the ingredients and the production processes take place in the region defined in the registration form. The provisions of the regulation\(^7\) allow for the possibility of extending the geographical area associated with the production of agricultural products and foodstuffs under the condition of determining the area, via documentation, from which will come the raw materials needed for production and the specific conditions of production connected with the system of the quality control.

**Figure 1. Mark of Protected Designation of Origin (PDO)**

![Figure 1. Mark of Protected Designation of Origin (PDO)](image)


The Protected Geographical Indication mark is given to agricultural products and foodstuffs in which at least one stage of the production process (production, processing, preparation) is associated with a particular place, region or, in specific cases, a country. Therefore this mark is considered to a degree to determine the regional membership of products.

In both cases the system leads to the direct and indirect protection of agricultural and food products bearing the marks PDO and PGI, but the regulations require and set forth the conditions for registration of products by producer groups\(^8\). The purpose of placing markings is also to protect consumers from products that imitate regional products. In the case a marked product, the presented symbols and product categories ensure that these products have a known origin and are properly measured and of a consistent quality.

**Figure 2. Mark of Protected Geographical Indication**


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\(^8\) According to the article 2 of Commission Regulation (EC) No 628/2008 of 2 July 2008 amending Regulation (EC) No 1898/2006 laying down detailed rules of implementation of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuff, OJ L 173, 3.7.2008 a single natural or legal person may be treated as a group, if the following two conditions are fulfilled:

- the person concerned is the only producer in the defined geographical area willing to submit an application;
- the defined geographical area possesses characteristics which differ appreciably from those of neighbouring areas or the characteristics of the product are different from those produced in neighbouring areas.
In both cases the leading factors in the system of markings are the farm producing the product and the food provided with the PDO and PGI marks for direct and indirect protection, however the requirement of a minimum number of products is a requirement encompassed in provisions put through by groups of producers. In order for markings to achieve their effect, a consumer protection notice is also required to be in front of products imitating regional products. In the case of the presented marks and category of products it must be pointed out that these marks are given to products of which the origin is known or possible to determine.

In the case of registration of agricultural products and foodstuffs as a Traditional Speciality Guaranteed, the features distinguishing the product from others similar to it must be substantiated. According to Council Regulation (EC) No 509/2006\(^9\), products submitted for such registration must be in wide circulation in the market for at least 25 years. In case of solicitation by a group of producers to register a product and give it the mark of TSG, there are two solutions: registration with reservation of the name; and registration without reservation of the name of an agricultural product or foodstuff.

**Figure 3. Mark of Traditional Speciality Guaranteed product**


Agricultural products or foodstuffs registered without reservation of the name are registered for the purpose of promotion of the product. Only those products that are produced in accordance with the procedure described in the application submitted to the European Union will receive the TSG designation. In the case of reservation of the name of the product, goods produced contrary to the specifications attached to the application cannot use the name on the market. In situations involving differing goods, the only solution is to change the name of the product. In case of products with a name reservation, the EU requires the person(s) submitting an application for TSB designation to give the product an original name. If a name in common use is proposed, the submission cannot be registered.

A classification, which consists of three categories, has been prepared for the registration of agricultural and food products. In the first category are products intended for human consumption, such as: Fresh meat (and offal) – Class 1.1.; Meat products (cooked, salted, smoked, etc.) – Class 1.2.; Cheeses – Class 1.3.; Other products of animal origin (eggs, honey, various dairy products except butter, etc.) – Class 1.4.; Oils and fats (butter, margarine, oil, etc.) – Class 1.5.; Fruit, vegetables and cereals, fresh or processed – Class 1.6.; Fresh fish, molluscs, and crustaceans and products derived therefrom – Class 1.7.; other products (spices etc.) – Class 1.8. In the second category are foodstuff products such as: Beers – Class 2.1.; Natural mineral waters and spring waters – Class 2.2. (discontinued); Beverages made from plant extracts – Class 2.3.; Bread, pastry, cakes, confectionery, biscuits and other baker’s wares – Class 2.4.; Natural gums and resins – Class 2.5.; Mustard paste – Class 2.6. and Pasta – Class 2.7. In the third category are products not intended for human consumption, such as: Hay – Class 3.1.; Essential oils – Class 3.2.; Cork – Class 3.3.; Cochineal (raw product of animal origin) – Class 3.4.; Flowers and ornamental plants – Class 3.5.; Wool – Class 3.6.; Wicker – Class 3.7.; Scutched flax – Class 3.8.¹⁰

In the case of TSG, the list of basic products that can be registered has been expanded with respect to the category of foodstuff products. There are classes such as: Beer – Class 2.1.; Chocolate and other food preparations containing cocoa – Class 2.2.; Confectionery, bread, pastry, cakes, biscuits and other baker’s wares – Class 2.3.; Pasta, whether or not cooked or stuffed – Class 2.4.; Pre-cooked meals – Class 2.5.; Prepared condiment sauces – Class 2.6.;

Soups or broths – Class 2.7.; Beverages made from plant extracts – Class 2.8.; Ice-creams and sorbets – Class 2.911.

Receipt of any of the three marks associated with traditional and regional products allows regions to build up competitiveness and brand name. An important aspect of the process of tagging the EU marks is the possibility of registration of products by a multinational producer group, which also allows for building cross-border cooperation within the EU.

3. Traditional products in the EU

Throughout the entire European Union a total of 109212 agricultural products and foodstuffs have been registered. Of these, 544 products have the mark PDO i.e. nearly 50% of all traditional products, while 511 products have received the mark PGI (46.8% of all products). The Traditional Speciality Guaranteed mark has been granted to only 37 products (3.4% of all products). It should be emphasized that the products registered in the EU may include those which come from countries outside the EU, for example traditional Chinese products.

Another 229 applications currently await registration, and they have the status of “applied” or “published”. In the first instance this status confirms the fact that the application has been submitted to the European Commission and is undergoing the formal verification process. To date, 174 requests collected in the DOOR system have this status. Currently, 45.4% of the applications for registration refer to the PDO, 46% to the PGI, and 8.6% to the TSG mark.

At present, public information through the Official Journal of the European Union has announced 55 new applications. Among them were identified 30.9% PDO, 65.5% PGI, and 3.6% TSG applications. The registration process and the process of improving the quality of these products takes place


12 Data about traditional and regional products are derived from the databases DOOR of the European Commission: http://ec.europa.eu/agriculture/quality/door/list.html?locale=en&filter.dossierNumber=&filter.com boName=&filterMin.milestone__mask=&filterMin.milestone=&filterMax.milestone__mask=&filt erMax.milestone=&filter.country=&filter.category=&filter.type=&filter.status=REGISTERED&re cordSelection=all, date 01.04.2012.
simultaneously and is a continuous process. This helps to extend permanently the traditional product lists.

For the purposes of this article eight states were chosen for wider analysis. These are the countries from Central and Eastern Europe which, on 1 May 2004, joined the European Union, to wit: the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia and Hungary. However, owing to the lack of any registered applications as well as the lack of applications at any of the stages of registration process, Estonia has been omitted from our further analysis.

**Figure 4. Countries included in our analysis of regional products**

Our analysis concerns the 129 applications which have been submitted by the countries of Central and Eastern Europe. Among the applications are documents already registered as well as those which have been published in the Official Journal of the European Union. These include applications in which the content is analyzed in the formal proceedings of the registration process.
It should be pointed that the Czech Republic and Slovakia have eight joint applications identified as multinational applications. This results from the fact that both nations have a shared past in terms of cultural and culinary traditions. Applications from countries covered by the analysis already represent 11.8% of all pending and registered products in the EU. Applications which concern the PDO mark represent 4.5% of all applications registered in the EU. In the case of the PGI category, the applications from the analyzed countries represent 11.2% of the total agricultural products and foodstuffs registered in the EU. The most significant information is that 55.6% of the TSG products registered originate in the analyzed countries. Despite the overall low activity of TSG product registration in the EU as a whole, this demonstrates that in Central and Eastern European countries this component plays an important role in promoting rural development and their traditions.

![Figure 5. Percentage of registered applications for regional products by country of origin](image)

Source: Own studies.

The largest number of applications in all categories of products are by the Czech Republic, which registered nearly 31% of the total number of analyzed applications. A large number of applications have also been registered by producers groups from Poland, with this country accounting for more than 26% of all the analysed applications. Thus the activity of these two countries for the registration of regional products exceeds 50% of total applications for the

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13 These eight applications are counted in statistics of both countries (the Czech Republic and Slovakia), which results in a formal increase of the total pool of applications to number 137 applications.
Central and Eastern European countries taken as a whole. Other countries analyzed are characterized by a varying number of applications, with the percentage share not exceeding 15% in any other country. The lowest numbers of applications in analyzed countries come from the Baltic countries of Lithuania and Latvia, where the number of applications was only 4.4% and 0.7% respectively.

Analysis of the applications by type shows that among the analyzed countries, the largest number of submissions were received for the granting of the Protected Geographical Indication (PGI) mark. In the remaining categories associated with regional products the number of applications unfolds evenly and constitutes 22.5% and 23.3% respectively for the Protected Designation of Origin (PDO) and Traditional Speciality Guaranteed (TSG). This data thus demonstrates that the largest activity of the Central and Eastern European countries concerns the PGI, where at least one stage of production (production, processing, preparation) is associated with a particular place or region.

Figure 6. Number of registered applications for regional products by type of application

Source: Own studies.

Another component of this research is analysis of the submitted products by the class of product registered, according to the DOOR system of the EU. In this case, up to 75.2% of the products were registered in the class of foods. The class of agricultural products encompassed 24% of the applications registered. The remaining 0.8% of products were registered in the third class of agricultural products, not intended for human consumption.
The largest numbers of applications were submitted in the first year of accession. A large number of applications (31) were also submitted in 2007. In other years the number of applications did not exceed 20. It should be noted that the data also covers the first quarter of the year 2012. Another interesting bit of information from the DOOR system is that three applications submitted by the Czech Republic were registered before the year 2004. This information confirms the fact that the application process is also open to non-EU members.

Poland is the leader in the category of PDO products, with nine such products already registered, albeit only one registration procedure is in progress. In Slovenia seven PDO products have been submitted, and until now four of these products have passed through the registration procedure, with three applications waiting for completion of the registration procedures. PDO applications submitted by the Czech Republic include six agricultural products and foodstuffs that have completed the registration process. Hungary has a similar number of products included in the list of those still waiting for registration. The last country with a PDO product on the EU list is Lithuania, but all Lithuanian producer groups have registered only one product.

**Figure 7. Number of registered applications for regional products by date**

In the case of 16 applications, the date of publication in the Official Journal of the European Union was used.

Source: Own studies.

In case of products seeking protection by the PGI, the largest number of applications were submitted by the Czech Republic. The producer groups from this country seek to register twenty five products, of which four applications are still waiting for official registration. A large number of applications for
registration were received from Poland as well, i.e. eighteen products with the PGI mark, two of which are still waiting for registration. Slovenia applied for registration of ten products in this category, but at this moment only four products have completed the registration procedure. In this group there were also seven products from Slovakia and Hungary. In the case of Hungary two of the seven applications still await registration. The last country with an initiative in the registration of PGI products is Lithuania, which has submitted three applications, all of which are waiting for registration.

Products registered, or seeking registration, as TSG are the next element in this analysis. The Czech Republic and Slovakia submitted eleven applications each, however it should be noted that eight of the eleven applications are joint applications designated as having a multinational character. This means that they were submitted jointly by a group of producers from both countries. All these joint application products have already been registered, while the other three applications in the Czech Republic are still waiting for registration, and the same situation applies to one of the applications from Slovakia. Poland has registered nine products in the TSG category, while Slovenia can boast of just three registered applications. Lithuania has one registered application and one product with the status “applied”. Both Hungary and Latvia each have one product waiting for TSG registration.

Figure 8. Number of registered applications in the first class of products

![Figure 8. Number of registered applications in the first class of products](image)

Source: Own studies.

Analysis based on the class of the product shows that Poland has the largest number of applications in the food products class. Producers groups from
Regional Products in the Central and Eastern European countries have registered 28.6% of all applications in this class. Producers from the Czech Republic have also submitted a large number of applications (about 23% of food products). In this class of products Lithuania was characterized by the smallest number of applications, having submitted only 5.7% of the total applications. No product from Latvia has been registered.

**Figure 9. Number of registered applications in the second class of products**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Rep.</td>
<td>58.1%</td>
</tr>
<tr>
<td>Hungary</td>
<td>3.2%</td>
</tr>
<tr>
<td>Latvia</td>
<td>3.2%</td>
</tr>
<tr>
<td>Poland</td>
<td>19.4%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>6.5%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>9.7%</td>
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</tbody>
</table>

Source: Own studies.

The domination of the Czech Republic producers groups is seen in the class of foodstuff products. These producers account for more than 58% of all Central and Eastern European applications for registration. Polish producers make up 19.4% of applications. In remaining countries being the subject of analysis, the number of applications in this class did not exceed 10%, and in the case of Lithuania there are no applications for registration. There was one application in the group of the products not intended for human consumption. This application concerned flowers and ornamental plants from Hungary.

4. Conclusions

The aspect of regional products in the Central and Eastern European countries plays an important role in supporting regional development, including rural development. Analysis showed that the highest activity in area of regional products has come from the producers groups from the Czech Republic and Poland. Slovenia, Slovakia and Hungary constitute the ‘second tier’ of states.
The lowest activity is shown by the Baltic countries. Estonia has not yet made any application for registration of regional products.

The activities of the analyzed countries in their registration of agricultural products and foodstuffs is diversified. It may be expected that in the next few years the ‘average’ activity will be up to ten applications per year, due to the fact that many regional products have already been registered in the first years of accession.

In case of the analyzed countries the structure of the registration applications is different from the structure dominating in the DOOR system throughout the EU as a whole. PDO applications predominate, while the number of products registered under the PGI and the TSG mark is very similar in the countries of Central and Eastern Europe.

In the conclusions of this analysis it should be pointed out that the certified goods belong almost exclusively to the category of consumer products. Only a small minority are products not intended for human consumption. This shows that the three brands brought to life by the EU help to build the attractiveness of consumer products, while at the same time allowing for the promotion of the regions of their origin. Both producer groups and the regions from which the ingredients come benefit from registering traditional products. All these components lead to the development of regional units connected to regionally defined products, irrespective of the class in which these products are registered.

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Streszczenie

PRODUKTY REGIONALNE W KRAJACH EUROPY ŚRODKOWOWSCHODNIEJ, KTÓRE PRZYSTAŁI DO UNII EUROPEJSKIEJ W MAJU 2004 ROKU

Artykuł prezentuje aktywność państw środkowoeuropejskich, będących członkami UE od 2004 roku, w zakresie rejestracji produktów regionalnych. Prezentowane dane pozwalają stwierdzić ile produktów rejestrowanych jest w grupie PDO, PGI oraz TSG. Weryfikacja danych statystycznych pozwala również na prezentację informacji, z jakich klas produktowych, określonych w dyrektywach unijnych, pochodzą opisywane produkty.