

Distribution principles for Demeter certified products in France - 2023 edition

A. <u>Preamble</u>

1. Scope of application

Each national Demeter Association, which is a member of the "Biodynamic Federation Demeter International", is free to set its own principles for the distribution and marketing of Demeter certified products in its territory. Each Demeter member must comply with the principles of the country in which it markets Demeter certified products.

This chapter specifies the principles laid down by Demeter France for the distribution of Demeter certified products on French territory. These principles apply to all Demeter members and all retailers of Demeter certified products - whether or not they have a contract with Demeter France -, both French and foreign, marketing their products in France.

The English and French versions of the distribution principles are available online at www.demeter.fr in the Professionals section.

2. Duty to communicate

By joining Demeter France, any production, processing or marketing organisation undertakes to respect these distribution principles and to inform its retail partners of the existence of these principles so that they respect them when marketing Demeter certified products in France.

Demeter members should inform their partners of the terms and conditions of use of the Demeter trademark and its distinctive marks in their general terms and conditions of sale. The conditions and levels of use of the Demeter trademark are set out in section E of the distribution principles. If a member believes that a partner is not respecting these distribution principles, they must inform Demeter France by email at: communication@demeter.fr



3. Respectful business behaviour

3.1. General information

For all decisions regarding products, quantities, supply and marketing channels, deadlines, prices and other conditions, it is important to remember that each Demeter member is free to determine their own sales conditions, as long as their practice complies with the applicable regulations and does not contradict the distribution principles laid down by Demeter France. Each Demeter member acts independently in the interest of the sustainability of their business and of the Demeter community.

When concluding specific contracts with their business partners, Demeter members commit themselves to behaving in a transparent and fair manner and in a balanced relationship; this includes, among other things, that the member discloses and explains their needs and listens to those of their business partner in order to take them mutually into account (obligation of mutual consideration). As a matter of principle, the buyer must ensure that the supplier's work is respected and must buy its products at a price that allows the latter to live in good conditions and ensure the sustainability of their activity.

Generally speaking, Demeter France keeps a legal watch on the implementation of more virtuous commercial practices, and in particular on the new principles that can be developed via EGALIM 1, EGALIM 2 and other laws. In this context, Demeter France may propose different initiatives on an experimental basis, in France and/or internationally, aiming in particular to protect the remuneration of farmers.

3.2. The role of Demeter France certified farmers

By committing to a Demeter certification, farmers actively contribute to the regeneration of ecosystems, and meet numerous requirements in terms of the inputs used, specific biodynamic practices, care of the soil and plants, development of biodiversity or social and societal responsibility. By obtaining Demeter certification, they choose to submit their practices and activities to regular controls by an external organisation, and then to inform consumers about their commitments in a transparent manner. It is therefore necessary to pay farmers a price that covers their production costs and ensures a decent income for the sustainability of their farms.



Demeter certified farmers know how their farms work because they know the specific conditions of their environment and their direct surroundings (soil types, annual rainfall, average yields in the area concerned, climatic events, etc.). They are therefore the only ones able to define the right price for their various produce.

3.3. The behaviour of partners who are members or under contract with Demeter France

Partners who are members of or under contract with Demeter France must respect the general principles specified in 3.1. They must also meet the requirements listed below.

- Compliance with commitments defined in written contracts: a written contract is the formal validation of an agreement between the supplier and the buyer on prices, types of products, qualities, quantities, specific sales conditions and the duration of the commitment between the two parties. It represents a strong commitment for both the supplier and the buyer. In a spirit of good faith and fairness, the conditions defined in the contracts must be respected by both parties, except in the case of duly justified force majeure (health or climatic hazards or cessation of activity). In particular, when a raw material/product is grown/produced on demand for a buyer who is Demeter certified or has a contract with Demeter France, the latter must respect their commitments by buying the total quantities foreseen in the contract, at the agreed conditions.
- **Health or climatic hazard and other exceptional events:** in the event of an exceptional health or climatic hazard beyond the control of the parties, no penalty may be imposed on a supplier who does not respect the volumes provided for in the contract. If other events occur, the buyer must provide proof of the supplier's default and the penalties must be proportionate to the loss suffered by the buyer.

4. Non-compliance with the distribution principles of Demeter France

These distribution principles have been developed in accordance with European and French law. Non-compliance with these distribution principles may be subject to sanctions, defined by Demeter France according to the degree of seriousness. This sanction can go as far as the withdrawal of the supplier's Demeter membership and/or legal proceedings against the buyer in their capacity as a Demeter member or under contract with Demeter France.

If a Demeter member considers that another certified member (French or foreign) or partner under contract with Demeter France does not respect these distribution principles, Demeter France must be informed by email at: communication@demeter.fr.



B. <u>Distribution principles - direct sales by Demeter members</u>

Demeter members are free to market their Demeter certified raw materials/products via any form of direct sales to consumers (physical or online sales outlets); their rights and duties are specified in the specifications, the GTCs and the internal regulations of Demeter France. They may also organise events to promote their products in any direct sales system, provided that these distribution principles are respected.

Demeter certified products are quality products and should be identified as such. Any communication concerning the Demeter trademark must be qualitative and must not in any way disparage or prejudice Demeter France, either in the terms and formulations used or in the associated visuals. It should never be exclusively price-driven.

C. <u>Distribution principles - resale by middlemen to professionals</u>

Demeter members are entitled to market their Demeter certified raw materials/products to any middlemen (processors or wholesalers), who resell the products to professionals (BtoB), via online sales sites or physical shops, provided that these trade intermediaries comply with the conditions listed below. In all cases, any communication concerning the Demeter trademark and its distinctive marks must be qualitative and must not in any way denigrate or prejudice Demeter France, either in the terms and formulations used or in the associated visuals. It should never be exclusively price-driven. Demeter certified products are quality products and should be identified as such.

Types of middlemen

a. Companies processing Demeter certified products (which process the raw materials and/or package them and/or change the labelling to their brand) must be certified by Demeter France for reasons of traceability. They may thus use the Demeter trademark and its distinctive marks, on the product and in their communications, in accordance with the specifications of Demeter France.



Level of trademark use: 3

b. Wholesalers of Demeter certified products sold in open packaging (e.g. fruit and vegetable crates) must be certified by Demeter France when the goods are identified as being of Demeter quality (on the crates or the fruit/vegetables) for reasons of traceability. They may thus use the "Demeter" trademark during the sale and in their communications, in accordance with the specifications of Demeter France.

Level of trademark use: 2

c. Wholesalers of Demeter-certified products that are sold in closed packages and labelled for sale to the consumer do not need Demeter certification because they do not touch the products. However, in the absence of certification, they may not use the Demeter trademark and its distinctive marks other than for marketing the products concerned.

Level of trademark use: 1

If they wish, these wholesalers can apply for a partnership contract with Demeter France in order to become a "Partner Wholesaler" and thus benefit from personalised services and special terms and conditions for the use of the "Demeter" trademark and its distinctive marks in the context of their activities.

Level of trademark use: 2



DISTRIBUTION PRINCIPLES FOR WHOLESALERS

	Criteria	WITH NO DEMETER FRANCE CONTRACT OR CERTIFICATION	WITH A DEMETER FRANCE CONTRACT OR CERTIFICATION		
Wholesaler Categories	Share of organic food in the total distributed range (references provided all year round)	0-100%	0-100%	0-100%	
	Demeter identification	-	Wholesaler of labelled sealed packages only (under contract) Demeter Partner Wholesaler	Open packaging wholesaler (certified)	
	Level of trademark use: (see section E)	1	2	2	
Wholesaler's rights	WHOLESALER'S RIGHTS				
	Sale of Demeter products in sealed and labelled packages for sale to consumers	Yes	Yes	Yes	
	Sale of Demeter products in "open packaging" (e.g. crates)	Yes	Yes	Yes	
	Identification of Demeter products in "open" packaging (e.g. crates)	No	No	Yes	
	Access to Demeter services (for details: consult us)	No	Yes	Yes	
	Referencing at <u>www.demeter.fr</u>	No	Yes	Yes	
Demeter France requirements	DEMETER FRANCE'S REQUIREMENTS FOR THE WHOLESALER				
	Contract/ Demeter France Certification	No	Contract	Certification	
	Control and certification	No	No	Yes	
	Trained Demeter dedicated contact person	No	Mandatory	Mandatory	
	Products from France	To be preferred	To be preferred	To be preferred	
	Annual cost of Demeter services	No	Contact us	Contact us	



D. <u>Distribution principles - resale by distributors to consumers</u>

Demeter members can market their products to any distributor who resells the products to consumers (BtoC) (specialised trade, retail trade, discount, online trade, etc.). They may also organise events to promote their Demeter certified products at the distributor's BtoC points of sale, provided that these distribution principles are respected. On the other hand, if Demeter certified products can be marketed everywhere, communication on the Demeter trademark and the use of the Demeter logo are very restricted, in particular for the distributor/reseller.

For the distributor/reseller, this involves in particular:

- Respecting the distribution principles of Demeter certified products. These principles specify the requirements for marketing Demeter certified products in bulk, the direct import of Demeter certified products in open packaging from outside the European Union and the conditions for the use of the Demeter trademark and its distinctive marks (levels 1, 2 or 3) depending on the distributor's commitment.
- Being aware of and respecting the points detailed in the preamble (point A.) of the distribution principles of Demeter France, and particularly point 2 on respectful business behaviour, with purchase prices that allow suppliers and the various actors in the upstream sector to be properly remunerated in order to live in good conditions and ensure the sustainability of their activity.
- **Preferring Demeter products from France**: Demeter certified products from French agriculture and French processing companies should be preferred.
- Controlling communication about the "Demeter" trademark: communication concerning the "Demeter" trademark must be of a qualitative nature and must not in any way be disparaging or prejudicial to Demeter France, either in the terms and formulations used or in the associated visuals. Demeter certified products are quality products and should be identified as such.



DISTRIBUTION PRINCIPLES FOR DISTRIBUTORS

	Criteria	WITHOUT A DEMETER FRANCE CONTRACT	WITH A DEMETER FRANCE CONTRACT			
Categories of distributor	Share of organic food in the total chain range* (references provided all year round)*	0-100%	30-100%	80-100%		
	Minimum number of Demeter product categories marketed per year from the following categories: Fresh products/ Dry goods/ Bread and pastries/ Beverages/ Personal care	-	-	3 categories minimum		
	Minimum number of Demeter product references marketed per year from the following categories: Fresh products/ Dry goods/ Bread and pastries/ Beverages/ Personal care	-	1.5% of the range made up of Demeter products 10 references minimum	1.5% of the range made up of Demeter products 100 references minimum		
	Demeter identification	-	Category I Demeter Partner Distributor	Category II Demeter Partner Distributor		
	Level of trademark use: (see section E)	1	2	3		
	DISTRIBUTOR'S RIGHTS					
Distributor's rights	Sale of packaged Demeter products	Yes	Yes	Yes		
	Sale of Demeter products in bulk	Yes	Yes	Yes		
	Identification of Demeter products in bulk	No	Yes (if organic certification)	Yes (if organic certification)		
	Access to qualitative own-label certification-with the following conditions: - 100% organic distributor brand - <u>Minimum</u> 3-year contract with suppliers - Different label from the producer's products	No	No	Yes (with corresponding certification)		
	Access to Demeter services	No	Yes	Yes		
	Referencing at <u>www.demeter.fr</u>	No	Yes	Yes		
	DEMETER FRANCE'S REQUIREMENTS TO THE DISTRIBUTOR					
Demeter France requirements	Partnership agreement with Demeter France	No	Yes	Yes		
	Control and certification	No	Only for direct import of open packaged products of non-EU origin	For distributor brand and direct import of open packaged products of non-EU origin		
	Trained Demeter dedicated contact person	No	Mandatory	Mandatory		
	Placement of Demeter products on the organic shelves	Recommended	Recommended	Recommended		
	Development actions	-	-	Regular development of the Demeter range or setting up Demeter events		
	Products from France	To be preferred	To be preferred	To be preferred		
	Annual cost of Demeter services	No	Contact us	Contact us		

^{*} Chain: a point of sale or group of points of sale with exactly the same name



E. Levels of use of the Demeter trademark

- Level 1 (no contract with Demeter France): informational communication about the Demeter product

- Reproduction of the Demeter trademark, its logo and its distinctive marks solely for the purpose of informing the buyer about the characteristics of the product concerned: in the product description and in the list of products on the website
- > Use and distribution of materials created by Demeter members and of all information provided by Demeter members

- Level 2 (contract with Demeter France): commercial communication about the Demeter brand

- Reproduction of the Demeter trademark, its logo and distinctive marks in the list of products and in an informative manner on the website of the retailer of Demeter certified products and of content on Demeter certification (appearance of the Demeter trademark in the list of other quality initiatives)
- > Use and distribution of materials created by Demeter members and of all information provided by Demeter members
- > Reproduction of the Demeter trademark, its logo and its distinctive marks in all commercial communication of the retailer relating to the Demeter trademark and/or the Demeter certification, in paper or digital format
- > Use of leaflet templates and texts provided by Demeter France (for implementation of the distributor's logo)
- Identification of Demeter products on the shelves (shelf talkers, island displays, stands, etc.)
- > Creation of specific media or dedicated communication campaigns in shops highlighting the Demeter trademark and certification, subject to prior written approval of the media by Demeter France



- Level 3 (contract with Demeter France with distributor brand certification): commercial communication about the Demeter brand associated with the distributor brand

- > Reproduction of the Demeter trademark, its logo and distinctive marks in the list of products and in an informative manner on the website of the retailer of Demeter certified products and of content on Demeter certification (appearance of the Demeter trademark in the list of other quality initiatives)
- Use and distribution of materials created by Demeter members and of all information provided by Demeter members
- > Reproduction of the Demeter trademark, its logo and its distinctive marks in all commercial communication of the retailer relating to the Demeter trademark and/or the Demeter certification, in paper or digital format
- > Use of leaflet templates and texts provided by Demeter France (for implementation of the distributor's logo)
- ldentification of Demeter products on the shelves (shelf talkers, island displays, stands, etc.)
- Creation of specific media or dedicated communication campaigns in shops highlighting the Demeter trademark and certification, subject to prior written approval of the media by Demeter France
- > Combination of Demeter certification with the qualitative distributor brand (see our specific requirements for the distributor brand: 100% organic, minimum 3-year contract with suppliers, different label from producer's products)