



What are the costs and benefits of EU marketing standards for operators in the agri-food supply chain? A theoretical explanation

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Objectives and Outline

Introduction to the debate

Theoretical perspective

Information
Theory

Basics

Definitions, objectives,
benefits, costs

Topic 1

Adapting MS to changes in
consumer preferences, technology

Topic 2

Simplifying MS

Topic 3

MS and Sustainability



Basics

Marketing Standards

obligatory rules or **optional reserved terms** establishing the quality of products that are marketed to consumers

product specifications

process & production methods

Reg
1308/13
75(3)

Regulation (EU) 1308/2013 («Single CMO») 73-79, 80-83
Other Regulations («Secondary CMO»)
Directives («Breakfast Directives»)

improving the economic conditions for the production and marketing and the quality of such products

in the interest of producers, traders and consumers.

facilitate the functioning of the internal market

facilitating negotiation

provide relevant information to consumers

transparency

keep food of unsatisfactory quality off the market

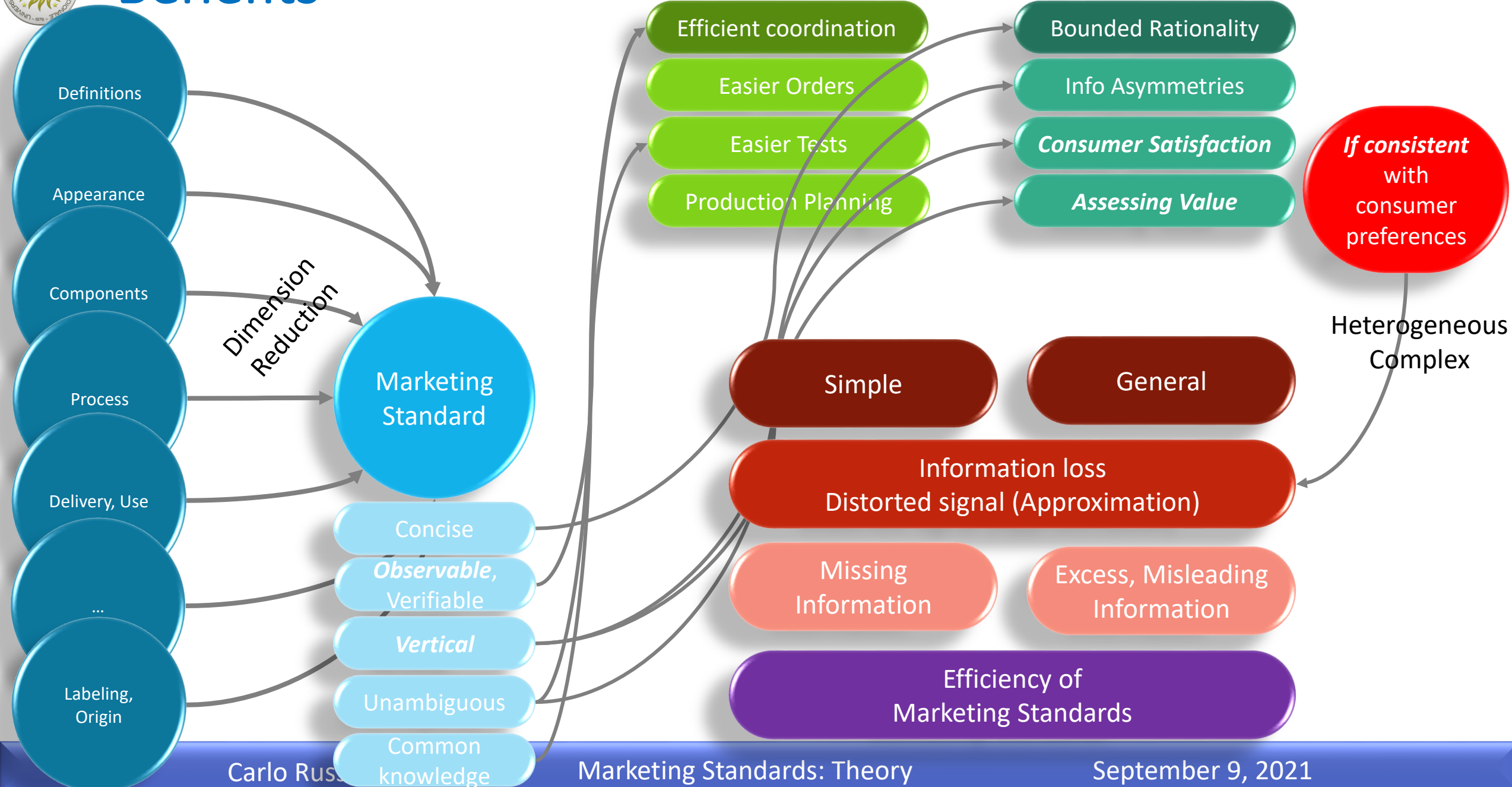
minimum quality

ensure a level playing field for competing products

facilitating comparison/testing

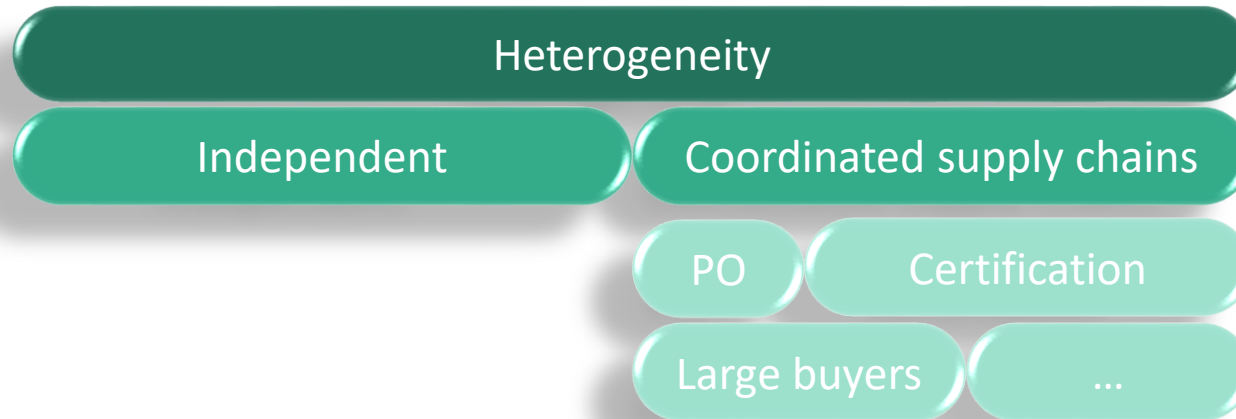
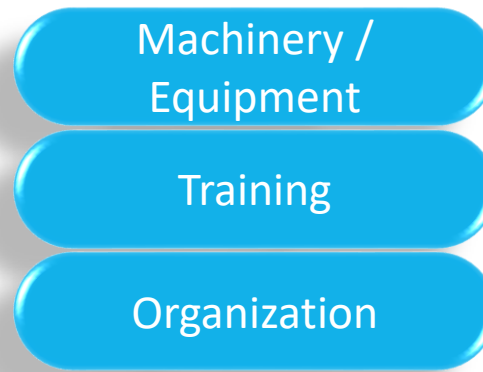


Benefits





Costs





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Missing, inaccurate information

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Simplifying MS

Unnecessary or misleading info

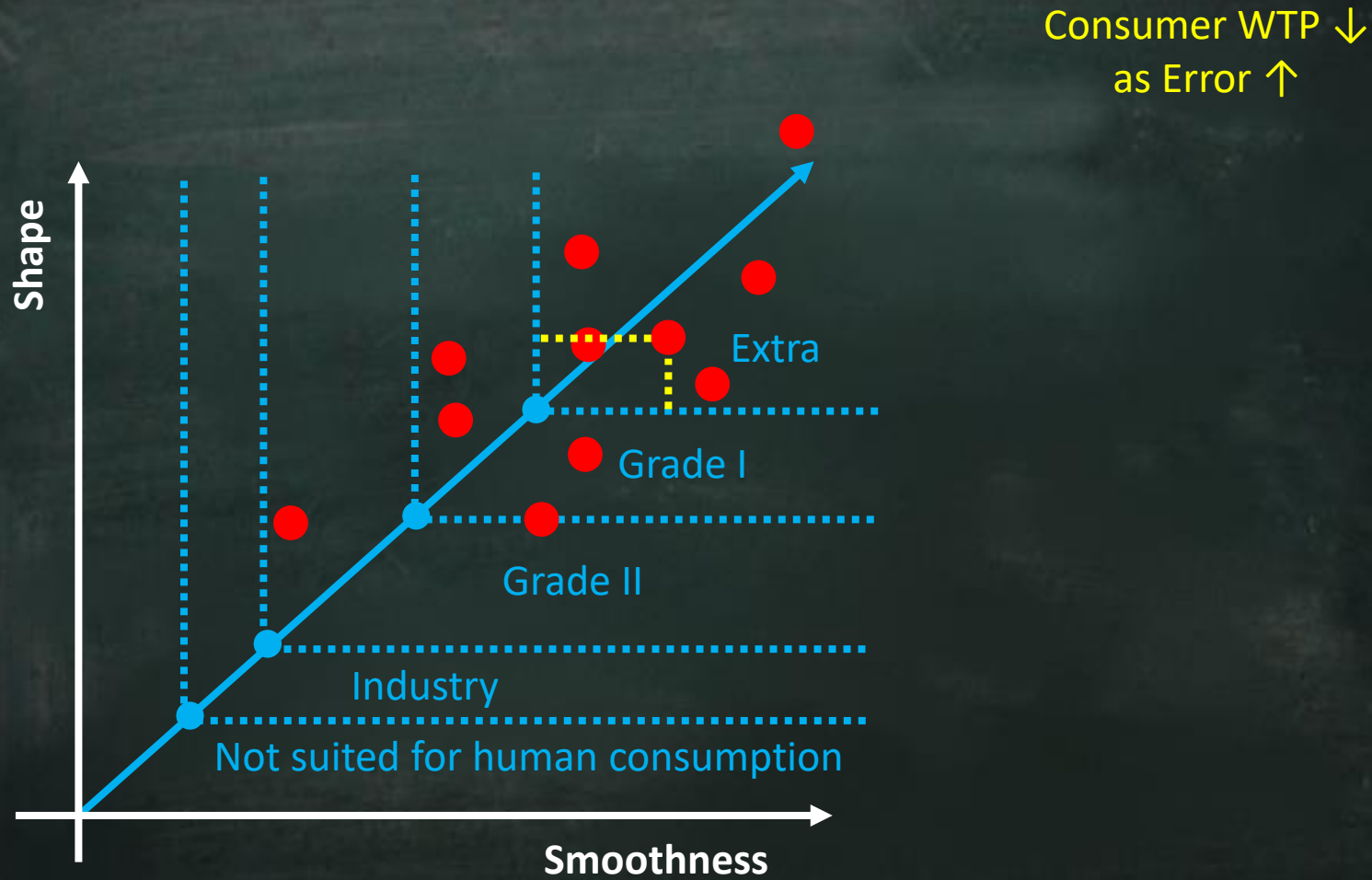
Topic 3

MS and Sustainability

Missing info, Externalities



Changes in Consumer Preferences



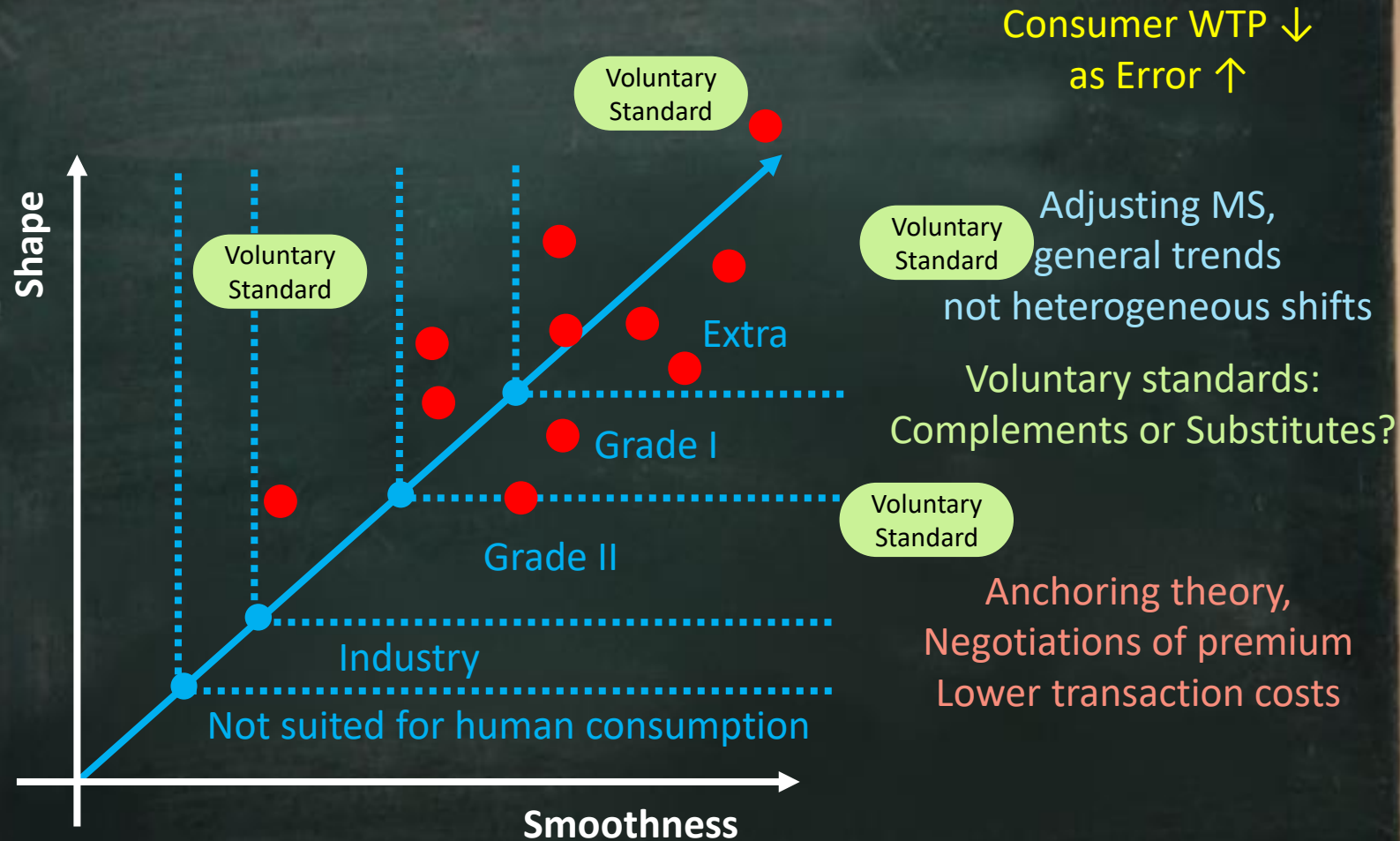


Changes in Consumer Preferences



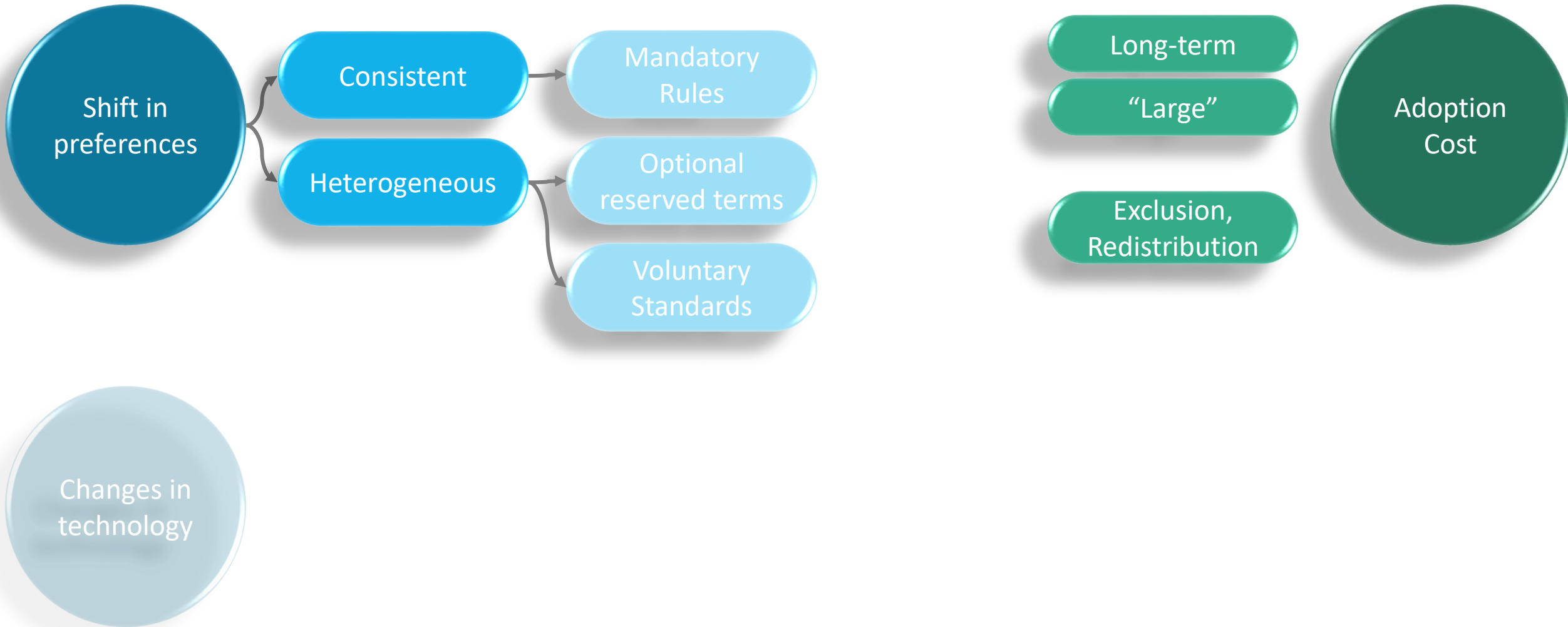


Changes in Consumer Preferences





Adapting MS to changes in preferences





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Reducing N. of Regulations

Reducing N. of Dimensions

Reducing N. of Standards

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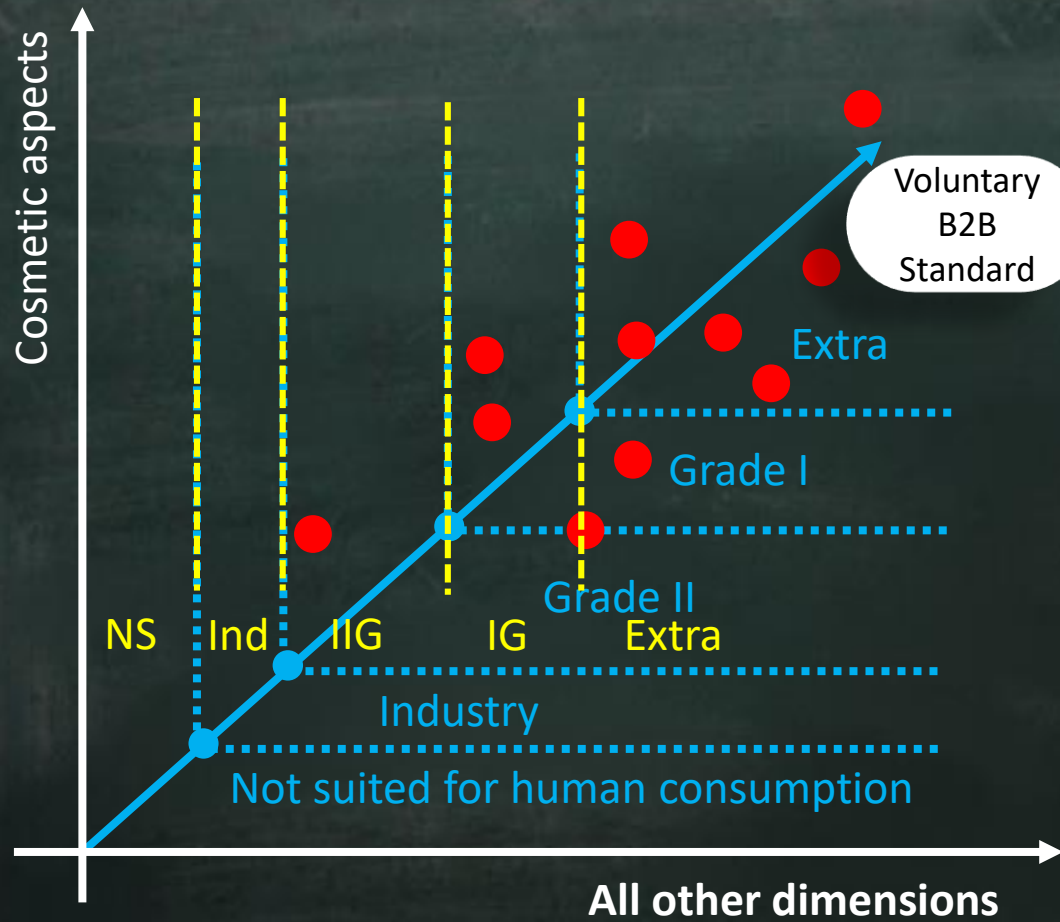
MS and Sustainability

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Reducing the number of dimensions

“Cosmetic aspects in specific marketing standards for fruit and vegetables”
Oosterkamp et al. 2019



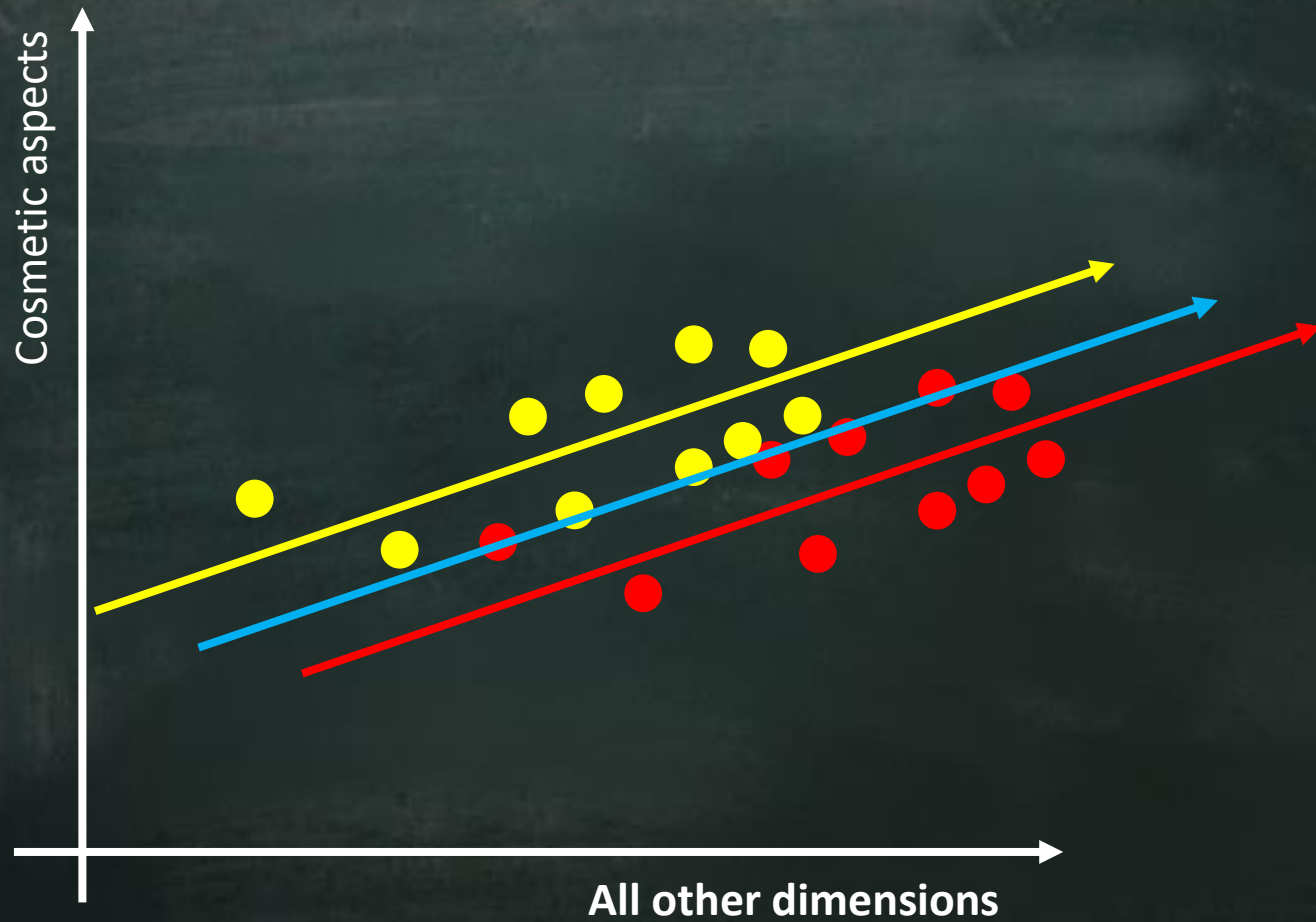
Information loss
can differ across
consumers

Difference
between
observable and
unobservable
attributes



Reducing the number of standards

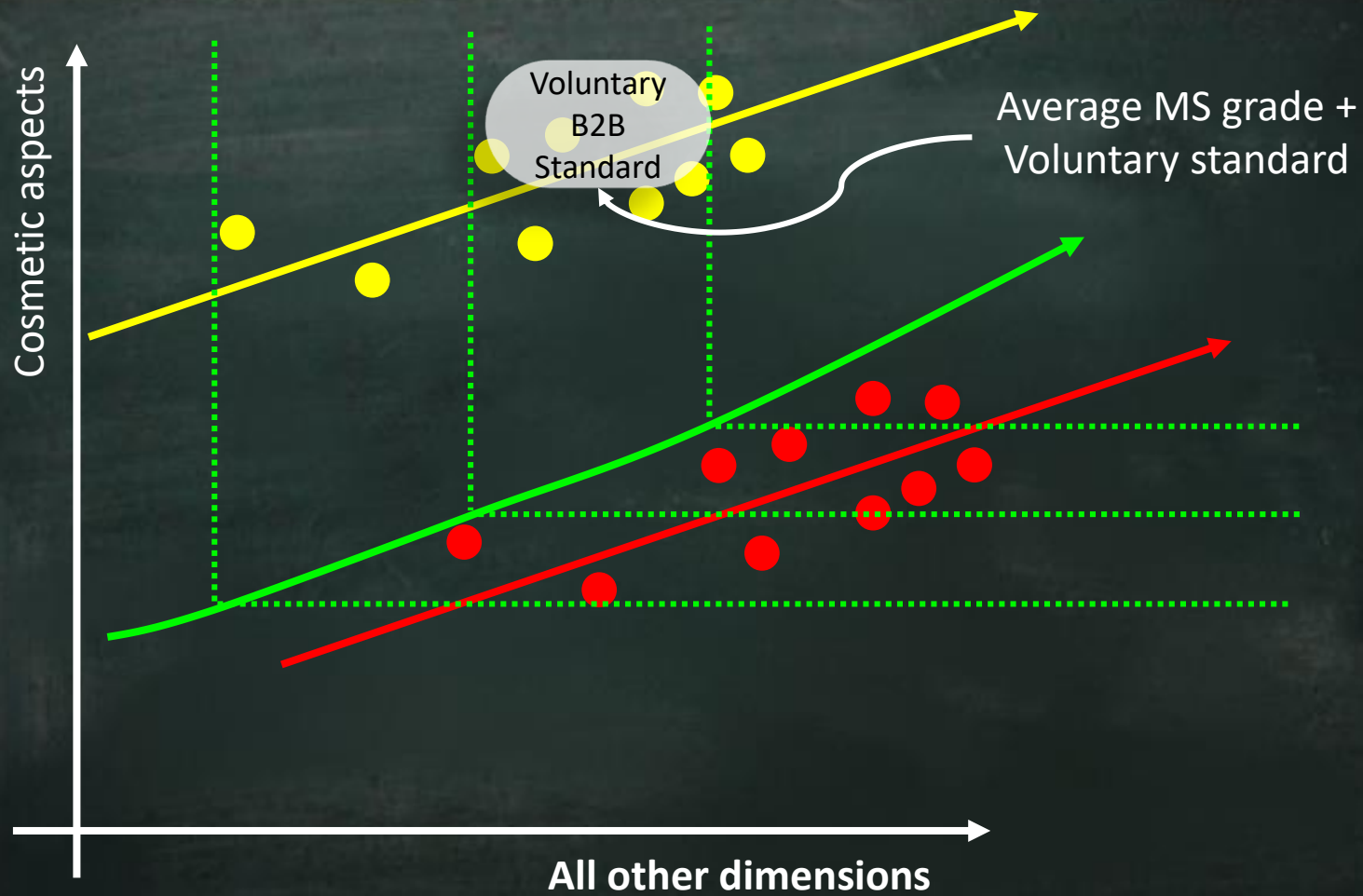
e.g., Reg (EC) 1580/2007
“general marketing standard”
fruit and vegetables





Reducing the number of standards

e.g., Reg (EC) 1580/2007
“general marketing standard”
fruit and vegetables





Simplification

Simplification of MS

Redundant /
Misleading Info

Useful to consumers

Loss of
efficiency

Observable
attributes

B2B voluntary
standards

Unobservable
attributes

B2C voluntary
standards

Cost Reduction





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Do consumers care?

Market equilibrium

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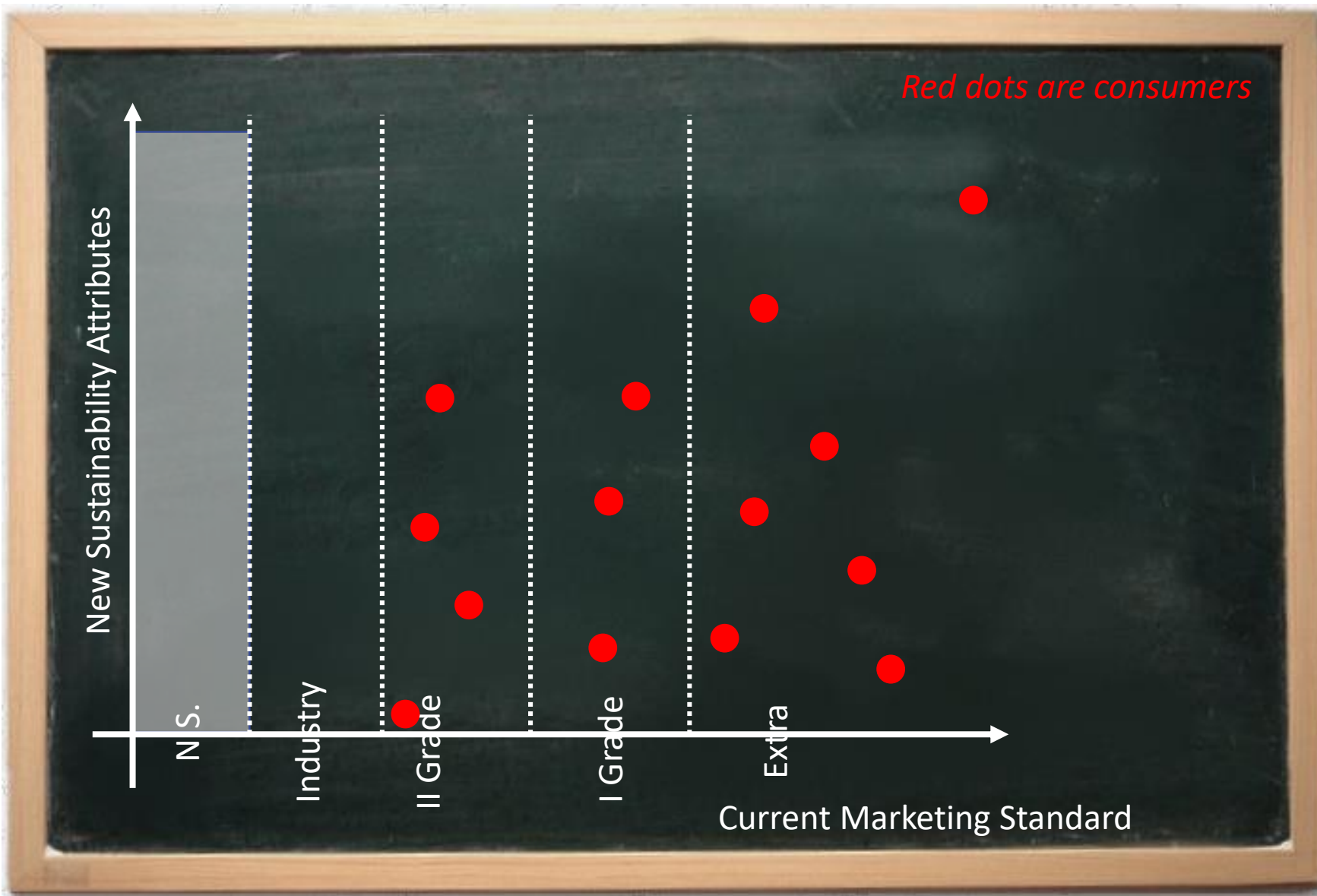
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Missing info, Externalities



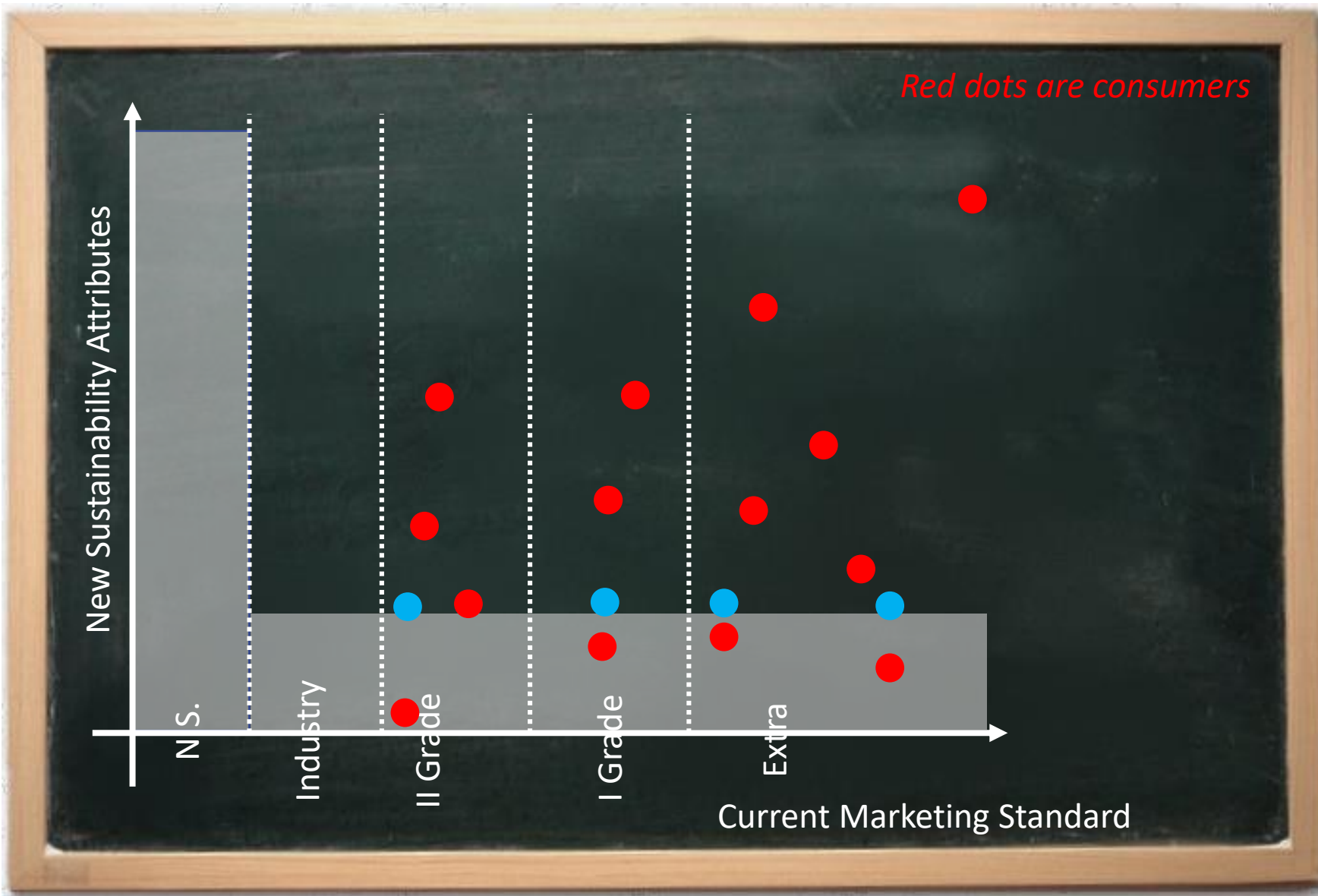
MS, consumers and sustainability





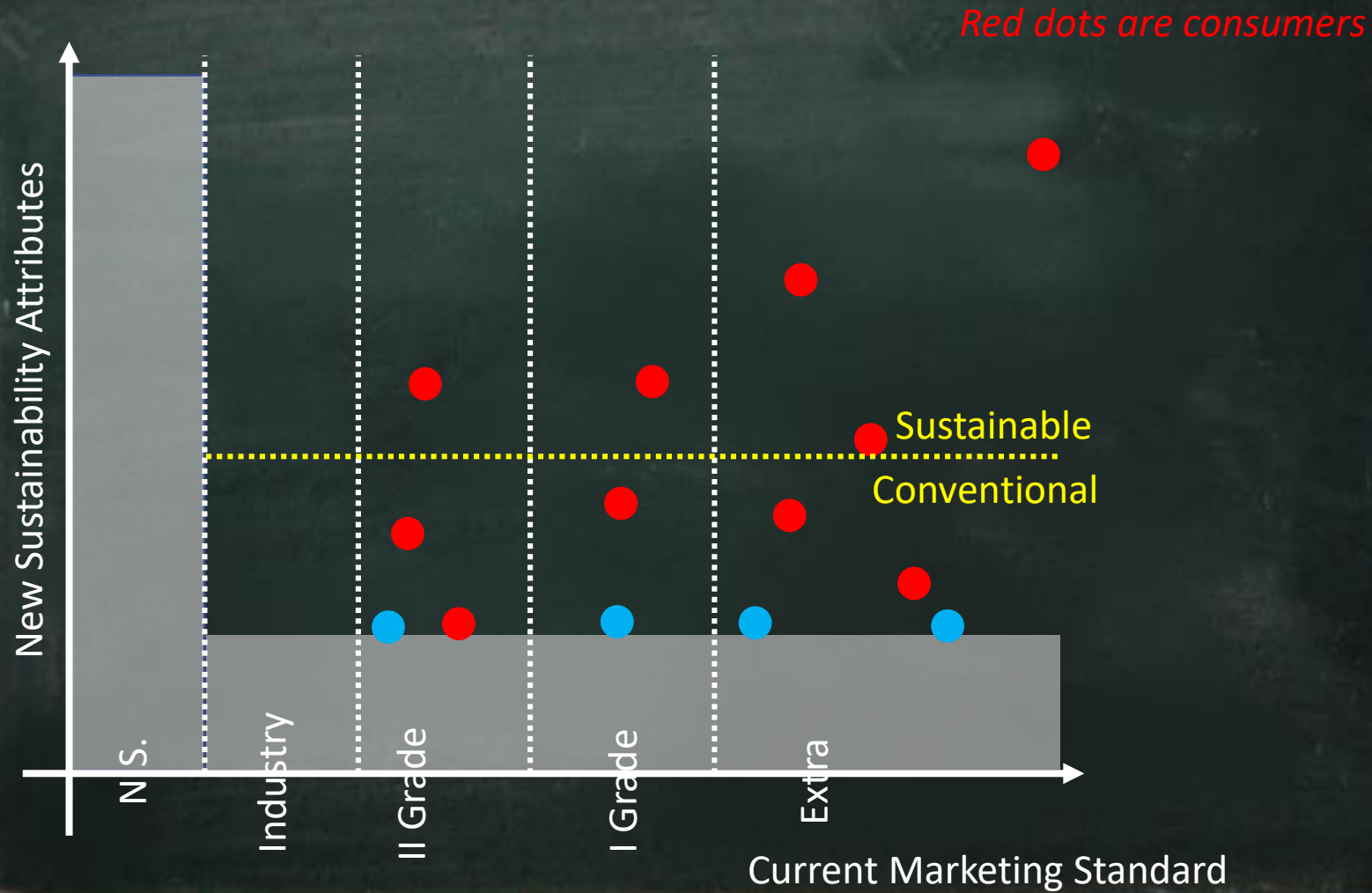
MS, consumers and sustainability

Access





MS, consumers and sustainability

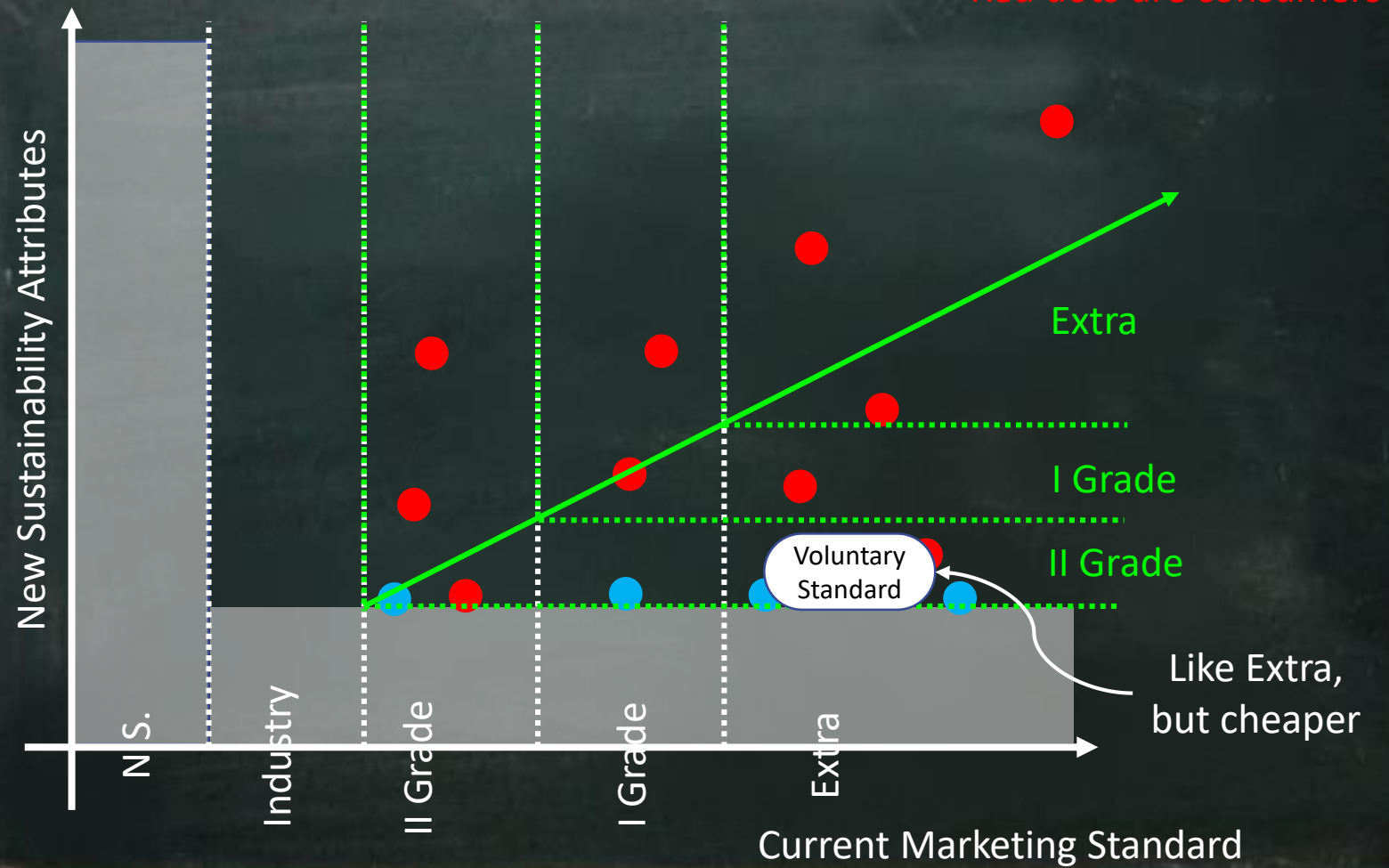


Access

Optional terms



MS, consumers and sustainability



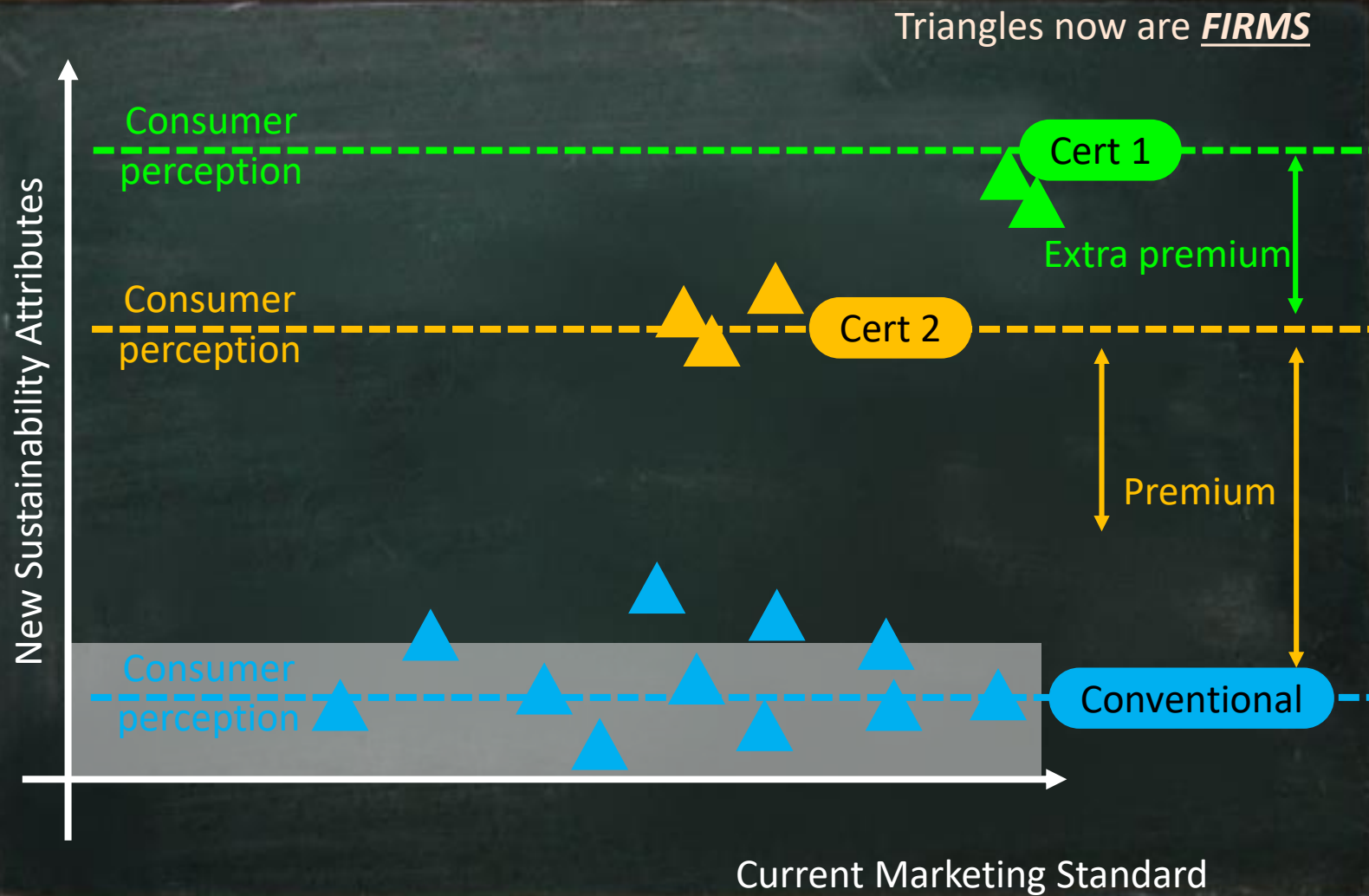
Access

Optional terms

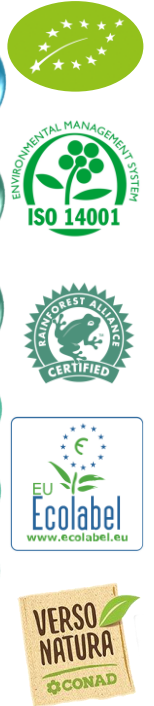
Grading



MS, certifications and sustainability

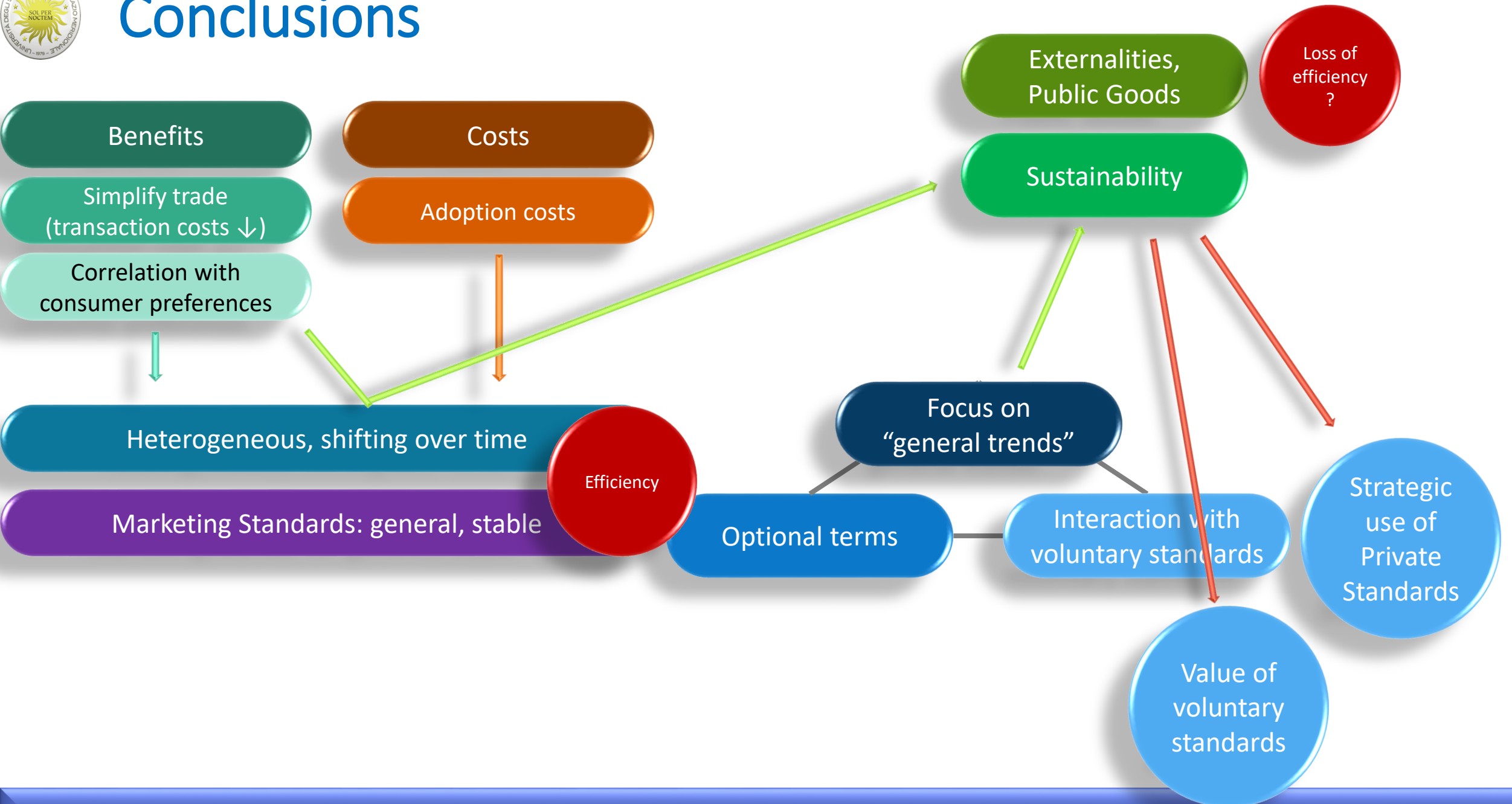


- Impact on conventional firms
- Cost of adoption
- Price increase
- Awareness
- Preferences
- Trust
- Impact on certified firms
- Increase Sustainability
- Costs
- Demand ?
- Price reduction





Conclusions





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Thank you for your attention

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