



Linking people, places and products



A guide for promoting quality linked to geographical origin and sustainable Geographical Indications



LINKING PEOPLE, PLACES AND PRODUCTS

A guide for promoting quality linked to geographical origin and sustainable geographical indications

This guide has been jointly produced by the Food and Agriculture Organization of the United Nations (FAO) and SINER-GI

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FAO Programme on Quality Linked to Geographical Origin

Worldwide, there are increasing social expectations and consumer demand for food and agricultural products that bear a specific quality label, in particular with a relation to origin, tradition, and a particular know how. Promotion and preservation of such origin-based quality can contribute to rural development, food diversity and consumer choice. This is in particular a result of the preservation and promotion of local natural, cultural and social resources. Moreover, the recent development of new schemes, such as geographical indications, requires guidance. FAO therefore, in 2007, launched a programme on origin-linked quality in order to contribute to rural development by assisting member countries and stakeholders in the implementation of origin-based quality schemes, both at institutional and producer level that are tailored to individual economic, social and cultural contexts.

Website: www.foodquality-origin.org



Within FAO, this guide is the result of the collaboration between the Nutrition and Consumer Protection Division and the Rural Infrastructure and Agro-industries Division which both support the development of specific quality schemes to enhance sustainable development.

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Foreword

According to the 1996 World Food Summit, “food security exists when all people at all times have physical and economic access to safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”. Within this broad definition, specific quality and attributes of the food, diversity and local access are important matters that need to be considered. In different parts of the world, generations of people have built local identity; know how, reputed typical food products, and specific landscape that characterise the interaction between natural resources and production systems. Today, this link between a product, a place and people represent not only a heritage that needs to be preserved, but also a value on the market as consumers become increasingly interested in quality linked to geographical origin, traditions and typicity.

Because of its potential positive impact on rural development and preservation of biodiversity, FAO has recently expanded the scope of its activities under the framework of specific quality to include quality linked to geographical origin. An informal Interdepartmental Working Group (IDWG) on “Differentiated Quality Food and Agricultural Products” was set up to oversee and coordinate the development of this new area of work. Several seminars have been organized during the last few years, in different parts of the world, to raise awareness about the importance of quality linked to geographical origin and its requirements in terms of legislative framework, certification schemes, and promotional activities. These seminars were held in the Mediterranean basin (2007), Latin America (2007), South-eastern Europe (2008) and Asia (2009). Participants in these seminars recommended that FAO develop technical guidelines to assist concerned government officials and relevant stakeholders in the development and implementation of specific quality schemes.

FAO is pleased to present this Guide which is the fruit of an intense collaboration between its experts, members of the IDWG on Differentiated Quality Food and Agricultural Products and the network of experts belonging to SinerGI project supported by the European Community. This collaboration has made it possible to access a variety of information on products with quality linked to geographical origin, processes and schemes as well as experiences and best practices in establishing these schemes.

It is our hope that this Guide, together with the case studies carried out in different regions of the world, will assist stakeholders, particularly small farmers and producers in developing countries, in their effort to develop and implement quality products, linked to geographical origins, and take advantage of the opportunities offered by consumers’ interest in these products to improve their livelihoods, and promote sustainable agriculture and rural development.

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- Pérez Centeno, M.:** *Chivito criollo* p.5; p.16 (case study 3); p.23; p.46 (case study 14); p.85 (case study 9).
- Poméon, T.:** *Queso Cotija* p.41 (case study 10); p.109 (case study 5); p.152 (case study 1).
- Quingaísa, E.:** *Cacao Arriba* p.22; p.45 (case study 13); p.85 (case study 9).
- Thévenod-Mottet E.:** *Vacherin Mont d'Or* p.30.
- Ts. Enkh-Amgalan:** *Uvs Sea Buckthorn* p.13 (case study 1).
- Vandecandelaere, E.:** *Man with the cheese, crocus flower and olives* on the cover page/ *Limon de Pica* p.4; p.119 (case study 11); p.163 (case study 3)/ *Asiatic market* p.5 (first picture)/ *Saffron* p.7 (third and fourth pictures in case study 1); p.43 (box 6)/ *Pummelo* p.21 (case study 4)/ *Maiz Blanco* p.24 (case study 5)/ *Olive* p.83/ *Palm Sugar* p.100 (second picture in case study 2)/ *Prosciutto* p.116 (case study 9).
- Wang G.:** *Jinhua pig* p.85 (case study 9).

LIST OF ACRONYMS AND ABBREVIATIONS

ARPQC	Regional Association of Cotija Cheese producers
AMIGHA	Moroccan Association for the Geographical Identification of Argan Oil
CIGC	Inter-professional Committee of Comté cheese
CIRAD	Agricultural Research Center for International Development (France)
CoP	Code of practice
DAI	Dinaric Arc Initiative
DO	Denomination of Origin
EU	European Union
EURONATUR	European Nature Heritage Fund
FAO	Food and Agriculture Organization of the United Nations
FEDECACE	National Federation of Coffee Growers of Ecuador
FNC	National Federation of Coffee Growers of Colombia
GI	Geographical Indication
GMO	Genetically Modified Organism
IDA	Ibar Development Association
IDIAF	Dominican Institute for Research on Agriculture and Forest
IFOAM	International Federation of Organic Agriculture Movements
INRA	National Institute for Agricultural Research (France)
INTA	National Institute for Technological Agronomy (Argentina)
INTERG	Technical Center for Oils (Morocco)
IP	Intellectual Property
IPR	Intellectual Property Rights
IUCN	International Union for Conservation of Nature
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organization
OAPI	African Intellectual Property Organization
ORIGIN	Organization for an International Geographical Indications Network
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
PGS	Participatory Guarantee System
PROCHILE	Direction of Promotion and Export of Chile
SICA	Coffee Information System, Colombia
SINER-GI	Strengthening International Research on Geographical Indications project of the EU
STREP	Specific Targeted Research or Innovation Project of the EU
SWOT	Strengths, Weaknesses, Opportunities, Threats
TM	Trade Mark
TRIPS	Trade-Related Aspects of Intellectual Property Rights Agreement
UCODEP	Unit and Cooperation for People Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNCTAD	United Nations Conference on Trade and Development, Italy
UNDP	United Nations Development Programme
UNOCACE	Union of the Cacao Farmer Organizations of Ecuador
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
WWF	World Wildlife Fund

Introduction

People, places, agricultural and food products

Enhancing the relations between people, places, agricultural and food products is an important pathway to sustainable rural development. These relations benefit from the local capacities for creating value within a global market while being anchored in a specific territory. Origin-based products show specific quality attributes linked to the geographical places where they are produced and, over time, build a reputation by a Geographical Indication (GI) that identifies them. These differentiated products have the opportunity to meet a specific and remunerating demand. Consumers are increasingly concerned with specific attributes of agricultural and food products, in relation to culture, identity, and sustainable ways of production. Moreover, such products are potentially contributing to biodiversity, world cultural heritage preservation, socio-cultural development and rural poverty reduction.

The identity of GI products reflects the unique combination of local natural resources (climate, soils, local breeds and plant varieties, traditional equipments, etc.) and cultural ones (traditions, know-how and skills, some of which are transmitted through generations) in a given territory, linking the product, the people and the place.

The behaviour of many different contributors within the production area (farmers, processing companies, local consumers, public institutions, non-governmental organizations, etc.) and their interaction with other factors outside the territory, build over time the identity of a product linked to a specific place and to a specific group of people. This process involves different actors, who coordinate and harmonise their production and commercial practices.

Developing Geographical Indications for sustainable development

The origin-based product can become the pivot of a quality virtuous circle within a territorial approach, meaning that its promotion through a GI process can have positive effects which reinforce themselves over time, permitting to preserve agrifood and related social systems and enabling local stakeholders to pursue economic, socio-cultural and environmental sustainability:

- Economic sustainability should bring about improvements to the producers' incomes and quality of life, and boost the entire rural economy dynamic.
- Socio-cultural sustainability should lead local actors to empowerment, to take part in decisions and actions on GI products and to attain a fair distribution of the benefits between actors. Local actors should raise their consciousness and pride in their work, as well as cultural identity and local knowledge and traditions.
- Environmental sustainability should orient actions towards preserving and improving local natural resources such as biodiversity, landscape, soils and water, for future generations.

The contribution of the GI process to sustainable development will depend on how local resources are used and the interaction among local stakeholders.

The importance of setting the rules for using Geographical Indications

Origin-based quality virtuous circle is threatened both by external pressures and by the lack of coordination between local stakeholders. Market globalization and new technologies may endanger the specificities of traditional farming systems and processing techniques. In addition, a GI product's reputation and value is often attractive for imitators, usurpers and free riders, both inside and outside the original production area. Misleading practices mainly touch the use of the name of the product and/or, in some cases, specific characteristics of the product.

For all these reasons, a set of common rules built up at the local level, is strongly recommended to prevent the loss of the product specificity, avoid misuses and foster consumer confidence. This includes the development of a Code of Practice (CoP) to define the product in relation to its geographical origin, and a local organization to ensure both coordination among stakeholders and product conformity.

Then the GI can be recognized by public authorities and protected under intellectual property right as provided by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (1994). Producers may decide to apply for a GI registration, according to the legal and institutional framework of the country. As such, the use of a GI requires a formal identification of authorized users and this can only be achieved through a collective effort.

Managing value chains based on Geographical Indications

For any product linked to a geographical origin, establishing a sustainable beneficiary system based on local specific resources and a set of rules written in a CoP requires the establishment of a management system, the GI organization adapted to local particularities. In fact, obtaining legal protection is not an achievement as such, but is just a milestone in the ongoing process of maintaining a profitable and sustainable system for the stakeholders and the territory. This achievement requires marketing of the GI product, traceability along the supply chain, a high level of responsibility and accountability of producers and processors and, generally, involves a number of technical or management innovations.

The quality virtuous circle: a methodology for development

The local implementation of the GI includes therefore different activities and requirements. The origin-based quality virtuous circle can be used as methodology to support local stakeholders in dealing with the different aspects involved in the development of a GI product system and enhance the potential for sustainable development. This origin-based quality circle proposed in this guide is composed of different steps: identification of the local resources, qualification of the product as a GI (setting the rules), remuneration (management of the GI system) and the reproduction of local resources to reinforce the sustainability. Public policies can play an important role along the circle, in order to provide an adequate institutional framework and favour the potential positive effects of origin-based products for rural development.

The origin-based quality virtuous circle



Objectives of the guide

The objectives of this guide are:

1. Explaining what is quality linked to geographical origin and the concept of GI;
2. Raising awareness on the potential of origin-based products for rural development and conditions for sustainability;
3. Facilitating the implementation of GI schemes at local level, by providing concrete tools and methodology.

Based on multidisciplinary research and empirical evidence from many places worldwide, this guide is addressed to practitioners, facilitators, rural development specialists from public or private sectors, representatives of the supply chain, as well as to policy makers, rural community leaders and trainers. This guide is principally addressed to people working in the development of agriculture and food systems that may have an interest in promoting and preserving local food and local resources (traditions, know-how and natural resources) within a rural development perspective. In fact, the roles of these facilitators are of paramount importance for helping local actors to be aware of the potentialities of origin-based products, grouping and setting-up collective actions, understanding the importance of appropriate rules and orienting the GI system towards economic, socio-cultural and environmental sustainability.

Avoiding prescriptive or normative solutions, the present practical guide offers a step-by-step approach to answer the main questions faced by development actors and facilitators who seek to identify, define and protect products whose quality is linked to geographical origin, as well as to establish the complex set of elements for their sustainable development.

Structure of the guide

Each part of this guide describes a specific phase of the origin-based quality virtuous circle and the last is about related public policies:

- Description of the origin-based quality virtuous circle
- Identification: awareness and assessment of potentials (Part 1)
- Qualification: setting up the rules and the code of practice (Part 2)
- Remuneration: marketing aspects (Part 3)
- Reproduction: the sustainable way forward (Part 4)
- The role of public policies in the overall process (Part 5)

Each chapter provides concepts, concrete examples from case studies from all over the world, and some practical exercises. Guidelines or models also provide specific activities or documents to be established in related chapters.

At the end of each chapter, a self assessment (practice) is provided so that the readers can carefully think over the issues in relation with their particular local situation and context.

At the end of the guide, a detailed glossary is provided with definitions of technical and conceptual terms.

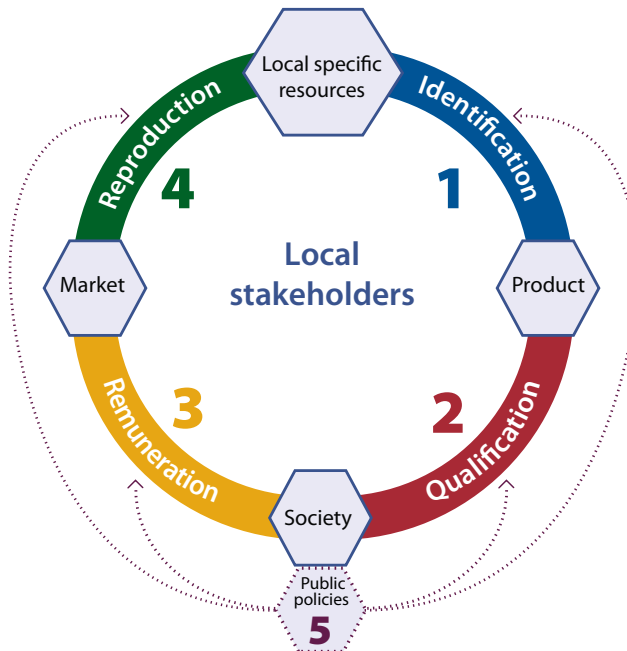
The different steps of the origin-based quality virtuous circle

Some food and agricultural products present specific quality characteristics, which can make them famous as a result of the particularity of the production place and the local natural and human environment. This production specificity provides a product with a potential of being part of a sustainable development process. In this context, local stakeholders should turn latent local resources into active assets, preserving and improving them, generating society's recognition as well as increasing remuneration in markets.

This part presents the different interlinked stages of a methodological quality virtuous circle for sustainable development based on the promotion of an origin-based product.

Origin-based products correspond to differentiated or differentiable products as a result of their local identity or typicity: their identification as a GI is justified by the particular environment they originate from and that gives them specific characteristics, quality or reputation from the consumer's point of view. Their anchorage in the area they are produced is at the base of a virtuous quality circle: this means that the promotion of their quality linked to geographical origin can create positive effects on economic, social and environmental aspects, which are reinforcing over time thanks to the preservation of local resources involved. Such virtuous quality corresponds to a value creation and preservation process with four main stages (See figure 1). Through awareness on the product potential, local stakeholders can agree on starting a collective process for adding value while preserving local resources. Adding value comes from consumers and related market recognition of the product and maybe reinforced by official recognition and legal protection of the product name that are required to define the specific quality. Sustainability of the origin-based production and promotion system will depend on the remuneration from the market and the reproduction of the local resources.

Figure 1: The origin-based quality virtuous circle



The main stages of the origin-based quality virtuous circle are:

1. Identification: local awareness and assessment of potentials of the product
2. Product qualification: setting up the rules for the value creation and preservation of local resources
3. Product remuneration linked to the marketing aspects
4. Reproduction of local resources reinforcing the sustainability of the system
5. Public policies provide the institutional framework and possible support for all the stages of the circle.

Along the circle, the role of local and external stakeholders (production and marketing, public actors, NGOs, research and development centers...) is essential in all the phases. The institutional framework (public policies and regulations) also plays an important role in promoting and regulating the quality linked to geographical schemes.

1. Identification (Part 1)

The first step of the activation process is the clear identification of the product and the local resources needed for production. This relies greatly on local producers' awareness of the "potentialities" linked to specific local resources, which is at the basis of the collective action to value their product. The identification of a reputation and the specific resources involved, as well as their link to the specific quality of the product, may also require scientific studies and analysis, either on resources (e.g. soil analysis, history of the product) or on the product and its reputation (tasting, consumer research, etc.). At this stage, support is as important as specific technical and scientific competencies are.



Limon de Pica (Chile): identifying the specific characteristics of the product directly in the field.

2. Qualification (Part 2)

The qualification phase is the process, by which society (consumers, citizens, public institutions, other value chain actors, etc.) will be able to recognize the values attached to the origin-based product. The qualification asks for a clear and shared description of the characteristics of the production area, production process and product quality attributes, as well as the use of appropriate tools for identifying, protecting, and making all these characteristics recognizable. In this sense, labelling with a geographical indication (GI) plays an important role to signal the link between the product, the geographical area and the specific quality, making the origin-based product a GI one.



Cacao Chuao (Venezuela): women drying cacao beans in the traditional way in front of the church of the village; the special characteristics of the basement gives particular conditions for drying.

Qualification requires local producers to draw up the code of practice (CoP) containing clear criteria and requirements for reaching that specific quality (setting up the rules). Producers of the concerned area should therefore build the rules collectively and implement them in a way that guarantees the expected specific quality.

This process is critical both for providing consumers with a defined product quality linked to its geographical origin and ensuring that reproduction (preservation and improvement) of local resources is adequately managed.

3. Remuneration (Part 3)

The remuneration phase corresponds to the mechanisms by which society will pay the producers for the services included in the origin-based product: the specific attributes related to intrinsic quality, preservation and promotion of natural or cultural resources etc. Remuneration of the GI product has to cover the cost of production, often higher than industrially processed and imported products ones, to ensure a certain level of profitability, thus sustainability.

One major remuneration mechanism is through the market (i.e. through price and market access). Marketing of the GI product requires a collective strategy to manage the collective asset for adding value, i.e. the reputation. Therefore, a collective structure to manage the GI production and marketing system is of importance.

Remuneration of the local specific resources may also be obtained through non-market mechanisms. Indeed, market mechanisms cannot fully reward certain values of a product, as for example, the total value of a specific local genetic resource (i.e. a local breed, a special land management system, preservation of a specific landscape, etc.). If this is the case, it may be necessary to reward these values through direct public support (for example public financial support or technical assistance) (See part 5).



Remuneration: a local markets in Asia.

4. Reproduction of local resources (Part 4)

Reproduction of the system means that resources are preserved, renewed, and improved along the circle in order to allow sustainability of the origin-based product system on a long-term basis, thus guaranteeing the very existence of the origin-based product. Therefore, the reproduction phase relates to the assessment of the implementation of the previous stages (identification, qualification and remuneration) and their impact on the three dimensions of the territory: economic, social and environmental.

Further, the reproduction of local resources including the increased reputation of the origin-based product and its territory may exert positive effects on other local economic and social activities. At this stage, it is therefore interesting to reinforce an extended territorial strategy.



Chivito Criollo del Norte Neuquino (Argentina): preservation of the product and the resources allow young people to stay in the mountains.

However the reproduction of specific local resources is not automatic even when the product becomes more lucrative, because it depends on the attitudes of local actors regarding economic relations and local resource management. Reproduction requires fair distribution rules along the supply chain: between the local production system and market stages, as well as fair distribution within the local production system.

The reproduction of specific local resources should also make sure that environment, landscape, culture, traditions and social relationships are not negatively affected by the economic activity.

Role of public policies along the virtuous circle (Part 5)

Public actors (such as State, regional, local governments, other authorities and institutions representing public interest) can play in particular an important role in the local development of origin-based products in order to enhance their positive contribution to rural and sustainable development. First, they can provide an adequate legal and institutional framework enabling the recognition, regulation and the protection of collective property rights on GIs.

Moreover, supportive public policies can provide conditions for enhancing the development of origin-based products to favour their positive impact on economic, social and environmental aspects during the different phases of the quality virtuous circle.

Case Study

Case study 1: The value creation process SAFFRON OF TALIOUINE (Morocco)

Saffron of Taliouine is produced in the Anti Atlas mountain in Morocco. Promotion and preservation of this origin-based product has been identified as a tool for rural development by local actors and facilitators and where the origin based circle was used as a methodology:

1. Identification

Saffron of Taliouine enjoys a specific quality and a good reputation. Local awareness was promoted by the Morocco-French NGO Migrations&Development, which developed collaborations to support the identification, qualification and remuneration phases (FAO, Regional Council of Souss Massa Dra, the National Research Center for Agronomy, the Slow Food Organization, etc.). The Identification phase highlighted the specific quality linked to geographical origin of the Saffron of Taliouine:

- it presents high quality and specific flavour confirmed by lab tests, and its link to the geographical location is reported as far back as the ninth century;
- local natural resources play an important role in the specific quality: for example volcanic soils filter the rain and water coming from the Siroua massif;
- traditional practices are important both for cultivation (alternating crops, natural fertilizers, etc.) and preparation, with an important role played by women and youth;
- know-how is intimately tied to the Berbère culture and the localization: traditional villages (douars) maintain a strong community tradition.



Soil analysis by INRA research center.



2. Qualification

Identification of the product potential (soil analysis, composition analysis, market studies, tasting, etc.) contributed to the definition of the implementation of a project to up-grade and market the product. Up-grading the product addressed all production stages: cultivation, harvesting, storage and packaging. In order to qualify the saffron producers used organic and fair-trade certification, and now they are in the process of registering the product name as a geographical indication, in order to signal its uniqueness as a result of its link with the territory. The elaboration of the geographical indication code of practice is part of the project.



Type of packaging is part of the product definition.

3. Remuneration

An assessment of the collective action is based on the well functioning village associations which favours the creation of producer associations and cooperatives and provides also the potential of better marketing. The market study contributed to identify and establish commercial linkages with European fair trade companies, while local marketing is being improved (traditional fairs, tourism etc.). Collective promotion (communication) is enhanced locally, in particular thanks to the annual Saffron festival of Taliouine and internationally thanks to famous Chefs.



The French Chef Gérard Vives participating in field visits in November 2007, recognized and promoted this quality in his restaurant.

4. Reproduction

The project takes into consideration economic, social and environmental sustainability, especially in the definition of the product and of the production process. The first impacts have been assessments to consider the way forward for the code of practice and marketing (for example what markets should be privileged, what sustainable agricultural practices are to become a criteria etc.).



The first Saffron festival in Taliouine, November 2007



Source: Garcin, D.G. Carral, S. 2007; Technical cooperation Programme of FAO.



Identification: awareness and potentials

The first step of the quality virtuous circle, in order to launch or strengthen the local promotion process of the origin-based product, is to identify the links of the product with the territory, its potential and needs, in order to plan the way forward. Several important questions for local stakeholders are addressed in the following chapters of this part:

- What are the links between the local product, the place and the people? Is there a potential for promoting an origin-based product in a sustainable perspective? (chapter 1.1)
- What are the reasons for engaging in such a sustainable development process? (chapter 1.2)
- Why is there a need to establish collective rules and to establish collective rights on the reputation of the origin-based product as the basis for the next step of the qualification process? (chapter 1.3)
- How to establish collective action? Which actors, internal or external to the production system and territory, can be involved? (chapter 1.4)

1.1 The links between products, people and places

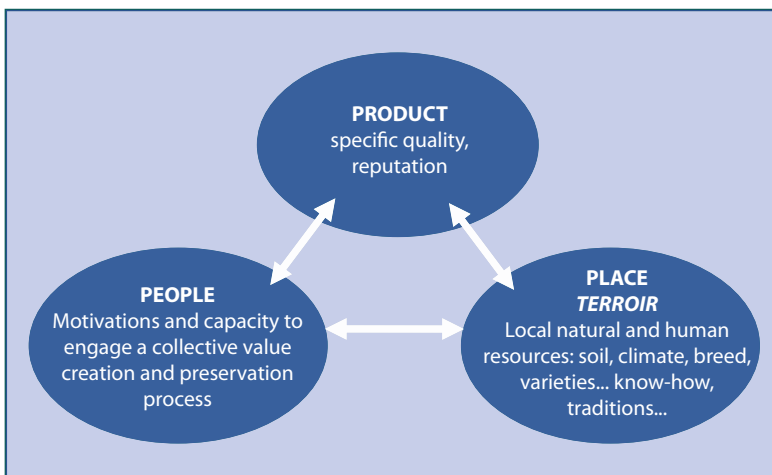
Introduction

Origin-based products have the potential to be part of a sustainable quality virtuous circle based on their promotion and preservation of local resources. This potential lies within their specific quality, which is a result of a unique combination of natural resources (climatic conditions, soil characteristics, local plant varieties, breeds, etc.) and local skills, historical, cultural practices as well as traditional knowledge in producing and processing the products. The first step for local actors is to be aware of this potential by identifying the links between the product quality and the local environment.

The possibility to activate the quality virtuous circle based on a product of specific quality linked to geographical origin depends on the presence of three main pre-requisites:

- **The product:** it presents some specific characteristics linked to geographical origin that give it a special quality and reputation on the market, with a specific consumer demand;
- **The place:** the special quality characteristics are the result of the natural and human resources of the local area in which it is produced;
- **The people:** the local producers, having inherited traditions and know-how, together with other local stakeholders, must be motivated to engage in a value creation and preservation process.

Figure 2: Interaction between people, product and place



1.1

The product: specific quality and reputation

Some agricultural and food products display specific characteristics which are inherent to the place where they are produced and that give the product a reputation.

Examples of specific characteristics

Different objective or subjective specific characteristics can appeal to consumers. They can relate both to intrinsic quality, such as aroma, texture, flavour, shape and colour, and extrinsic attributes, related to the way of producing, preparing and consuming the product. These provide subjective, immaterial or symbolic aspects: either emotional (for example the sense of “being part” a community), ethical and societal (for example by preserving traditions and know how, supporting local producers, environment friendly, etc.) or social and fashionable (for example the product reflects our social status).

Tequila, Parmigiano-Reggiano, Darjeeling or Champagne are only a few examples of product names which acquired a reputation linked to their geographical origin. Specific quality means that some characteristics differentiate the product from the other products of the same category and consumers perceive it as such, whatever the market, being local, national or international.

Regarding the differentiation on the market, the *typicity* is an important feature to consider, meaning the product is not only specific, it is also unique, by its combination of natural and human production factors, anchored to the territory. Such

products cannot therefore be reproduced elsewhere. The degree of specificity and anchorage of the local resources is a measurement of typicity.

Consumers' perception is linked to the reputation of the origin-based product and its recognition in the market. Market studies (See chapter 3.2) are necessary to identify this reputation and perception by answering different questions, for example, is there a specific demand and a willingness to pay for it? Do consumers differentiate that particular product from others of the same categories? Is there a specific group of consumers that can be targeted for this specific product?

Therefore, the name of the product plays an important role in recognition on behalf of the consumers for the specific quality product, by referring to geographical names and symbols, which unmistakably refer to geographical places and their people.

BOX 1: TERROIR AND TYPICITY

A *terroir* is a delimited geographic area where a human community has developed, over the course of history, a collective production method and know-how. A *terroir* is based on a system of interactions between physical and biological milieu and a set of human factors involved to convey an originality, confer typicity and engender a reputation for a product.

Typicity, is an inheritance, which has historical and geographical origins and which is anchored to a territory through a cultural identity and heritage.



The presence of unique herbal varieties and species in pastures gives milk a specific flavour and chemical composition, delivering uniqueness in cheeses.

The place and the local resources

The place represents the geographical area that bears both the natural resources (physical and biological environment or milieu) and the human resources linked to the generations of inhabitants and producers. This territory is delimited in space

Case Study

Case Study 1: Identification of specific quality and reputation

UVS SEA BUCKTHORN (Mongolia)

Sea Buckthorn (*hippophae rhamnoides L*) is a highly nutritious and versatile berry, containing a lot of vitamins, in particular vitamin C and other mineral substances, which is traditionally processed as juice and oil in Mongolia.

Uvs is the name of the province home to wild Sea Buckthorn in Mongolia and where Sea Buckthorn was first domesticated in the 1940s. The natural environment of Uvs is unique, composed of great lake basins (salty lakes) and cold water rivers, with a very harsh climate. In order to withstand this harsh and cold climate, Sea Buckthorn develops a rich oil content that allows vitamins



and mineral substances to be kept in the fruit for a long period. In addition to these specific climatic conditions, the muddy soil rich in iodine and fed by permafrost water also contributes to the creation of the unique quality of Uvs Sea Buckthorn. These specific characteristics are recognized by consumers locally but also internationally, especially in Japan and Korea, where it is used as a raw material for organic juices and cosmetic products. The growing demand for Sea Buckthorn products originating from the Uvs district led some local producers to act for the protection of their products as a GI.

Source: Ts. Enkh-Amgalan, 2009.

SALT OF AMED (Eastern coast of Bali island, Indonesia)

The salt produced in Amed is a marine salt elaborated by natural evaporation, in traditional salt marshes located on the beach. This salt is the result of a very dry micro-climate of the Amed region. Amed salt has specific characteristics. The crystals are smaller than standard marine salt. The colour is white-beige with a light tint of pink. Amed salt is crunchier than industrial salt and tastes less salty. It has a complex aroma : sour at the beginning then progressively going bitter. It sells for twice the price of other salts.



Source : Durand C., 2009.



1.1

and relates to the interaction between its people and the environment. The term *terroir* represents the capacity of this territory to confer, over time, the specificity and typicity to the product.

Natural resources are often linked to human intervention, as the physical environment is also shaped by human choices, and adjustments to adapt their production methods to their environment on the basis of a cultural heritage and local know-how. In this sense, the product belongs to the local community that created, adapted, preserved and passed on the specific environment, the local resources, the techniques and the culture required to reproduce it.

The *terroir* and its different components, the traditions and know how are the outcome of actions taken by many people from the territory over a long period. This means that the product is tied to a local community and has a heritage dimension. Consequently, a

product, its name and its reputation on the market, cannot be the property neither of a single person nor of a single private actor. On the contrary, the local community acquires a collective right to the product, and is entitled to ensure that their product is made according to the rules defined by the community itself.

People: the collective dimension and potential for action

As a result of its heritage dimension, the product specificity and reputation belong to the local people who share a collective right to benefit from it. Therefore, a collective approach is required to

engage the quality virtuous circle in order to promote and preserve the origin-based product and local resources. The potential for engaging the value creation process depends on the will, motivation and capacity of the local community and especially of the local production system, to coordinate their actions and promote the product collectively.

Many stakeholders are involved in the production and value creation process of a specific quality product linked to its geographical origin, and many different actors may have an interest in the product. Firstly, production (supply chain) actors play a central role, and often within a traditional production system, the role played by women, elderly people and families is of particular importance. In fact, the local community members may see the product as an element of their local culture and at the core of local activities. Local institutions, public authorities, consumers, researchers, NGOs,

Physical environment and natural resources

Specific features can be identified in many different factors, such as seasonal temperatures, humidity levels, wind, the physical-chemical characteristics of soil and water, sun exposure and pastures composition. These are among the most important physical resources that may confer a specific quality to agricultural and food products. Genetic resources are another type of specific local resource. Local plant varieties or animal breeds can adapt to a specific environment over time and are often the source of specific qualities identified in agricultural and food products.

Heritage and know-how

Genetic resources of specific plant varieties or breeds, for example, are the result of an intentional selection made by farmers over many years. Specific agronomic, breeding techniques and raw material processing, have been locally developed, taking into account the specificities of the local environment and materials.

This knowledge is often "context-specific" and "non-formalised" (non-written). It is shared within the local community, passed on through practices and usage, and it has adapted to the local changing environment and within organizations through a learning-by-doing process.

Case study 2: The link with the physical environment PICO DUARTE COFFEE (Dominican Republic)

A study carried out by the Dominican Institute of Research on Agriculture and Forest (IDIAF) and CIRAD for the PROCA2 Project assessed the quality potential of different production zones in the Dominican Republic. More specifically, they bought coffee made from 100 percent red cherries and processed it in order to obtain an optimal quality (pulping within a few hours of harvesting, controlling of the fermentation cycle, double washing with clean water, controlling the humidity rate and so on). The coffee quality was assessed by physical (size, number of defects, density and colour of the beans) and cup attributes. This study revealed the specificity and potential of each of the Dominican coffee production zones. This activated many projects for developing origin-based coffees, including by means of GIs. Indeed, a discussion between local actors in different production areas arose based on the scientific findings, aiming to define more precisely the geographical boundaries, especially altitude and administrative boundaries. One of the GI initiatives is Pico Duarte Coffee.

Source: Belletti G. et al, 2007



etc., inside and outside the territory may have an interest in the promotion of the origin-based product (See chapter 1.4).

These stakeholders may influence differently the origin-based product development, conveying their own vision of the product and their own interests. Local consumers are more interested in specific aspects of a product that may be different from those considered by businesses. On the other hand, bigger and/or modern companies are interested in different aspects of a product than an artisan or a small-scale business.



The selection of green coffee in the Dominican Republic



Women picking stigma from the saffron crocus flowers, in Taliouine, Morocco

Case study 3: The path from identification to qualification CHIVITO CRIOLLO DEL NORTE NEUQUINO (Argentina)

Chivito Criollo del Norte Neuquino is a local goat breed from Patagonia in Argentina, produced exclusively on natural mountain pasture. The breeding is based on the knowledge of local people who practice transhumance.

The National Institute of Research and Extension in Agronomy (INTA) started in 2001 a participative programme with the producers to identify, conserve and improve the breed. This programme leads to an in depth identification of the breed and its genetic make-up through a specific methodology for animal genetics and in relation with the local environment and know how (www.fao.org/ag/againfo/programmes/en/genetics/map.html).

The programme was an opportunity to reveal the importance and specificity of the natural and cultural resources giving the meat its specific quality linked to geographical origin, thus the potential for developing a GI product. Based on the identification outcomes, the producers supported by INTA and other local actors then engaged the qualification phase to set up the rules for GI use.



Source: Pérez Centeno, M. 2007

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

Product

- What are the specific characteristics of your product? Why is your product different from similar products sold on the market?
- Which quality attributes of your product appeal the most to buyers and consumers?
- How many types of this product do you know?
- Will your product characteristics change in the future? Which ones? Why?

Place and specific resources

- Where does the specific quality of your product come from?
- Which are the natural resources used in the production process?
- Which are know how, specific knowledge and skills linked to the origin-based product?
- What is the area where you produce or possibly can produce it?
- Can you trace back the history of your product? Do you know any “stories” (narrative, legend) about your product?

People

- Who are the local actors who are involved in the production process (supply chain)?
- Which are the local actors who, although not directly involved in the production, seem interested in the product valorization and protection?
- Who are the external actors interested in the product (e.g. University, Government, retailers, processing companies)?
- What are the characteristics of these different categories of actors? Do they have, and which are, their motivations and aims in promoting and preserving the product?

List in the tables

- 1) Specific qualities of your product 2) Specific local resources of the production process 3) Link between qualities and local (natural and human) resources.

1) Specific qualities	2) Specific local resources	3) Comments
...	...	
...	...	

- 1) Actors involved in the product 2) Their characteristics 3) Their motivations

1) Categories of actors	2) Characteristics	3) Motivations
LOCAL (inside and outside the supply chain) a) ... b) ...	a) ... b) ...	a) ... b) ...
NON LOCAL a) ... b) ...	a) ... b) ...	a) ... b) ...

1.2 Why engage an origin-based collective process? A sustainable perspective

Introduction

As the quality of origin-based products is deeply rooted and linked to specific local resources, the survival and improvement of the production system can play an important role in supporting the local economy and way of life. Adding value to such a product while preserving its characteristics allows for remunerating and reproducing specific local resources, not only benefiting the production system, but also rural development dynamics, local society and, often fragile, natural resources. It means creating a synergic relationship with the two other pillars of sustainable development: environment and society.

Rural and sustainable development

The contributions of origin-based products to rural development, encompass not only agricultural growth and agribusiness development, but also the development of other local activities, the social dimension and empowerment of local actors (community participation in the definition of objectives, social equity, the growth of social dynamics, the local population's confidence), and the role of local resources.

The contribution can also be considered in terms of sustainable development, a concept that emerged from the need to promote development that "meets the needs of the present without compromising the ability of future generations to meet their own needs". Promotion and preservation of origin-based products can serve as a tool to address the three complementary pillars of sustainability: economic, environmental and social, as they are intrinsically associated in the case of an origin-based product.

The contribution of origin-based products to rural and sustainable development is particularly relevant for fragile or remote areas, where usual constraints and less competitive production conditions, can be turned into assets by adding value. As a result

Possible benefits by engaging a value creation and preservation process

- Maintaining and/or increasing local revenues and local employment in the different stages of the production process (production, processing, distribution).
- Allowing local people to stay and live in the production area.
- Preserving the environment and biodiversity
- Maintaining traditional farming with its potential positive contributions to the landscape, favourable habitats for biodiversity and soil preservation.
- Maintaining traditional processing systems and recipes.
- Keeping alive local traditions and local culture related to the product.



The Maremmana is a very specific breed of cattle in the Maremma region (Italy), which is extremely uncompetitive in terms of costs and productivity. The valorisation of the specific characteristics of the meat can allow the survival of this breed, which has no substitutes in the production area.

of their special ecological significance, specific natural resources are often less productive than conventional ones in terms of physical and economic productivity, and the production system cannot be competitive in terms of volumes or prices but can differentiate the products with specific and high value characteristics. This is the case for many specific breeds raised on local pastures which may produce less milk than others, but from which particular cheeses are produced according to local artisan recipes.

The economic pillar: adding value and benefits from organization

Accessing markets

Origin-based products have the potential to create added value through market recognition, by providing access to new niche markets for differentiated products, or preventing their disappearance on existing markets, endangered by more competitive products. This can contribute to ensuring a decent income for local producers if the higher added value is fairly redistributed among producers.

A higher selling price is often one of the first aims of supporting a strategy for an origin-based product, but increased economic value also means better access to markets, either new ones or by securing access to existing ones thanks to the differentiation of

BOX 2: PREMIUM PRICE FROM DIFFERENTIATION

Comparison of prices between origin-differentiated and non-differentiated coffees on international markets.



Source: Teuber R, 2007.

the product. In other words, it should allow local producers to participate in markets where they can obtain a price that covers production costs despite the presence of more competitive products from outside the area.

The value creation is also a driving force for ensuring consumer confidence on the origin of the products and generic quality requirements, through the use of quality insurance schemes and traceability systems throughout the process. Accessibility to and maintenance of profitable marketing channels is of key importance in order to maintain local resources. Through the effective marketing of these products, rural activities can be maintained and even diversified, so as to promote related industries, such as tourism, and also to prevent locals from migrating. Indeed, specific local resources involved in the production system, i.e. unique plant varieties, animal breeds or traditional landscapes, food traditions and culture, are valuable also for tourism and gastronomy.

Maintaining a traditional product on the market:

In many remote areas like mountains or desert, numerous traditional products are at risk of disappearing, as production is not competitive (cost of production, imitation by actors outside the area). This in turn forces people to leave these areas. Promotion of the origin-based product for its recognition and protection from unfair practices on the market may allow them to continue to be produced. See for example the cases: Turrialba cheese (case study 4 in chapter 3.2); Cotija cheese (case study 11 in chapter 3.3), Limon of Pica (case study 3 in chapter 5.2).

Case Study

Case study 4: Influence of reputation on price formation NAKORNCHAI SRI PUMMELO (Thailand)

The pummelo is a tropical or near-tropical fruit native of South East Asia and is the principal ancestor of the grapefruit. It flourishes naturally at low altitudes close to the sea, but because of its restricted cultivated areas, its production is often overshadowed by that of grapefruit. It is well-known to be a luscious fresh fruit and is more popular than grapefruit for many consumers in the Far East. It is claimed that the Nakornchaisri pummelo (Thailand) quality attributes stem from human intervention, through specific farming traditions and production skills, coupled with unique geographical conditions. Nakornchaisri pummelo is sought out by discerning consumers and growers who are willing to pay a high market price. In 2005, the Nakornpathom Chamber of Commerce established a GI for the fruit to identify the product and to protect and promote its market value.



GIs can be a very important determinant for higher market prices. For export, purchasing price and fruit quality, Nakornchaisri pummelo have been used as a benchmark for fruit from other regions. The fruit from Nakornpathom (GI designated areas) receive a price premium of 2 to 4 Baht higher than fruit from Phetchaburi or other areas of an almost equal quality. Supply from other regions of the country is increasing. Currently, consumers are willing to pay a higher price for fruit claimed to come from Nakornchaisri even with a degree of doubt and reservation as to the true origin of the producing area. Traders rely mainly on consolidators to ensure the origin of the area of production, thanks to the trust that has been established on the basis of a long-term working relationship between exporters and consolidators.

Source: Tongdee, S.C. 2007.



Benefiting from the local organization

The value creation process requires a coordination of small-scale actors (horizontal and vertical relations along the supply chain) to strengthen a territorial network. Thanks to the collaborative interactions among local stakeholders with public and private sectors, local actors can even compete with bigger firms.

Small-scale firms can obtain a good added-value with little investment in promotion and marketing on the origin-based product: indeed there is no need to invest in new products, and promotion can be collective.

Apart from the activities directly associated with the supply chains of origin-based products (trade, preservation, packaging, controls) the value creation process, to promote such products, can strengthen other local activities, especially in the tourism and gastronomy sectors.

The environmental pillar: sustainable use of resources and biodiversity

The promotion of origin-based products can generate two kinds of positive impacts:

- Sustainable use of natural resources: identifying the link between the product and the *terroir* raises awareness about the importance of a sustainable use of local resources. Moreover, often origin-based products are linked to traditional production systems and extensive practices with lower environmental impact compared to modern techniques and inputs.
- Biodiversity: origin-based products often use traditional, endemic or specific locally-adapted species, varieties, breeds and micro-organisms. The promotion of such products can help resist pressure towards increased specialization and economic rationalization, thus preventing the disappearance of habitat, typical landscapes and genetic resources.



Cacao Arriba in Ecuador: the promotion process aims also at preserving the ancient Cacao seeds which were increasingly replaced by new and more productive varieties

The social pillar

Since origin-based products have generally been produced for a long period in the same social and cultural environment, they incorporate a strong empirical and locally validated experience and know-how by producers, regarding how to manage a sound production process and attain a high specific quality within the particular local environment. Moreover, the link between product, people and place often makes the GI product a cultural and symbolic marker and an element of identity for local populations, going beyond the mere economic aspect.

As a consequence, the *social dimension* has many aspects:

- The origin-based product is related to the preservation of natural and cultural heritage, traditions, know how and lifestyle in marginal areas.
- The collective dimension of the origin-based product strengthens social linkages between local actors, not only through local organizations and greater equity in the production sector, but also externally, as all local stakeholders are involved (for example public actors, stakeholders of the tourism industry, schools, etc.).



Chivito Criollo del Norte Neuquino (Argentina): preservation of the "Crianceros way of life" and increase of the "territorial self-esteem" with involvement of all local people (i.e. school contest to design the logo)

- Promotion of an origin-based product increases self-esteem among local actors as their identity and the related way of life, including the role of each actor (men and women, young and old people) is recognized and considered as valuable. This is especially the case of remote areas, where the production system is very different from modern systems.
- Traditional production, and processing of these products, often involves work undertaken by women, thus giving positive social and economic recognition to their work and providing an opportunity to involve them in the creation of added value on farms or in a small-scale factory.
- The sustainable management of various local resources used for food and agriculture contributes to food and livelihood security while the preservation of typical products offers consumers food diversity and a wider choice.

Case study 5: Contribution to social sustainability MAIZ BIANCO DE CUZCO (Peru)

The Giant White Corn from Cuzco is produced in the “Sacred Valley of the Incas” along the Vilcanota river, between 2600 and 2950 m of altitude, Cuzco being the famous ancient Inca capital.

Cultural heritage preservation. This very ancient variety of maize has an important tradition and religious function. The valley is part of the countries’ main cultural and natural attractions, such as the Machupicchu, the Ollantaytambo archaeological sites or the crop terraces typical of the region of Yucay. The promotion as an origin-based product contributes to maintain ancestral agricultural practices and related landscapes that local producers consider part of their legacy.

Producers self-esteem. The Giant White Corn from Cuzco was recognised as a geographical indication in 2005 by the office in charge of intellectual property in Peru. This official recognition corresponds to an external recognition of the product value, thus reinforces producers self-esteem and the sense of identity of the local community.

Strengthen social linkage. The process to obtain the official recognition involved a wide range of public and private representatives of the region, thus contributing to strengthen networking between institutions. At producers’ level, an organization was not yet in place but would be a crucial step in order to reinforce social cohesion around the product promotion objective.

Food and livelihood. Maize is an essential component of the Andean food which presents a high diversity of maize varieties. If the Valley tourism attractiveness is an asset for local marketing, it is at stake for producers because it leads to some pressure from tourist activities on agricultural lands. Raising awareness on the value of this typical production not only for producers but also for tourism and local food availability should enhance a right balance between economic activities (tourism and agricultural production).



Source : Rivera Campos and Riveros Serrato, 2007

A tool in the hand of local actors for a sustainable territorial approach

Promoting an origin-based product has the potential to maintain and promote non-standardized food products on new and existing markets, to preserve the associated socio-ecological system, and to maintain population activities in rural areas. In this perspective, they can contribute from the production side to a territorial and integrative approach for sustainable development in particular in fragile areas.

Nevertheless, it is important to recall that the modalities of the local process will determine the real contribution to sustainable rural development: positive effects in economic, environmental and social fields are neither automatic nor simultaneous, and some negative effects can even be observed.

In any case, the process and effects have to be assessed by stakeholders as to improve an origin-based product over time and in order to allow the reproduction of resources. This shall be addressed with key factors to be considered in Part 4.

Case study 6: Origin-based production for promoting the sustainable development of a fragile area LIVNO CHEESE (Bosnia Herzegovina)

The *Livanski Sir* (Livno cheese) was originally a sheep's milk cheese. The production started several centuries ago and recently was produced using cow's milk. Nowadays, *Livanski Sir* designates several types of cheeses, among which an ongoing protected denomination, which tries to associate the name with a strong sheep milk composition (at least 70 percent). The production area is very specific with hills, pastures and meadows, mountains with bushes, oak and pine forests as well as *karstic* fields with pastures, meadows, forest and marshes called *Polje*. *Karst polje* is a three dimensional natural landscape shaped by the dissolution of soluble layers of bedrock, mostly limestone, characterized by a high level of biodiversity, cultural heritage, marginal and sensitive areas. As a result of the threats against biodiversity, a global project under a collaborative framework, the Dinaric Arc Initiative (DAI), is implemented with a focus on the preservation of the environmental and cultural diversity and heritage of the Dinaric Arc region through the integration of all relevant sector policies. Regarding the agricultural sector, the objective is to reactivate sheep production and pasture management that play an important role in the biodiversity and equilibrium of the area, by adding value to the Livno cheese thanks to a GI process. This process was initiated by the local association of sheep breeders and cheese producers (Cincar association), and supported by an Italian NGO (UCODEP).

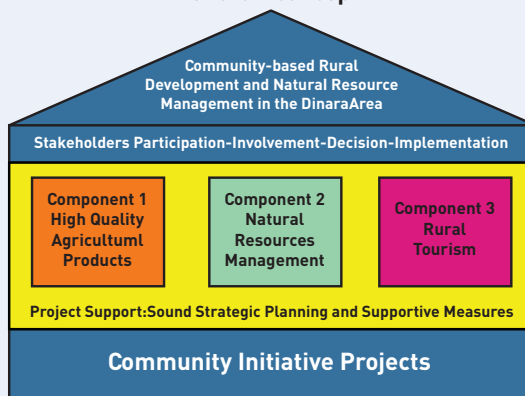


Spring floods in Livanjsko Polje



The Livno cheese

Overall concept



Source: Bernardoni, P. et al, 2008, Dinaric Arc Initiative (FAO and other partners, including, WWF, IUCN, UNDP)



PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What are your main objectives and expected outcomes in promoting your origin-based product?
- Which are the positive effects of your product on the local system today?
 - Make a checklist of possible consequences and outcomes;
 - Associate these outcomes with the specific local resources they come from.
- What are the potential positive outcomes that the product could generate?
- Are there any threats for specific local resources of the product? Where do they originate?
- How do they relate to economic, environmental and social dimensions?
- How could you further take into account other dimensions for sustainable development?

List in the table

- 1) Main objectives
- 2) Expected outcomes
- 3) Link to sustainable development,
- 4) Specify the means: how and which local resources are involved and identify the constraints to overcome

1.Objectives	2. Expected outcomes	3. Relation to sustainable development	4. How? What are the constraints?
...

1.3 Geographical Indications, local regulation and protection

Introduction

Names and representations, which refer to a place, are very often used by local actors and consumers to identify the particular origin of products. Therefore, these geographical indications (GI) play an important role in the value creation process as it differentiates origin-based products from others of the same category. This collective reputation can be subject to misuse inside and outside the territory. The use of GIs requires a localized definition of common rules in order to improve coherence between local producers and avoid unfair practices and misleading of consumers. The recognition of the collective rights of local producers over the GI is also a fundamental step for engaging the qualification of the product.

There are many different reasons for establishing common local rules for geographical indication products. The two most important ones are:

- Improve coherence between different producers
- Avoid unfair practices and misleading consumers regarding the use of GIs.

What is a Geographical Indication (GI)?

Product characteristics, production expertise and consumption experiences are incorporated over time within the name of the product, so that the acquired reputation becomes a valuable asset. When this asset is linked to a particular geographical origin, it is generally recognised by the use of a GI to designate the product.

Through the contributions of many local producers, some products earn a reputation over time that is inextricably tied to the place of production. Contrary to the use of an individual company name or commercial trademark, a geographical indication can benefit all producers in a region by associating a specific product with a given territory.

A GI encompasses four main elements:

- a defined geographical area of production
- specific production methods
- a specific quality of the product
- a name and reputation that differentiate the product from others.

A GI is a place or country name that identifies a product of which quality, reputation or other characteristics are attributable to the origin. A GI signals to consumers that the goods have special characteristics as a result of their geographical origin. Therefore, a Geographical Indication is more than an Indication of source, which just indicates the provenance of the product (such as "Made in") without referring to a certain quality.



Examples of labelling with geographical indications

There are many types of identifiers constituting a GI:

- a geographical name: alone, becoming the name of the good (such as Bordeaux or Champagne), or associated with the common name of the good (such as Coffee of Colombia or Chivito Criollo del Norte Neuquino in Argentina, Pico Duarte coffee, etc.),
- a name, symbol or words referring to a place and its local people, whereas they are not names of geographical places (for example Tequila, Feta or Basmati).
- additional associated characteristics that should also be considered as geographical identifiers such as: images of famous places like mountains or monuments; flags; images of specific objects; folkloric symbols, etc;
- the specific traditional shape and appearance of the product, such as a specific packaging or a common element on the label (See examples below).



The Vacherin Mont-d'Or is a soft cheese, produced on the French and Swiss sides of the Jura mountains, and is encircled with spruce bark and packaged in a box made of wood. This gives a specific appearance and particular taste to the cheese.



The Bocksbeutel is the German name of a particular shape of bottle for wines that is reserved by EU law for use with only certain wines from designated areas in Germany, Greece, Italy and Portugal.

Use and misuse: the need for well established and explicit rules

A GI incorporates the values, reputation and history of a given product. Over time, local communities can develop informal common rules linking specific quality products and names used to identify them, becoming legitimate users of the intellectual property rights associated with the GI. The GI, therefore, becomes an important collective asset for the value creation process.

Local stakeholders can make use of the GI and participate in its value creation. If the product characteristics comply with a local tradition and image of quality, the product will preserve and increase the GI value; but if not, the GI value will diminish.

In other words, the behaviour of each producer can benefit from, or damage, the GI as an asset. As long as a product benefits from a collective reputation, it means that there are already certain local rules followed by producers. However, this reputation can be damaged if producers using the GI name do not respect the principles that made the product typical and valuable.

In order for producers to contribute to the preservation of the specific characteristics and the value of the GI product on the market, it is important that some clear rules exist and that they are enforced.

Nonconformity to the local rules

The value attached to the GI can attract imitators, usurpers and free riders – both inside and outside the production area – who may misuse the GI designation. Such competitors may try to benefit from the reputation of a GI without meeting the expectations concerning the geographical origin and/or the quality of the product.

BOX 3: THE FORMALIZATION OF RULES AND COLLECTIVE ACTION EXAMPLE OF NYONS OLIVE OIL

The ancient Romans introduced the olive trees in the region of Nyons (France). Nyons olive oil has been famous for about 2000 years. Throughout the twentieth century, it benefited from a price premium. During the 1970's, local producers and traders started to perceive a threat; a number of large traders began selling under the name of "Nyons olive oil", an olive oil which was in fact imported in bulk from abroad and only bottled in Nyons. This threat of imitation and misuse of the name stimulated local suppliers and processors to define and defend their common interests. In this



case, the existence of a local cooperative facilitated the process. Nyons olive oil was defined as extracted exclusively from the "Tanche" olive – a local variety established long ago and particularly well adapted to the strong winds and risks of frost prevailing in this production area. The geographical area was defined accordingly. Nyons olive oil later became the first protected GI product in France, apart from wine and cheese. This pioneer experience paved the way for other GIs on diverse agri-food products.

Source: Pecqueur, B. 2001

They may endanger the reputation of the product, the functioning of the value creation process, the reproduction of specific local resources and the beneficial outcomes of the product on the local community.

The production of imitation GI products, may not only arise from producers operating from outside the place of origin. If the range of production processes and inherent characteristics are too broad to preserve the specific quality of a product, the problem can also occur among producers within the same area of origin.

Case study 7: Imitation of a GI by industrial companies QUESO CHONTALEÑO (Nicaragua)

Farm households that practice the transhumance produce Queso Chontaleño in remote areas of Chontales (Nicaragua). This cheese, known by domestic consumers as “Queso chontaleño”, has a very strong flavour and personality. Nowadays, other milk producers, from more accessible areas, would like to start the production of “Queso chontaleño GI” in order to increase their profitability and market opportunities. This semi-industrial cheese should replace their existing products, “queso filato” and “Queso Morolique”. At the same time, an industrial company sells industrial “Queso tipo chontaleño” at the supermarkets of Managua and exports it to the United States, for nostalgic Nicaraguan consumers. This situation brings about some confusion surrounding the term “Queso chontaleño”: some people perceive this as cheese prepared according to the local traditions and artisan techniques; others use the term “queso chontaleño” to indicate any type of cheese made in the Chontales regions. Today, there is no national law protecting and defining the “Queso chontaleño” product. As a consequence, some companies sell “Queso chontaleño” using milk produced in areas far from the original one, and by large intensive dairy farms.



Queso chontaleño by the industrial company sold in supermarkets or exported to the United States.



Source: Arfini, F. et al, 2007

A designation encompassing different products

In some cases, the reputation attached to a GI covers a wide range of products, which may have significant differences in their appearance, production methods, etc. In this context, it can be hard to distinguish a legitimate use of the GI from a misuse or imitation.

In other cases, several local names are used for the same kind of product, and it could be better to choose only one name during the qualification process (See chapters 2.2 and 2.3). There may be no easy solution to the problem, but it is important to encourage a process of convergence and consensus-building among local stakeholders that fits with local resources and with local traditions.

The need to establish local rules to use the Geographical Indication

In order to prevent misuse or expropriation of GIs, and allow them to play their role as a sign of a specific quality linked to Geographical Origin, both for producers, consumers, local and global stakeholders, a set of common rules defined at local level is required in order to:

- Clearly identify the product and define its production and processing practices shared among stakeholders using the GI.
- Avoid unfair production and commercial practices, preventing people to abuse or to damage the GI reputation by making and selling products with different and/or lower quality characteristics while benefiting from the reputation of the quality sign.
- Guarantee quality assurance of the product and of the geographical origin, fostering consumers' confidence.
- Guide the behaviour of local producers, and support coordination and cohesion among GI producers to create, preserve or improve the products' reputation and name value.

These rules should give a clear reference and assurance to producers and to all interested parties. They are usually written in a document called code of practice (CoP) (also called: "book of requirements", "product specification" or "disciplinary document") (See chapter 2.1).

In order to enforce these local rules, local stakeholders can explore ways to ensure the conformity to the rules established and protect their rights to use the GI under a protection and guarantee system. A precise assessment of the situation is necessary to establish linkages between the legal issues to be addressed based on the available normative framework, market realities and producers' strategies.

Enforcement of the local rules: social mechanisms and legal protection

The regulation of GIs, first and foremost, is based on a system of self-enforcement by producers. GIs can also be enforced through informal mechanisms, such as mutually agreed upon, social controls, unwritten rules of practice and standards (See case study 8). A self-regulation and enforcement alone can apply locally in very specific contexts. When the relationships among producers are not strong and/or marketing abuses (imitation of the product and GI usurpation) are common nationally or internationally, legal protection of the GI may be considered by local stakeholders as a tool for effective regulation (See chapter 5.1).

Even when no problems of imitation or divergence in local production practices emerge, the establishment of formally recognised rights over the GI could be important: in fact a formal recognition of the GI – legal or not – could prevent registration of the GI by other actors.

Without legal protection of codified rules and a regulatory system for the market, it may be difficult to avoid the misuse of the geographical names, especially when the reputation is high. The absence of a regulatory framework may threaten the legitimate local GI system and collective efforts to promote and preserve the local resources, while misleading consumers (See case study 7).



Case study 8: Social control and sanctions for local staple food GARI (cassava semolina) FROM SAVALOU (Bénin)

Gari is the favorite staple food all over Western Africa. It is made from toasted cassava semolina. In the village of Savalou (Benin, West Africa), a special type of gari, called Gari missè, is produced and its fame is widespread throughout the country. Quality control is carried out at the processing and trading stages by the group of Savalou women processors. They only allow women whom they know and trust into their processing. The women processors themselves treat directly most of the products. Within the group, a social control is imposed to respect correct processing rules and marketing practices. A lack of respect for the rules entails the risk of being expelled from the group.



Source: Gerz, A. and Fournier, S. 2006.

Several legal instruments to protect GIs are then available depending on the country. These include :

- National laws on business practices relating to the repression of unfair competition or the protection of consumers either in general terms or more specifically regarding such matters as the labeling , certification and agricultural control measures, etc.
- Regulation of GI registration under intellectual property rights: specific geographical indication laws and trademark laws, with different categories depending on the country.



Case study 9: Registering a GI to prevent the private registration of a geographical name (Dominican Republic)

In the Dominican Republic, as in other countries, many geographical names have been registered as private trademarks by individual firms. For example, many coffee trademarks are registered according to the national Dominican law. This caused serious problems for local initiatives of qualification of the local coffee by means of a Geographical Indication, because all the “meaningful” geographical names (such as the name of the Pico Duarte, the highest mountain in the Caribbean region) were already privately registered.



Source: Belletti, G. et al. 2007.

Indeed, at the international level, GIs are defined and recognised as intellectual property rights by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (See box 1 in chapter 5.1). In fact two specific international definitions exist in relation with GI: geographical indication and appellation of origin. These two are distinct from the indication of source, which does not refer to a specific quality (See box 4).

BOX 4: GEOGRAPHICAL INDICATION, APPELLATION OF ORIGIN AND INDICATION OF SOURCE

“Geographical Indications” defined by the TRIPs Agreement in 1994, “are indications which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”.

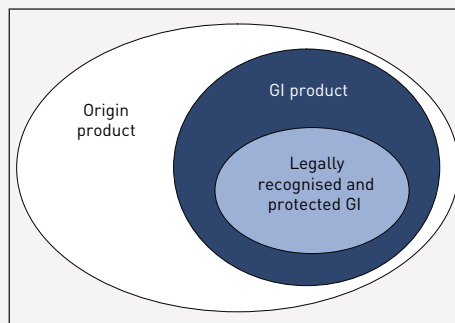
“Appellation of origin” represents a more restrictive category of GIs, defined in the Lisbon agreement of 1958, as geographical designations of products whose quality and characteristics are due exclusively or essentially to the geographical environment, including both natural and human resources.

“Indication of source” refers to a sign that simply indicates that a product originates from a specific geographical region, in particular some countries. Therefore, even if the indication of source refers to a geographic name (the country name), it is different of the geographical indication and appellation of origin that refer to a specific quality.

The legal protection of a GI may represent either a kind of accomplishment of the GI set-up, or the first step to establish the dedicated collective organization with all its potential tasks on a solid basis. The identification of the specific quality and the definition of the local rules defined by local actors during the qualification phase will serve as the basis for applying for legal protection, especially in the case of legal tools under intellectual property rights.

BOX 5 : ORIGIN-BASED PRODUCT, GI PRODUCT AND PROTECTED GI PRODUCT

Not all origin-based products (that is, products with a specific link with a territory) are GI products: the fact that people inside the local production area refer to the origin-based product with a specific name (the GI) indicates a consciousness of the specificity of the product. This kind of consciousness is the result of a learning process, developed during the identification phase of the value creation process. Not all GI products are (and shouldn't be) legally recognised and protected GI products, even though very often, some kind of legal recognition of the right of the local community over the geographical indication could be very useful for preventing or enforcing unfair practices.



Source: Siner-GI reports WP1 WP2

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What is (are) the name(s) of your product?
- Is your product known as a result of to the geographical name of the production area? Or through many geographical names? Are there any other identifiers of the product?
- Are there specific associated signs or characteristics (bottle, shapes, presentation...), which may indicate the geographical origin of your product to consumers, in addition to the name itself?
- Does the geographical name make sense for consumers? Is it positive or negative?
- What is the reputation of the Geographical Indication (local, national, international)? Are consumers aware of the specific quality of the product? Is there a difference in price for your product?
- Are there problems caused by some heterogeneity of the products originating from the designated geographical area?
- Is there a need for defining common rules on the GI product?
- Are there any problems of abuse or misuse of the name / designation of your product? If yes, what are the consequences?
- Are there any imitations of your product? How do these imitations differ from the "original" product? Why do you think these products are not authentic?
- Are there any risks of confusion or conflict with other geographical identification (name, symbols, characteristics, signs)?
- Are the related signs and characteristics specific enough? Is it necessary to regulate them? What would be the benefits from having a legal protection of the product name?

List in the table

- 1) The products, geographical identification or other related signs that may imitate your product or GI in the market.
- 2) Where they are made.
- 3) The differences between them and the "authentic" ones.
- 4) The effects these imitations may have (on the market, on the local production system...).

1. Imitations, confusing geographical identification or associate signs	2. Where?	3. How do imitations differ?	4. Effects
...

1.4 Sharing a common approach

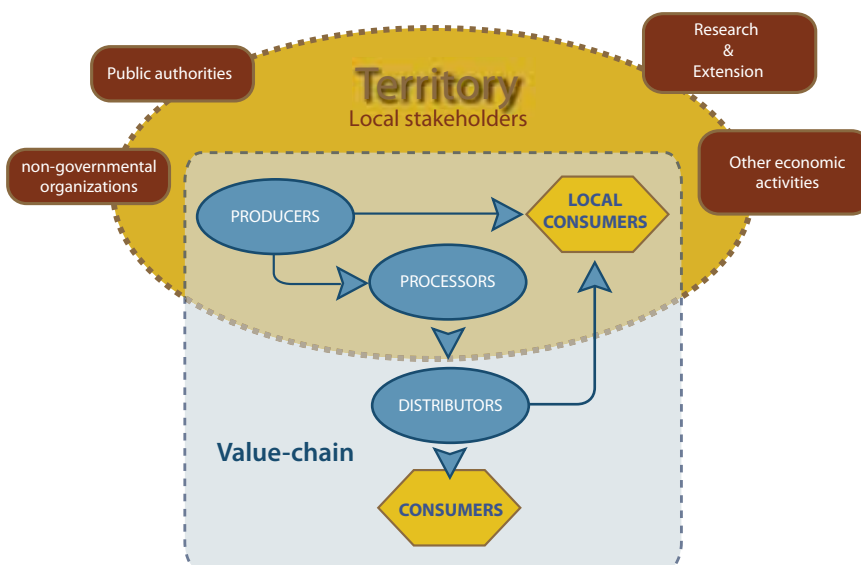
Introduction

Collective action is necessary all along the quality circle, and should be considered from the onset of the identification phase. Indeed, setting up a value creation process for a GI product requires the active involvement of the local stakeholders who have the right to define the common rules for using the GI. This should be attained through a participatory approach in order to share a common vision and strategy for the product, to identify its links with the geographical origin, and to establish a collective protection system. Moreover, local producers should be able to build and manage active and stable external relationships from different points of view: economic, political, social and scientific. Therefore territorial links and external networks are important to consider.

The need for collective action

Within and outside the production area, a GI product involves, by definition, many different actors. Producers, processors, traders and consumers share know-how about good practices regarding production, processing, preservation, trading and even use or consumption of the product.

Figure 2: Different stakeholders that can be involved in the value creation process



Inhabitants, scientists, development practitioners and public actors may also possess relevant information and vision for the preservation and promotion of local resources. This is a *shared* knowledge and it can be viewed as a collective expertise. It is also a *distributed* knowledge, which means that the skills of various actors are necessary to fulfil the whole process. In fact, no single actor is able to master all the dimensions and steps of the elaboration process. Market recognition obtained by GI products reflects the collective capacity to define and efficiently manage the combination of natural and human factors. Beyond the definition of the product and its specific quality, the collective strategy may reinforce the reputation used as a strategic tool for marketing and/or rural development. In this view, collective rules should not be considered as a constraint but as a condition for efficiency.

Setting up a collective action includes different aspects:

- defining the community or group of stakeholders who will benefit from the right to establish the rules, and will share the rights and responsibilities to respect rules regarding the GI product,
- establishing the network and the partnerships within the local production system, the territory and the external supportive actors, facilitating sharing information and knowledge. This includes practical activities such as meetings, visits etc.,
- defining the rules that will be shared among the producers in the different phases.

Mobilizing local stakeholders

Mobilization of the local actors concerned by the impacts of the origin-based quality circle on the territory (value chain actors and local community) is a fundamental step, and requires raising awareness on the potential for rural development and the role of the local actors. This mobilization implies three important activities:

- Organizing the local context, e.g. through producers' meetings, studies and visit exchanges with other similar production systems, in order to share views on the product and on what determines its characteristics.
- Empowering disadvantaged actors, who often are the real trustees of the "original product", in order to allow their participation in the process. Empowerment of local actors is a key issue in the perspective of social sustainability for the value creation process. Local public administrations, NGOs and other local associations, should support these activities.

Different categories of stakeholders can be involved:

- Within the value-chain and in the territory: companies participating in different stages of the production process
- Outside the value chain, but still on the territory: local communities, producing and/or consuming the product; local institutions: producer organization, local public administrations, agencies and NGOs for development, consumer associations
- These supportive stakeholders can be located outside the territory but at some point may become involved in the process because of their particular interest (biodiversity and environmental aspects, local culture and traditions, gastronomic issues, landscapes, etc.)
- External stakeholders, outside the territory but linked to the value chain: intermediate purchasers, consumers outside the production area

- Mediating: each actor has a specific vision of the product and its evolution, depending on their specific interests in the product. Therefore, it is important to consider the motivations of the actors involved, as they can be a potential source of conflicts when engaging the qualification. Some of the questions that should be explored are: How and where to produce the product? Which particular characteristics it should or should not have? What are the rights of each stakeholder involved with the product? What rules and decisions should be established by the community to prevent damage that may arise through improper production, sale or use of the product?

Case Study

Case study 10: Setting up collective actions COTIJA CHEESE (Mexico)

The Cotija cheese is produced by a small community of farmers with their own distinctive history and culture linked to cattle farming in the Jalmich region in Mexico, farmers being scattered throughout the mountain range (12 000 inhabitants, 5 inhabitants per km²).

Two Mexican researchers became aware of the value of this product and its risk of disappearance as a result of the rural exodus. They raised awareness within the local community and together with the local leader of Cotija town, they facilitated the collective actions in order to promote and preserve the cheese by maintaining producers' income and local activity.

As a result, the Regional Association of Producers of Cotija cheese (ARPQC) was created in 2001 with 93 producers in order to exchange and cooperate in the process of identification and qualification of the product.

To face the problem of isolation and lack of time and resources, meetings and workshops were organized with representatives of 25 geographical groups of five to ten families, half of which were part of a cooperative established to implement the common process of qualification and develop product marketing.

Then a Civil Association « Prosierra de Jalmich » was created in 2003, involving a wider range of stakeholders (producers, researchers, local leader, other professionals as well as regional and national public institutions), in order to develop a territorial strategy, apply for an official recognition of the specific quality and reputation of the product and largely promote the product.

Source: Poméon, T. 2007.



As a result of mobilization, a group of local stakeholders directly concerned by the qualification of GI product (a "GI group") emerges and acts as a representative of the actors who join efforts in elaborating the quality of the end-product: producers, processors and traders. In chapter 3.1 more details are available on GI organization for marketing the product.

Involving external actors

Producers should not remain isolated in their efforts to identify and qualify the origin-based products, as this often implies specific knowledge and capacities. The management and development of the GI production system should benefit from support external to the production system and even the territory in order to help producers to reduce obstacles and improve the management and the economic sustainability of the production system.

The dimension of the external partnerships constitutes a “supporting system” for a GI product, or GI system. Although they are not directly involved in the production, the processing of the product, nor in the final decision on its rules and physical boundaries, the supporting network can play a very important role, sometimes initiating the quality virtuous circle by raising the awareness of producers or even leading the process of identification and qualification of the product.

Therefore the GI system should include all kinds of actors and activities that can contribute to the production/promotion of the GI product. Different categories of actors can also be part of the quality circle at one moment or another and examples are provided below.

Case Study

Case study 11 : Involvement of a supply chain actor: a butcher PAMPA GAÚCHO DA CAMPANHA MERIDIONAL MEAT (Brazil)

The “*Carne do Pampa Gaúcho da Campanha Meridional*” is a meat produced on the large Pampa meadows recognized for a long time by Brazilian people for its specific quality. It has been protected as a GI since December 2006 by the Brazilian National Institute of Industrial Property (INPI). This was possible thanks to a project established in 2004, through a partnership between private



and governmental organizations and with the leadership of farmers from the Pampean region. The objective of the project was to differentiate their product and improve its quality in order to compete on the national and international markets. The code of practice refers to strategic resources that are conferring its specificity to the Pampa Gaúcho meat: a privileged ecosystem, a European cattle genetic base, a meat production process based on raising animals outdoors on grass, satisfactory animal welfare for slaughter, extensive native grasslands, tacit knowledge of producers, culture and tradition of the people, the Gaúcho. During the implementation of the GI, a favoured partnership has been set up with a specialized butcher in Porto Alegre, which is for the moment the unique retailer of the bovine meat from the Pampa Gaucho Meridional GI. This butcher has a specialized shop renowned for its high quality meat, from British cattle, bred in the Rio Grande do Sul State. His clients are connoisseurs who look for quality and who accept and can afford higher prices. This butcher recognized the quality of the “Pampa gaucho da Campanha Meridional” meat and accepted to promote the GI’s meat in his shop. In doing so, he supported the GI development: he offered market access and he promoted the intrinsic value of the meat.

Source : Cerdan C. et al, 2007



Food operators

Traders, sellers, restaurant owners and other actors belonging to the supply chain, even if not involved directly in the qualification process, can play an important role in enhancing the economic vibrancy of the GI product, supporting marketing and promotion activities, helping to find new solutions and create new marketing opportunities.

BOX 6: EXAMPLES OF CHEFS AND RESTAURANTS SUPPORT

Chefs and owners of restaurants can collaborate to promote the product and the territory.

For example in the case of the Saffron of Taliouine (See box 1 page 7) the involvement of French chefs to raise awareness of the local community on the product value and to promote it in their restaurants. Another example is related to the black pig from the Gascogne region, in the South West of France: it is a very peculiar specialty product, which almost disappeared because of a decline in pig land race biodiversity. The renewal of this product, was made possible because of an efficient supportive network: a group of chefs, celebrities and personalities, who organized and participated in advertising the product.



Tasting of saffron cuisine with French Chefs during Saffron Festival in Taliouine 2008.

Consumers and consumer associations

Consumer preferences and purchases allow for the reproduction and improvement of the resources used in the GI production process. Consumers may also be a vehicle for information transmission and spreading the notoriety of the GI product. In particular, travelling consumers, emigrants or tourists, can diffuse the reputation of a local product.

Case Study

Case study 12: The role of travellers and of emigrants nostalgia for their native country in promoting the product and building its reputation - MAMOU CHILI (Guinea)

In Guinea-Conakry (Western Africa), chili from Mamou is famous throughout the entire nation because of its strong taste, which cannot be obtained elsewhere. Guineans, who travel abroad, always choose Mamou chili as a gift. It is also very popular, among the Guinean communities abroad, as a product for recognition. This product enjoys a strong external network of faithful consumers abroad, who prefer this product and give it a high symbolic value. This wide diffusion through travellers and migrants is clearly a very important support for this local product.



Source: Camara, T. H. Haba M. 2004.

In some cases, consumer associations may intervene to protect the very existence of the GI product on the market, preventing its disappearance by organizing events, implementing new marketing channels, new production experiments, etc.

BOX 7 : CONSUMERS SUPPORT: EXAMPLE OF SLOW FOOD

Slow Food is an international association operating since 1986 for the safeguard of the international oeno-gastronomic heritage, through the enhancement of typical products, promotion of agrifood quality and taste education of consumers. The Slow Food Foundation for Biodiversity was born in 2003 with the objective to protect the agricultural biodiversity and of the folk as well as food traditions in the world. More specifically, the Foundation is active in the realization of the following projects:



Slow Food Foundation
for Biodiversity

- The Ark of Taste, inventory of traditional quality agrifood products that are disappearing.
- Slow Food *Presidia*, specific projects created to protect small producers and save plant species, animal breeds and quality folk products.
- The Earth Markets, addressed to small-scale producers of origin-based quality products, which offers an important commercial opening to local communities.

Every two years Terra Madre allows producers from all over the world and operators of the sector (cooks, universities, journalists; 167 000 visitors in 2006) to meet and raise awareness of their food products and taste food products during the Salone del Gusto.

Source: www.slowfoodfoundation.org

Public and non-governmental bodies

Local governments and other local authorities, together with NGOs, can act in many levels to support a GI product's development: research support, rural animation, as well as technical assistance or information and marketing campaigns to consumers and traders (see case studies 13 and 14). Public intervention may be justified as GI products create employment and generate a positive image of the region. This can be useful for tourism and for the attractiveness of the region in general.

Public support can also come from national or international institutions. The role of public actors and policies are analyzed more in detail in chapter 5.2, in a perspective of sustainable development and the need for balanced private-public coordination.

BOX 8: EXAMPLES OF WINE ROUTES

Wine routes and specific fairs dedicated to a local product are good examples of possible positive support by local institutions. Many local authorities in Southern France (Municipalities, Regional or Departmental Councils) are implementing, in collaboration with wine producers, tools (signs on the roads, booklets, maps, etc.) to promote the local wines. In the famous wine producing region of Mendoza in Argentina, various communities have developed local or regional itineraries, to promote wine routes within the territory, that guide tourists from wineries to related attractive sites or other local economic activities.



Example of Maipu "wine berceau" in the central western oasis of Tupungato in the Uco Valley.

Source: Vandecandelaere, E., 2004.

Case study 13: Actions of public authorities and NGOs CACAO ARRIBA (Ecuador)

In 2000, the Ministry of agriculture began a project for protecting Cacao Arriba to preserve the quality of this cacao. In 2005, within the programme Biocomercio supported by UNCTAD (United Nations Conference on Trade And Development), national institutions and a group of NGOs reinforced the project. They worked with the aim of supporting producers (through the National Federation of Cacao Producers of Ecuador - *Federación Nacional de Productores de Cacao del Ecuador* - FEDECADE and the Union of Cacao Producers Organizations of Ecuador - *Unión de Organizaciones Campesinas Cacaoteras del Ecuador* - UNOCACE) in the elaboration of a strategy and of a formal request for an appellation of origin.



Source: Quindaisa, E. et al 2007.



The scientific and development support

Scientific support may be useful during the process of rule-setting (for example by providing studies and research analysis on economic and social sustainability), to demonstrate the link between the product quality and its territorial origin and even to support the group of producers in marketing and promotion activities and collective organization management.

BOX 9: EXAMPLES OF RESEARCH PROJECTS

In South Africa, a project managed by ARC (Agricultural Research Council) and the North Western Cape Department of Agriculture (South Africa) helped to define the GI approach for Rooibos and Honeybush (See case study 1 in chapter 4.1). They brought in new partners, such as the environmental NGO Cape conservation.

In Tuscany, Italy, a research project was conducted by the University of Pisa and Florence, to study and preserve the native cherry-tree varieties of Lari (name of a small village) (See case study 2 in chapter 4.1). The research was carried out with the involvement of local farmers, who participated in the research activities by exchanging knowledge with scientists, and planted the specific local cherry-trees with their technical assistance and learned from the results of the study.

Other local economic activities

Within the territory, other private sector actors, outside the production supply chain, can establish very useful and successful alliances with GI systems, in particular tourism activities as a result of synergies related to the territory reputation (See chapter 4.3).

Case study 14: Actions of public authorities and NGOs CHIVITO CRIOLLO DEL NORTE NEUQUINO (Argentina)

In the case of Chivito Criollo del Norte Neuquino, the national extension agency INTA supported the launching of a virtuous quality circle with the identification of the local breed (See case study 3 in chapter 1.1) in order to build a sustainable economic activity in the remote areas of Neuquen in Patagonia, Argentina. They informed local stakeholders of the importance of promoting and preserving local resources: various public institutions have participated in the process by facilitating



Producers working on a map for the delimitation of the GI area.

meetings to present and discuss the strategy for protection and recognition of the specific product. A GI process began with the involvement of numerous producers, motivated by the sustainable perspective. Breeders and dealers discussed in workshops different ways of preserving the traditional production system and how to promote the product in the market. An “ad hoc” committee elaborated the specific rules (code of practice) while 150 producers out of 990 participated in developing the request for protection by government authorities. A GI association was created in 2006 : la “Asociación del Consejo Regulador de la Denominación de Origen Chivito Criollo del Norte Neuquino” who applied for a GI. It was established that only farmers and dealers could be active members of the association although others can participate as Honorary members. A regulating council for the development of the GI product was elected consisting of producers and marketing intermediaries. An advisory council was created, integrating public institutions: INTA, representatives of the Ministry of Agriculture, the municipality of Chos Malal, etc.



Source: Pérez Centeno, M. 2007.

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- Who is interested in implementing a value creation process for your product?
- Are some producer's groups or cooperatives already organized and active on quality attributes in production, processing or marketing? Does their area of action fit with the area of production of the product?
- Are there any previous experiences of joint initiatives by producers and processors for the product? Do these different stakeholders have leaders or representatives?
- What are your objectives (passive or active approach)? How can you enhance a collective action?
- Who are the main stakeholders? How can we be sure to represent all stakeholders? Who will lead the process?
- Which typology of actors interacts with the GI producers? Are they private or public actors? Which is their interest and need? What help can they provide to the system?
- How can you build external relations and create a "supporting network"?
- How can you ensure transparency in information sharing and in decision-making?
- Which criteria do you have for sharing costs and benefits? (One person, one vote, according to volume produced, etc.)

List in the table

- 1) Who is, or can become, a member of the external support network for your product?
- 2) What are the main expectations of this actor in relation to your product?
- 3) Which initiatives can improve the linkages and tighten the network?

1) Members of external support network	2) Main expectation of this member	3) Main initiative to strengthen the linkage
...	...	
...	...	



Qualification: setting rules for GI products

In the particular case of geographical indication (GI) schemes, it is the local producers and processors themselves who define the rules for using GI through the code of practice (CoP). Even if the initiative or incentive for implementing the quality circle may come from an external source, and even though the identification of potentialities may require the knowledge and support from outside the production system, the qualification phase requires the involvement of the value chain actors as they are most knowledgeable about what makes the specific quality of their product. Indeed, they can be considered the legitimate owners of the inherited production and processing know-how required for developing the contents of the CoP.

The CoP (defined in chapter 2.1) contains different components as follows: specific definition of the product (chapter 2.2), delimitation of area (chapter 2.3), and the guarantee system (chapter 2.4). In the perspective of rural development, elaboration of the rules, if well designed and managed, is a crucial step to contribute to the preservation of natural and human resources (chapter 2.5).

Conflicts often arise as part of the participative process and we give some guidelines to consider when dealing with these conflicts (chapter 2.6).

2.1 The code of practice

Introduction

The code of practice (CoP) is a document establishing the rules for the use of a geographical indication (GI). Its elaboration is a very important step, leading to the voluntary “standard” or specifications with which local producers who want to use the GI have to comply.

A document defining the specific quality linked to geographical origin

The CoP, which could also be called “book of requirements”, “product specification”, “disciplinary document” etc., corresponds to a voluntary standard that defines the specific quality of a product, shared among producers who use the related geographical indication.

The aim of the CoP is then to provide rules for applying the specific quality to the GI producers located in a delimited area. Therefore, it must describe the specific characteristics of the GI product which are attributable to its geographical



Producers working on the code of practice for Kampong Speu palm sugar (Cambodia).

origin, justifying the link between the product and the territory (the same product cannot be elaborated in other territories). It must explain how a given quality (the specific attributes that make the product different of the other of the same category), a reputation (history of the product, past reputation, current reputation) or another characteristic (for instance know-how) are linked to the origin.

The rules do not have to be very complicated or numerous, but they need to be extremely focused on the elements that give the product its originality and typical character.

The CoP includes the definition of the product (name, characteristics, production and process methods), the delimited area concerned and is associated to a guarantee system (control plan) to ensure conformity of a GI product to the specification. As a consequence, the CoP is both a tool for internal coordination (collective rules for a fair competition between producers) and external trust (recognition by society, information on quality available for retailers and consumers).

The definition of common production rules is the core of the GI process; it is a key-step that should be addressed with attention. The rules have to be :

- the warrant of the specific quality of the product.
- concrete and assessable.
- shared among all the concerned producers.

BOX 1: THE MAIN CONTENT OF THE CODE OF PRACTICE**Description of the product**

The main physical, chemical, microbiological or organoleptic characteristics of the product, focussing on features that are easily assessable.

Ingredients and raw materials

The ingredients and raw materials that should be used in the production process, and/or ingredients and raw materials that should not be used.

Definition of the process

The method for obtaining the GI product in all the phases of the production process (agricultural production, transport, processing, conditioning, seasoning/maturing and including final packaging). If needed, insert explicit prohibition for using some production methods. Focus on relevant phases and aspects.

Demonstration of the specific quality linked to geographical origin

Focus on the elements justifying the link between the specific quality and the resources in the geographical area (natural and human ones).

Definition of the production area

Description of the delimited production area. When needed, distinction between the production area of the raw material and the production area for processing and conditioning.

Name(s) of the product and labelling rules

List of the name(s) that the GI product can have and, when needed, the quality classification and differentiation (depending of the processed stage or presentation).

Control plan - verification system (within the CoP or associated to)

Description of how the controls will be used and, when needed, the certification system.

Importance of measurable requirements

In order to enforce the CoP and to guarantee the product conformity, it has to include assessable characteristics (chemical composition, shape, taste, colour, etc.) traceable to the final product. Moreover, it has to include elements that are not necessarily noticeable in the final product but which contribute to the above mentioned characteristics and image of the product: biological resources (breeds, plant varieties, etc.), agricultural practices (also linked with landscape and environment), maximum yields, duration of ripening/seasoning, etc.

Most requirements of a CoP concern the process characteristics rather than the product results:

By definition, there are several producers for the same GI product, and the objective in developing a GI is not to standardise the different products obtained locally. Indeed, a GI product is rooted in a culture and territory, therefore, its specific assets are very important and should be preserved rather than standardised. In that sense, the requirements on results (product characteristics) are only necessary to ensure that all products will meet a general expectation on assessable characteristics.

The CoP should include two types of requirements:

- means linked to the processes
- results linked to the final product.

The requirements must be monitored and inspected, through a system, which is provided by the CoP itself or by the general GI legislation. Setting up a control plan and sanctions is a further and crucial step in the collective action.

The Control Plan, on the basis of the rules established in the CoP, is a listing of the type of controls that must be done in order to ensure conformity of the product. It is a management tool to identify and monitor the activity required to control the critical inputs and/or key outputs for a process so the process will continually meet the requirements established in the CoP (See chapter 2.4).

It is important to remember that:

- The only good rules are those that can effectively be enforced and controlled.
- The only good controls are those that can result in sanctions or rewards.

Importance of mediation

Defining rules and boundaries during the qualification process is a complex matter as each rule established in the CoP entails a risk of exclusion, either by geographical or technical requirements or may impose additional costs and investments for some producers to comply with. It is necessary to acknowledge and manage these risks. This implies that sufficient time and deliberation should be dedicated for the definition of these rules. For example, information must be largely available to all stakeholders concerned.

It is very important to consider the pros and cons of each choice, considering heterogeneity of different structural and functional characteristics and the various aims of different actors. Therefore, mediation may be required to make choices between the different possibilities.

Further technological innovations or other changes affecting or likely to affect the GI system would require new negotiations and decisions concerning the code of practice (See chapter 4.2).

The following chapters describe the components in more detail with regard to the specific product characteristics, the delimitation of the geographical area, the guarantee system to be defined and ways to set them up.

Mediation for reaching compromises

The mediation must consider each type or variety of products and methods, the importance of every actor in the supply chain, the costs of all requirements, etc. It may be done by the collective organization of the producers themselves. However, it usually requires the intervention of facilitators for the negotiations. If the GI product is to be officially registered and protected, public authorities must play a role in providing some guidelines for mediation (internal coherence of the general GI policies) and for formalizing a final agreement (see chapter 5.2).

Case Study 1: A constructive process to elaborate the code of practice COFFEE OF KINTAMANI BALI (Indonesia)

In the area of Kintamani, a mountainous area in the North East of the Bali Island, coffee is renowned for its high quality and particular taste. Recently, technical upgrading of the product and organizational innovations have reinforced the opportunity to apply for protection of this GI. During the GI qualification phase, producers with the help of facilitators, defined the specific quality of the product, the link between the product and territory and agreed on criteria within the CoP and delimited the territory. This process, which took place in 2006 and 2007, was possible thanks to the creation of a collective organization, the CGIP (Community for Geographical Indication Protection) bringing together the producers of coffee beans (farmers) and the processors and aiming at managing and defending the GI.



The main content of CoP for the Coffee of Kintamani Bali is:

- Name: "Kopi Arabika Kintamani Bali".
- Type of the products: Green coffee and roasted/ground coffee obtained from the Kintamani fully washed Arabica.
- Specific characteristics: the taste presents a net acidity, from medium to high, with bitterness less marked, or sometimes non marked, and strong quality and intensity, with eventual fruity taste, often lemony.
- Description of the production area was one of the critical points in the process of writing the CoP and it was agreed that the production area must be delimited geographically based on altitude (above 900 m).
- History and traditions: the coffee tradition goes back to the beginning of the 19th century. Even if there were important fluctuations in the size of the lands planted, coffee has always been one of the most important crops and catalyst for local development. Used as an everyday beverage, during ceremonies, as a remedy, etc., coffee is an important part of the local culture.
- Production methods, the CoP specifies: density, shade, varieties, fertilization, pruning, pest or disease control, plantation diversification.
- Processing methods: the CoP specifies: sorting of red cherries and time between harvest and process, cherries floating and pulp removing, fermentation time, washing and drying, storage, hulling and sorting, roasting, packaging.
- Control and traceability: see case study 8 in chapter 2.4.
- Labeling: a specific logo was elaborated



This qualification phase required 12 meetings in 10 months with the GI managing group in order to examine each point of the code of practice and to reach an agreement for each of them. In this step, the support of scientific organizations (CIRAD, French Agricultural Research Centre for International Development and ICCRI, Indonesian Coffee and Cocoa Research Institute) has been very helpful for supplying preliminary studies and scientific data for helping the choices but also for facilitation and mediation. The "Coffee of Kintamani Bali" has been officially registered as a GI in December 2008 by the Indonesian authorities; it is the first GI in Indonesia.

Source: Mawardi S, 2009 ; Fournier, S, 2008.

2.2 Definition of the specific quality of the product

Introduction

The definition of the production process and of the characteristics, aims to justify the specific quality linked to Geographical Origin. The characteristics must reflect the common heritage, taking into account the basic product and its variants, which are possible to label with the GI. The challenge for the actors involved in the system, is to agree on common practices while allowing space for individual innovations. Therefore, setting the “right” common rules is a complex matter, as a result of the coexistence of different technologies and different quality levels of a GI product.

Description of the product

When establishing a CoP, the first step is to define what makes the GI product famous and different from others, on the basis of objective characteristics, raw materials and processing methods.

The work done in the Identification phase should support and orient the criteria to define the specific quality and demonstrate the link to geographical origin. In the qualification phase, specific studies can be necessary to specify certain elements.

The description of the product includes, as relevant:

- Raw materials.
- Physical characteristics (shape, appearance, etc.) and presentations (fresh, preserve, etc.)
- Chemical (additives, etc.)
- Microbiological (use of ferments, presence of germs, etc.)
- Organoleptic (flavour, texture, colour, sensory profile, aromas, taste, etc.)

With regard to the processing methods (for processed products), for all the stages that are taking place in the territory concerned and as relevant, the description includes:

- Production process, techniques and technical criteria.
- For animal products: race, breeding practices, age at slaughter, etc.
- For vegetal products: varieties, harvesting, storage, etc.

First step: inventory of resources and practices

Obtaining data related to the main issues on type and variety, as seen by different actors belonging to different stages of the supply chain and with different attributes, starts with making an exhaustive inventory of the GI products characteristics (for example. industrial vs artisan, big vs small, etc.).

BOX 2: EXAMPLES OF SPECIFIC CHARACTERISTICS GIVING TYPICITY TO THE PRODUCT

Meat products:

Some key steps to define the originality of the product are:

- A specific race or breed as for example in the case of the Chivito Criollo del Norte Neuquino (see case study 3 in chapter 1.1)
- The feeding of the animals with a particular local feed (for example, chestnuts for pigs from natural forests in Corsica; mountain pastures with specific aromatic herbs in the case of Chivito Criollo del Norte Neuquino, lambs from “Pré salé” in France graze sea-shore pastures which result in the meat being salty, etc.)
- The process conditions will play also an important role, as maturation period, the salting or as the drying climate of the ham in the case of Jinhua ham in China or the traditional smoking in the case of Uzice ham in Serbia (case study 4 in chapter 4.2).

Vegetal products:

- Soil and climate conditions will play an important role in the flavour (for example in the case of Limon of Pica cultivated in the desert of Atacama) (case study 3 chapter 5.2)
- Native local plant varieties give special quality attributes to the final product in terms of flavour, aroma, colour, texture, etc.
- Traditional practices and know-how can also play an important role, as in the case of Argan oil in Morocco (see case study 6 in chapter 1.2).

This inventory should include precise technical data as well as quantitative data (for example, percentage of the total production, which corresponds to a specific sub-type or is concerned by a defined kind of process.

In most cases, it is also important to identify different types of producers according to their size (farms, small-scale factories, cooperatives, industrial units, etc.) and to link these types with the above-mentioned elements regarding the characteristics of the final product and the processing methods.

To provide this definition, different complementary means can be used: literature research, interviews with other inhabitants (especially the elderly) and to some traditions specialist, carrying out physicochemical analysis, etc. In addition to this, data and information on consumers and retailers' expectations on the product need to be added. Jury tasting with an organoleptic test is important both for characterization (CoP description writing), and for marketing (communication, segmentation, etc.).

BOX 3: TASTE QUALIFICATION PROCESS – ARGAN OIL (MOROCCO)

In 2008, AMIGHA (Moroccan Association for the geographical identification of Argan oil), supported by ITERG (the Industrial technical centre for enterprises working in the industry for fatty substances), established the first jury tasting for Argan oil in order to describe its specificity. They elaborated the organoleptic referential of the Argan oil: they defined the organoleptic and sensory specifications, a specific vocabulary for the description of Argan oil and they engaged in training activities for members of the jury.



Table 1: Sample questions for providing an inventory of specific characteristics

Questions	Examples of data
What is the degree of heterogeneity among final products?	Different shapes, sizes, tastes, etc.
What are the different ways of processing in relation to the heterogeneity of final products?	Use of different biological resources, different types of soils and micro-climates, ingredients, duration of ripening/seasoning, technological tools, etc.
Which are the different types of producers or actors in the supply chain?	On-farm processed products and products from industrial production units. Producers of raw material, processors and actors who integrate several steps of the production chain
Where do the raw materials come from?	From vegetal products: origin of seeds and plants From animal products: origin of the animals, animal feed, etc.
What are the elements of a specific know-how along the supply chain?	Know-how on selection, agricultural practices, harvesting, processing, etc.
What stages of the production/ processing process (even presentation?) are part of the GI specifications?	Non-processed / processed Presented and packaged...

Second step: defining the rules

The data collected usually shows a high degree of heterogeneity in the characteristics of the final product, in the means and methods of production, the types of producers, etc. This large variety may correspond to conflicting differences, such as tradition vs. technical progress, local biological resources vs. external breeds or varieties, small-scale producers vs. industrial producers, etc. The challenge is generally to choose which products will be concerned by the GI, so to determine the adequate rules in order either to reduce the preexisting heterogeneity or to define possible future sub-types.

How to tackle product heterogeneity?

The CoP aims at fixing the characteristics of the GI product but with a certain flexibility to take into account heterogeneity between different producer types, or to allow some creativity. Producers may decide to define one intermediate rule with an authorized percentage higher or lower; or include a spectrum of criteria covering the heterogeneity (for example several biological resources or methods of production). In some cases, it can be interesting to define sub-categories within the same GI.

BOX 4: SETTING UP A SUBCATEGORY - EXAMPLE OF GRUYERE.

Gruyere is a Protected Designation of Origin in Switzerland (See case study 3 in chapter 2.3). In the code of practice, "Gruyere d'alpage" ("High pasture Gruyere") is the name defining a subcategory of the GI product Gruyere. This requires additional rules of production: the cheese has to be produced only in high mountain pasture areas, when cow feed is exclusively composed of permanent pasture. The quality of this gruyere d'alpage is quite different from the classical gruyere, but both of them can benefit from the GI. Thanks to the specific labelling of the subcategory, consumers are informed about the cheeses' diversity within the PDO. See also case study 10 in chapter 3.3

Case study 2: Including artisan and industrial sub-categories TURRIALBA CHEESE (Costa Rica)

Queso Turrialba, is a fresh, white cheese made with raw or pasteurised milk produced on the hills of a volcano in the region of Cartago in Costa Rica. It is recognised in the country for its quality, special flavour and texture. Local farmers, following traditional production processes, have produced this cheese in the region for 100 years.

The producers and then the markets can be divided in two categories:

- Artisan dairies: 48 percent by direct sale, 25 percent in neighbouring markets and 17 percent to intermediaries
- Mini-factories: 80 percent by direct sale and 10 percent to local retailers.



The choice was made to exclude strict industrial processing from the code of practice, but allow small local semi-industrial units to use the GI after satisfying the adoption of required processing methods. The code of practice for the Queso Turrialba (in the process of assessment by National authorities), included two types of cheese: “Fresh Turrialba” and “Mature Turrialba”. Both types could bear the category label “artisan cheese,” however this information had to be specifically indicated on the label of the product. Moreover, this category of “artisan cheese” entails types of cheeses elaborated on the farms of producers that are mainly derived from family labour employing hand-made processes using whole milk originating from cows owned by the producers themselves.

Source: Blanco, M. 2007..

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What are the characteristics of the product? Are there any sub-types?
- What are the characteristics of the ingredients? Where do they come from?
- What are the technological characteristics of the production systems?
- On which basis could you adopt a common approach in the definition of common rules for production and processing? (for example on the basis of the most widely adopted practices; on the basis of the most exigent practices to ensure high-quality; on the basis of the most authentic and traditional known-how or on the basis of the ability of the rules to be effectively controlled and enforced ?)
- What are the main types of producers and actors of the supply chain?
- Could the rules exclude some producers?
- What are the main sanitary problems for the application of the Code of Practice?
- Is it possible to comply with national and international legislation on food safety without modifying the characteristics of the GI product?

List in the table

- 1) Possible rules of production
- 2) Their relation to the product's specificity
- 3) Their relation to the territory.

1) Rules of production	2) Relation to the product's specificity	3) Relation to the territory
Ex. Cows are mainly fed with grass and pastures ...	Ex. Taste of the cheese. Possibility to process cheese from raw milk, etc. ...	Ex. Landscape, maintenance of pastures and meadows, etc. ...

2.3 The delimitation of the production area

Introduction

The territorial basis for the entitlement of a GI must be closely linked to the specificity of the product and its link to the geographical origin. This is also the main constraint of the system as it excludes all producers outside the territorial delimitation to use the GI. Several criteria and concerns should therefore carefully be considered in order to establish the delimitation.

What defines the territory?

The geographical area corresponds to the territory where the GI product is elaborated (or can be elaborated) according to the stages defining the GI product (raw material, processing, etc.). In fact, the delimited area of production of a GI product is defined according to the localization of the *terroir*, as the interaction of natural and human resources over time. The delimitation should be based on the link between the product and its geographical origin.

Therefore, the delimitation should take into account four main criteria:

- The physical criteria, such as soil, climate, topography, exposure, water supply, etc.
- The local practices, such as conditions of cultivation, varieties, harvesting, processing practices, etc.
- The local history and the GI reputation;
- The localization of the GI producers (actual or potential)

Within the CoP, it is possible to distinguish several different geographical areas according to the production stage for the same GI product. For example, it may be necessary to have a larger area for the supply of raw material and a smaller area for the processing of the final product.

Reputation and history

Reputation refers to the notoriety acquired by the GI product in the market and in society, and it is the outcome of consumption history and traditions.

The history of the product is important to consider to define the production area, as it can evolve over time (it can expand and shrink), according to economic cycles and trade conditions. It can be useful to define the “minimum” area of production where production has always been maintained, as it possesses the optimal conditions that will serve to select the criteria for the GI area delimitation. Indeed, the delimitation could partly differ from the present location of production, depending on how the potential of production has been taken into consideration.

History also contributes to reinforce the belongings of a product to a territory, thus the local identity, and justifies it for external recognition, giving proof that testifies the

link between product and territory. Indeed, historical data and documented sources (literature, laws, recipes but also oral sources such as stories and narrations) mentioning the product and the geographical origin in the past, are an important justification of the roots of the product.

The historical elements are not only useful to support the protection of the reputation, but they also allow the evolution of the production and the product itself to be seen with a long-term perspective. This is particularly important, in order to meet consumers' expectations which evolve generally more slowly than technologies.

Historical and geographical studies or research (ethnologic land survey, historical research and agronomic studies) generally require the support of scientists or experts (See chapter 1.4).

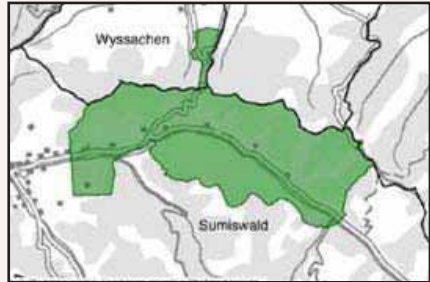
Case Study

Case study 3: Taking into account the territorial complexity of the existing production area - GRUYÈRE PDO (Switzerland)

The Gruyère PDO originally comes from the region of the same name in the Canton of Fribourg (red circle on the map). Production has spread for more than a century in many neighbouring French-speaking regions (Fribourg, Vaud, Neuchâtel, Jura, Berner Jura). For the registration of the PDO, the geographical area was delimited in accordance with these historical circumstances. However, the collective organization of Gruyère also had to consider the fact that some cheese factories in remote German-speaking regions had been producing Gruyère for decades. Their rights to the GI were recognised, and they were integrated in the delimited area but only as satellite areas, in order to preserve the homogeneity of the core region of origin. The satellite areas are precisely delimited as the territory of milk supply for each cheese factory concerned.



Geographical area of Gruyère PDO



Detail of the satellite area F7



Source: SINER-GI reports, 2006.



The GI name and the territory

The product can be identified by geographic names and symbols that incorporate geographical areas (Champagne, Parmigiano-Reggiano, Queso Chontaleño, Colombian coffee, etc.) or other words and symbols, which are not geographic names but which

unmistakably refer to geographical places and their people (Pico Duarte coffee, Tequila, Feta cheese, Cacao Arriba). “Is the product known through a geographical identifier?” If so, this identifier will help in identifying the delimitation: it is useful to ask knowledgeable local people and external experts to draw the boundaries of the area. However, different sources can give different maps. The application process for the GI must take into account a comparison of the possible delimitation areas and must include a deliberation procedure to reach a common vision of the delimited area.

In some cases, different names may be used for the same GI product, for example a name referred to a village, a city or the mountain area within the GI territory, and producers will have to decide the “right” name. The right “name” is one which refers to the reputation or renown.

BOX 5: EXAMPLES OF GI NAMES IN RELATION TO THE TERRITORY

GI name doesn't have to correspond exactly to the name of the geographical area. GI area can be larger than the boundaries of the extension of the name, and the contrary is also true. For example, the reputed name corresponds to a city located in the production area, but this area is larger than the limits of the city itself.

Example: Bordeaux wines in France or Parma ham in Italy.

The name can be larger than the effective area of production. For example, the GI product could be associated with the name of the country, even if the area of production is only a part of the country.

Example: Coffee of Colombia refers to the name of the country and corresponds to different production places (terroir) within the national territory.

The choice of the name should carefully consider the reputation associated to it. In some cases, the renown linked to a place or city for tourism located in the production area, can become an interesting opportunity to benefit from it.

Examples: The Kintamani coffee is associated to the name of Bali, internationally renowned (see case study 1 in chapter 2.1).

In the process of renewal of the PDO “ham of Uzice”, producers are considering the possibility to register the name “ham of Zlatibor” in the same production area, as the name benefits from a good reputation. (See case study 4 in chapter 4.2).

Criteria and methods to define the boundaries

The process of defining the physical boundaries for the production area of a local product is an essential step. There is no “one-size-fits-all” solution. On the contrary, each delimitation process requires a collective conceptualization and a specific solution. An effective balance must be reached between the different criteria.

Some processing techniques are specific to certain social groups whose local knowledge has been passed down from generation to generation. It can be necessary to carry out interviews and draw maps with the help of local informants and facilitators.

Table 2: Criteria for delimitation

Criteria	What	Example of methods
1. Ecological setting	The agronomic and physical conditions fit for the elaboration of the product's expected quality	Ecological map, analysis of soils and landscape study
2. Know-how, specific practices and traditions	The technical culture that differentiates the quality	Inventory of know-how by interviewing producers
3. History of production	The maximum and minimum level for extending the historical area of production. For how many generations? Continuous area or different places?	Investigation by interviewing and collecting documents (references of the geographical name made in cookbooks, novels, treaty, etc.)
4. Production stages and economic situation	The main producing and processing areas' potential for extension. Producers' localization. Are all the supply chain stages located in the area? Are the raw materials in the area coming from outside?	Discussions and interviews among supply chain. Crossing maps of the area which have been thought by different stakeholders
5. Social network	The need for a consistent GI group that includes all the legitimate producers and has sufficient capacity to take and enforce collective decisions	Participative meeting
6. Existing zoning	Preliminary existing zoning, referring to a place, such as geographic or administrative limits, can be considered at the end for definitive description of the area, though they should not influence the delimitation process based on <i>terroir</i> .	List of local administrative units, communities, natural limits or other boundaries with a name, to describe the area content.

Adapted from Berard *et al*, 2001.



Case study 4: The delimitation of the GI boundaries ROOIBOS HERBAL TEA (South Africa)

Traditional areas for Rooibos production are mainly mountainous territories, which produce the highest grade of rooibos. Increasing the altitude improves the product's quality as a result of the higher mineral presence in the soil and the lower temperatures. Rooibos' producing area, in South Africa, is roughly assimilated to the specific area of "Fynbos biome", close to Cape Town, where Rooibos (*aspalathus linearis*) is an endemic species. The Rooibos is expanding to the South West with major growth taking place in the Sandveld area, which is a low-lying area, producing in general the lowest grade and varies widely depending on the climatic conditions. When the South African Rooibos Council met to set up a delimitation proposal for a Rooibos GI, it considered both the current area of the production and the ecological system, taking into account the following criteria:



- It must be produced in the Winter Rainfall Area of South Africa.
- It must be produced in the Fynbos biome area.
- The soils must be a derivative of Table Mountain Sandstone.
- The soils must be deep, well drained and sandy with acidity level below 7.

Source: Bienabe, E., Troskie D., 2007.

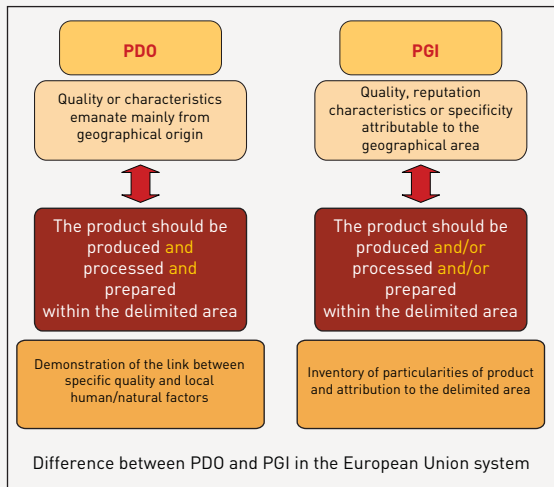
BOX 6: LINK WITH GEOGRAPHICAL AREA: DIFFERENCE BETWEEN APPELLATION OF ORIGIN (AO) AND GEOGRAPHICAL INDICATION (GI).

As a result of the definitions of the Appellation of Origin (Lisbon agreement) and Geographical Indications (TRIPs), the differences between both can be related to the intensity of the link between the product and its territory:

In the case of GIs, *"The given quality, reputation or other characteristics [...] is essentially attributable to the geographical origin"*. As for appellations of origin, *"the quality and characteristics are due exclusively or essentially to the geographical environment, including natural and human factors"*.

For example, in Europe, the rules for the delimitation of area regarding the choice between PGI (Protected Geographical Indication) or PDO (Protected Designation of Origin) are defined as follows:

- PGI: at least the most important stage of production takes place within the area
- PDO: All the production stages take place within the territory (all ingredients should normally originate from the delimited area, except secondary ones like salt, other ingredients or other resources that cannot be produced and/or were never produced in the delimited area).



BOX 7: EXAMPLES OF DELIMITATION IN RELATION WITH TERROIR PLOTS AND ADMINISTRATIVE BOUNDARIES

The delimited area can be a discontinuous area fragmented in different *terroir* plots, taking the name of one plot or the overall area. In some cases, each plot may correspond to some variations of the GI products.

In the case of Cacao Arriba, in Ecuador, the delimited area is composed of various discontinued areas (terroir plots) within the national territory. (See case study 13 in chapter 1.4 and the map here). See also the case of Gruyere (case study 3 in this chapter)



A GI delimitation has not to be influenced by administrative or political boundaries, except if these boundaries have had a real impact on the territorial extension of the production in the past or future, or if they correspond to distinct, cultural or natural differences which would determine the product's characteristics.

For example, in the case of the Chivito Criollo del Norte Neuquino (Argentina): the production area corresponds to the breeding place covering some 25 000 km of mountainous region and is composed of various "departamentos" (Chos Malal, Pehuenches, and parts of Norquín, Añelo y Loncopue).



BOX 8: METHOD AND CONTENTS OF A GI DELIMITATION REPORT.

The "delimitation report" constitutes the basis for the discussion of a delimitation proposal. It should be established through the collaboration of all stakeholders involved and should include the following elements:

1. Presentation of the area reporting physical and administrative organization description, etc.
2. Economic data: a study reporting production data, other productions, farming systems, farm structures, etc.
3. History and reputation: product's history, notoriety, recognition, etc.
4. Markets and consumption: data on production, marketing, sales, exports, consumption, etc.
5. Production methods: fabrication techniques and production systems (production units, processing methods, etc). Characterization of the future GI product, etc.
6. Production uses: data regarding production per region, district, village, number of production units, share and place of GI production in relation to local economy, etc.
7. Geographical situation: landscape and vegetation, climate, geology and main soils
8. Evidences of the link with the Geographical Origin: evidence of the links between local natural and human factors, production practices and the products, proposal for the main criteria to ground the delimitation of physical criteria and human criteria.
9. In-field applications, first draft of the delimitation proposal: simulations through maps.

Case study 5: How the CoP justifies the link between product and geographical area

LARDO DI COLONNATA (pork fat) (Italy)

The production and consumption of Lardo di Colonnata are traditionally linked to the milieu of the marble quarry workers of Colonnata (Tuscany, Italy). This unique milieu is the result of a number of not only natural and climatic conditions and resources, but also historical, economic and social factors, the main characteristics of which have not changed for centuries.



The link is established by virtue of the following factors:

- **Geographical area:** The geographical area of production of 'Lardo di Colonnata' (processing and curing pig fat) is the area of the very small village of Colonnata, which is part of the municipality of Carrara. On the other side, the geographical area of production of the raw material covers 10 Italian regions, which are traditionally given over to the production of heavy pigs. Over time, these regions have consolidated farming and feeding techniques suited to the production of raw material with the characteristics required for the subsequent processing. Slaughterhouses and cutting plants are also located in those regions.
- **Historical justification:** While it is difficult to establish with certainty whether it was the Celts, the Romans or the Lombards who introduced the local tradition of conserving pig fat in marble basins or whether it originated during the times of the city-states, there can be no doubt that it is old and established. This is proven among other things by the discovery in the area of marble basins used for curing pig fat dating from the 17th, 18th and 19th centuries.
- **Specific local production method:** Over the centuries, the system of processing and curing in the traditional marble basins has not changed substantially. Formerly, the production cycle was annual, the pig being slaughtered and processed only during the coldest months (January/February), while today more than one production cycle a year can be carried out, although the operations remain concentrated during the coldest and wettest months (from September to May) in order to safeguard the natural character of the production process. Within 72 hours of slaughter, the pig fat must be trimmed, coated with salt and then placed in special marble basins, known locally as 'conche', which have previously been rubbed with garlic, alternating layers of fat and layers of other ingredients (fresh ground pepper, fresh rosemary, peeled and coarsely diced garlic) until the basins are full. When full, the lids are placed on the basins. The 'conche' are made from white marble from the 'Canaloni' marble beds of Colonnata, the composition and structure of which ensure optimal curing and ageing of the product.



Continue next page



- **Climatic:** The village of Colonnata is located in the Apuan Alps at an average altitude of 550 metres above sea level. The climate is characterised by high precipitation and low temperature variation. Strong currents of wet air from the Tyrrhenian slope, after crossing the short coastal plain, immediately condense as they are forced upward by the mountain chain, creating high levels of precipitation, increasingly frequent and intense the further one moves over the marble-bearing spurs. One of the main consequences is the high average atmospheric humidity caused by the frequency and volume of rainfall, reaching maximum levels during the rainiest periods between September and January and April and June. These factors are even more evident in the workrooms/cellars, whose location and structure help maintain ideal climatic conditions, permitting the product's highly appreciated organoleptic characteristics to be reproduced. The link with quarrying has also exerted a considerable influence, since Colonnata's workers have always needed an energy-rich diet.
- **Human factors:** an important role is played by the skills that have developed over time within an activity that, it must be emphasised, in Colonnata has never been just a special branch of the trade of the pork butcher, but a true, independent profession. These skills include, for example, the ability to select and prepare the raw material, to monitor the 'salamora' or brine and reconstitute it when required and to exploit the humidity and poor ventilation of local cellars.
- **Reputation:** The reputation of Lardo di Colonnata no longer needs to be proven. The product is known and appreciated everywhere, as the increasingly frequent attempts to imitate the product and misuse its name show.



Source: extract from EU publication of the Registration of the name GI "Lardo di Colonnata PGI" (EU Official Journal, L348, 27.10.2004)

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- Should certain existing producers be excluded in relation to the product's quality or for the coherence of the geographical area?
- Can producers of other areas be interested in the production of the same GI?
- Do environmental conditions of other regions in the country allow producing the same GI?

List in the table

- 1) Relevant criteria to delimitate geographical area
- 2) Related problems to decide on it.

The statements provided in the table are only examples

1) Criteria	2) Problems
Specific type of soils	Exclusion of some producers.
All producers using the name and/or know-how at present	Remote extensions from the original region
Raw material coming from the territory	Not enough volume at some period
.....
.....

2.4 Setting up the local guarantee system

Introduction

As the GI reputation is shared between everyone using the GI for marketing the product, there must be a local guarantee system to ensure that they all comply with the requirements set in the code of practice (CoP). This should assure that consumers will not be deceived and honest producers will not suffer from unfair competition. The challenge consists in performing an efficient, credible and financially accessible guarantee system.

A guarantee system for geographical indications

A guarantee system provides assurance to consumers and purchasers of a product's conformity to the specifications established in the CoP. It includes all the mechanisms put in place in order to ensure the respect of the rules (control) and the related information to consumers (certification).

The guarantee system depends on specific market conditions and the economic, social and cultural context. In local markets, proximity between producers and consumers, allows for the building of trust and the possibility for consumers to check for themselves the conformity through an informal and social system within the community.

When trust and proximity are not possible or sufficient as a mechanism to ensure the conformity of the product, a more complex guarantee system should intervene, both:

- to give the possibility to each producer to ensure himself and to the other GI producers, that he/she keeps producing the product in conformity with the CoP;
- to guarantee society, in particular consumers who buy the GI labeled products, that conformity to the CoP is controlled, ensuring the product specific quality and maintaining confidence and credibility in the GI.

Verification of the product conformity is based on three main components:

- raw material and processes, as defined in the CoP.
- traceability, to ensure the product originates from the GI delimited area.
- final product, as presented to consumers (labelling, aspect, taste...).

The importance of guarantees for consumers

Consumers are increasingly careful about what they buy, especially in buying food, both with regard to the product's quality (ingredients, taste, texture, etc.) and to the production process: Are they ethical? Do they preserve the environment and traditions? Are they typical of their area of origin? Who are the producers and their characteristics and culture? Consumers are willing to pay more for products that respond positively to these questions than for the standardised ones. Guarantees are expected with regard to:

- The origin, method of elaboration and specificity of the products.
- Clear and informative identification labelling.
- Traceability: who is producing what.

Case Study 6: Traceability at the producers' level: implementation of simple tools - KAMPONG SPEU PALM SUGAR (Cambodia)

Traceability can be insured with quite simple tools as those that have been developed for matter accountability for the Kampong Speu Palm Sugar in Cambodia (See case study 2 in chapter 3.1).

Producers have to record their production and sales (per category of product) in a form provided by the GI association. Each record is also signed by the (registered) buyers in the producer books. A certificate of delivery is also established and signed by both producer and buyer, and kept by the buyer to justify the source of supply. These records are the first step of the traceability system.

ឆ្នាំរដូវក្តៅ ២០០៩ (Season 2009) កញ្ចប់ស្ករស្រូវ (SUGAR POWDER)					
កាលបរិច្ឆេទ Date	ឈ្មោះអ្នកទិញ (ឈ្មោះ) Name of buyer (Company)	កូដអ្នកទិញ (លេខអតិថិជន) Code of buyer (អតិថិជន/អតិថិជន) (Registered/Client)	ទម្ងន់ (ក្រ)	លេខកញ្ចប់ lot No.	ហត្ថលេខាអ្នកទិញ Signature of buyer
...
...
...
...



Source : Sereyvath P, 2009 and Pilot project for geographical indications in Cambodia - Ministry of Commerce of Cambodia / AFD / GRET / CEDAC / Ecocert

Critical points and final product characteristics have to be considered within the elaboration of the CoP with measurable criteria.

Certification (see box 9) is the most commonly used and required verification system in international markets for which producers have to pay the services (inspection and certification). For local markets and at the beginning of the GI product development, an internal or a participatory guarantee system may be more manageable. In any case, a control system should not prevent small -scale producers from using and complying with the GI requirements because of unbearable costs of verification.

Traceability
 The International Organization for Standardization (ISO) defines traceability as the “ability to trace the history, application, or location of that which is under consideration.” In the case of the GI products, a traceability system allows to clearly identify the steps followed by the product to reach customers and consumers, the firms that have been involved in the production process along the value-chain, the provenance and characteristics of the raw materials used, so as to make sure that the CoP has been correctly applied, and to intervene in case of failure.

Case study 7: Traceability and control system COLOMBIAN COFFEE (COLOMBIA)

Colombian coffee represents approximately 1 480 000 hectares of cultivated land distributed between around 590 municipalities. Production is largely from small-scale farmers, with an average of 1.5 hectares to cultivate. The National Federation of Colombian coffee growers (FNC) obtained the registration of the Denomination of Origin in Colombia in 2005 and of the geographical indication as a PGI in the European Union in September 2007.

The FNC established a traceability and quality control system, including mechanisms based on:

- a database (SICA) containing plots, locations, varieties and practices
- processors and roasters registering and performing technical tests in order to audit information on equipment, processes and capacity
- need to obtain a revision certificate and transit guide for transport agents, carrying the coffee to the harbour to be exported
- registration on exporters at the Ministry for Economy, Industries and Tourism.

Source: Gallego Gómez, J. C. 2007

Publication of the application in the EU, Official Journal of the European Union, 2006, extract:

Traceability of the product is carried out in the following stages:

- Monitoring of producers. This is carried out using the Sistema de Información Cafetero (SICA) database and every single coffee plantation of the Colombian Coffee Growing Area and respective plots is supervised. This information gathering system is part of the Plantation Administration database.
- Monitoring of parchment coffee and hulling. This is carried out by means of legal documents such as the 'Guías de Tránsito' and checking of purchases at the storage or hulling plants, which are subject to registration and operation requirements.
- Monitoring of green coffee. Once it has gone through the hulling plants, which are duly registered in accordance with Decision No 1 of 2002 of the National Committee of Coffee Growers. The 'Guía de Tránsito', provided for in Colombian Decree 2685 of 1999, is still the legal document, which must accompany each lot of coffee for export.
- Monitoring of exports. Exporters are monitored, by means of the Guía de Tránsito, by both the customs authorities and ALMACAFÉ, the organization entrusted to carry out such checks by the National Federation of Coffee Growers. The Ministry of Foreign Trade Decision No 355 of 2002 governs a register of exporters who meet the conditions laid down in National Committee of Coffee Growers Decision No 3 of 2002. Likewise, ALMACAFÉ carries out final checks at port to ensure that the 'Café de Colombia' quality criteria are met.
- Monitoring of roasted coffee. Roasting plants located in Colombia apply National Committee of Coffee Growers Decision No 1 of 2002 to the traceability of 'Café de Colombia'. Roasted coffee is traced outside Colombia by means of best practice agreements with foreign roasters and by various monitoring mechanisms such as the quality testing by checking and sampling from undertakings.
- Inspection body: ALMACAFÉ, fulfilling the requirements and technical specifications laid down in the norm ISO 65.

Source: Publication of the application in the EU, Official Journal of the European Union, 2006



BOX 9: THE DIFFERENT VERIFICATION SYSTEMS

A first-party verification consists in guarantees provided by producers themselves, based on auto control (by individual producer) or internal control (by GI producer organization). Without other external controls, this self verification system means the producers take their own responsibility for the reliability of quality attributes. They can sign a formal document (the self-attestation) either individually or by the GI association. Social sanctions and trust relationship based on cultural and geographical proximity contribute to making sure that the rules are respected. Self verification system applies when the production system is mainly composed of small-scale agricultural and artisan producers directly selling on local markets.

A second-party verification system involves a trade agent who verifies that suppliers comply with the CoP requirements. Many retailers are using second-party verification system, also GI products. The degree of effectiveness of this system depends largely on the agent's reputation.

A participatory guarantee system is based on the active participation of stakeholders, both internal and external to the GI value chain (even consumers) and built on a foundation of trust, social networks and knowledge exchange. Such an alternative is entirely realistic in the context of the small-scale farms and local direct markets. This can be managed by a local association of stakeholders (including producers, local authorities, buyers, etc.) which carry out their own GI supply chain control.

A third-party certification system involves an independent and external body (private, public or joint public-private initiative), without direct interest in the economic relationship between the supplier and the buyer, which provides assurance that the relevant requirements have been followed. Standards for certified products are now recognized worldwide (independent third party certification - ISO/IEC 65 or the European standard for PDOs and PGIs EN 45011). All countries participating in international trade and negotiations, are establishing, or have established, a national framework for guarantee systems, which complies with these international standards (official accreditation service, certification bodies, etc.) for products to be exported. This trend is prompted by requests coming from traders, retailers and consumers, especially for markets in developed countries.

Role of producer organizations in the guarantee system

Producer associations can play an important role in the guarantee system to make it more efficient and less costly than managed individually by reducing the total cost of complying with administrative and technical procedures. Once the control plan is established, a GI association (See chapter 3.1) can manage the internal controls, allowing cost reduction with economies of scale and collective expertise on the different activities (traceability control, final product testing, etc.). It may also, when applicable, manage the relation with the external certification body as well as take responsibility for payment of fees.

The association can also organize some collective control activities such as organoleptic tests of the final product.

Therefore, producers, and their association, have different roles to play in the guarantee system:

- To define the guarantee system, especially establishing the control plan, by identifying the control points and sanctions when elaborating the CoP;

- To organize the internal control of the GI value chain or when applicable, to be part of a participatory guarantee system (together with consumers, local authorities etc.);
- To contribute to the controls and keep records of them (traceability system) (See Case Study 6).

Case Study

Case Study 8: Elaboration of a control system COFFEE OF KINTAMANI BALI (Indonesia)

In order to ensure the credibility of the Geographical Indication “Coffee of Kintamani Bali”, a comprehensive control and traceability plan has been carefully set up during the qualification phase (See case study 1 in chapter 2.1).

Through the GI organization (CGIP - Community for Geographical Indication Protection) the representatives of all types of local stakeholders have been involved in the elaboration of the internal control plan, in order to define a strong but feasible control system. This control plan aims to check the fulfilment of the CoP, and in particular the origin (traceability), the quality and specificity of the product. The control of the fulfilment of the code of practice stands by three levels of internal control: an auto-control by coffee farmers, a control by the producers’ group and a control by the CGIP.



For example, the control of the plantations is forecasted in the following way :

- An auto control is done by each producer, who has to check if his plantation meets with the stipulations of the CoP, among other things concerning the shade trees, varieties, density, maintenance (especially for fertilization and pesticide control), etc.
- A control by producer group is done each year. The chiefs of the producer group have to check the conformity of their members’ coffee farms and to report to the CGIP. The producer group board can do it by itself, or designate a special person. A simple meeting may be enough or specific controls in the plantations may be necessary.
- A control by CGIP is also done every year, in April, five producer groups are chosen randomly in order to check the conformity of their coffee farm with the CoP.

The quality and specificity of the GI coffee is finally checked by a group of farmers trained for organoleptic analyses (cup test). Each lot has to be checked before being certified. Moreover external control is also carried out by national GI Expert Team of Directorate General of Intellectual Property Rights, Ministry of Law and Human Rights, mainly concerning the fulfilment of the CoP.



Sources : Mawardi S, 2009 ; Keller V. et Fournier S., 2007.

Setting up the control plan

The control plan specifies how the rules defined in the CoP has to be checked: for each requirement, the key input or output, the mean to assess it and the consequence in case of non conformity are defined. That's why, as mentioned before (chapter 2.1):

- Good rules are those that can effectively be enforced and controlled.
- Good controls are those that can result in sanctions or rewards.

To avoid misguided orientations, it is essential for local stakeholders, and support actors and agencies, to keep in mind when drafting the specifications that each point mentioned in the CoP will have to correspond to a control point within the control plan. Therefore, it is necessary to include in the CoP, only elements that are essential to the specificity of the product taking into account the feasibility of the control activities and their costs.

The control plan is made of:

- The critical point(s) to be controlled for each requirement (*what*).
- The method (visual, document, analysis, etc.) (*how*) and the moment (*when*).
- The document to attest the controls (especially for auto control and traceability)
- The related sanctions depending the seriousness of non compliance (see box 10)
- The frequency of controls and the coverage (all producers, sampling).

(see examples in tables 3 and 4 and in Practice)

It can be useful to undertake the elaboration of the control plan with a control specialist. For example, the independent third-party certification body could be consulted when elaborating the CoP and its control plan.

When designing the control system of a GI product, it is important to consider the existing control schemes (public or private) on the product, which may compete with or complement it and see the possible synergies, especially regarding reduction of cost.

BOX 10: EXAMPLES OF SANCTIONS FOR NOT MEETING REQUIREMENTS

Generally, there are several categories of more or less serious sanctions. The sanctions may be economic (fines, prohibition to use the collective name, product declassification) or social (exclusion from the group).

The scale of penalties and sanctions is progressive and applied according to the seriousness of the elements of non-compliance identified.

For example:

The non-compliance elements, do not impact on the product's quality:

1. remark
2. warning

The non-compliance elements, may affect the quality of the product, but the sincerity of the operator is clearly not in question:

3. rejection of the lot

The non-compliance elements, always affects the credibility of the product quality and / or the sincerity of the transaction is clearly questioned:

4. exclusion from the temporary certification
5. definitive exclusion from the benefits of certification

Managing the costs

Whatever the system, providing guarantees leads to some costs (technical, administrative, information, etc.), and either producers or public authorities, or a mix of both, support these costs. These are:

- Direct costs: inspection methods, chemical analysis, etc.
- Indirect costs: time necessary to fill in documents, time to attend to the inspection, etc.

An efficient coordination can reduce the certification cost, in particular:

- By collective certification, which reduces inspection and administrative costs
- By harmonization of controls when other standards have to be certified (for example. organic and quality assurance) allowing a single inspection for different specifications.

The collective organization might decide to share the costs between the different actors of the supply chain, or to provide a mutual fund for smaller producers, generally thanks to a financial contribution

based on volumes produced. The biggest producers often agree to contribute more than their share of costs when they perceive the benefits from a large number of GI users and from the image of the smaller and mostly artisan producers.

In some cases, government or other agency databases are already in place and working with these organizations could potentially reduce costs and administration.

Example of tool: public database

The use of a national animal computer databases could help with the traceability of the producer's names and locations at very low cost. Collaboration with breed societies could for example help verify who are the producers of a local breed or provide guidelines as to the breed characteristics, etc.

Table 3: Example of control plan for a GI vegetal product (Lampung Black Pepper)

Lampung Black Pepper (South Sumatera, Indonesia) is produced by more than 100 000 small-scale producers in rich volcanic soils and in a hot climate with precipitations between 2000 and 2500 mm/year. Pepper has been of the main cash crops in Lampung since the 17th century, reaching worldwide reputation. The taste of this pepper is famous for its intense aromatic explosion and its acidity which reminds the taste of green pepper.

P. num	Inspected point	Major minor	Checking
1	The operator signed a commitment	M	Checking the contract
2	Harvest comes from the area	M	Location of the origin of the harvest
3	Register present and used: • production • sales • storage	m	Documentation available on site
4	Traceability implemented and efficient	M	Documentation and visual
5	Registration	M	Register of the member and contract
6	Bad quality of the lot	M	Examination of the lot analysis - Committee of quality
PLOT			
7	Plots on hilly or rocky soil	m	Situation
8	Plots unfit (soil, drainage and situation) for pepper cultivation	M	Examination of the plot situation, soil and drainage
9	Pepper from the two allowed varieties	m	Examination of the variety present on the plot
PLANTING			
11	The vines are separated at least by 1,8m	m	Visual examination
12	Young plants are protected from the sunshine by a cover (palm leaves) until 3 years old	m	Visual examination
MAINTENANCE			
13	Only use of natural fertilisers	M	Visual examination - Dig the ground - Interview
14	Fertilization less than once a year	M	Interview and visual examination - Ask origin (own farm or provider), quantities and date of application
15	Contribution of new earth at least once every two years	m	Visual examination - Date of application and quantity
16	Hoeing of the plot at least once a year	m	Visual examination and interview - Date - State of the soil
17	No use of herbicide	M	Visual examination - Interview
PEST CONTROL			
18	Search natural means to fight against insects	m	Interview - Survey on the plot - Verification of the ingredient availability
19	Only use of insecticides class III and IV	M	Interview - Analyses-presence of insects and of insects damages - Bottle or pack of the insecticides used
20	Use of insecticides done according to safe practices	M	Interview - Tools and implements - Bottle location
	Respect of time length and proportions	M	Interview - Tools and measures - Analysis
HARVEST AND POST HARVEST			
22	Container for berries collections must be clean	m	Interview - Verification on site during harvest
23	Soap and clean water must be available on site and used during harvest	m	Interview - Visit on site
24	Nat, or mosquito nets, must be dust free	m	Interview - Verification on site
25	Device at drying area must prevent domestic animal from spoiling the berries	M	Verification on site - Ask during interview
26	White peppers have been processed and collected as recommended	M	Verification on site - Quality of white pepper
27	Sorting must be done in good sanitary conditions	M	Verification on site - Interview - Revise implements
28	Sorting is efficient, if the final result is at least 90% of good size berries	M	Final result after sorting
	Sorting is efficient if the final result is at least 99% without impurities	M	Final result after sorting
29	Storage, during sorting, must be done inside a vat or a clean container	M	Verification on site - Interview - Revise implements
30	Storage of final product must be done in fresh bags	M	Verification of the fresh bags on site after harvest - Interview - Possible bags supplied by the association
	Storage of final product is done in order to prevent any contamination or damage	M	Verification on site after harvest - Presence of possible contaminants
TRANSFORMATION AND PACKAGING			
31	Cleaning dust off the berries	M	Process and facilities
32	Compliance of the final product to standards	M	Analysis
33	Facilities and process respect HACCP methods	M	Documentation
34	Packaging is conform to the standard: • material • time length • sealed • place	M	Study the packaging
35	Lot number on the package	M	Visual
LABELLING			
36	Use of the GI on the label	M	Visual
37	Use of national logo on the label	M	Visual
38	No sales without packaging and labelling to final client	m	Interview

Source: Pilot project for geographical indications in Cambodia - Ministry of Commerce of Cambodia / AFD / GRET / CEDAC / Ecocert / Kampot Pepper Promotion Association

Table 4: Example of control plan for a GI animal product (Comté cheese)

See case study 1 in chapter 3.1.

Control point	Description	Control method
Milk production		
1. Farm location	The barn for dairy cows is located inside the delimited area.	Documented
2. Breed of dairy cows	Dairy cows from the specific breeds mentioned in the CoP and their crossbreeding.	Visual or documented
3. Area of grazing pasture	Minimum 1ha grazing pasture per dairy cow.	Documented
4. Genetically modified crops	Total absence of any genetically modified crop in the whole farming area.	Documented
5. Origin of fodder for dairy cows	From the delimited area of the GI.	Documented
6. Nature of fodder existing on the farm	Forbidden on the whole farm area: silage, fouled or humidified fodder before distribution, preservatives other than salt, straw with ammonia, fodder which can influence the smell or taste of the milk (cabbage, rape seeds, etc.)	Visual or documented
7. Proximity with meat cattle using silage	Silage authorised only for feeding meat cattle. It must be declared beforehand a distance over 200m, no path crossing with the dairy cattle, waterproof silo or composting of dung.	Visual or documented
8. Milking system	No automated milking	Visual
First processing stage		
9. Location of processing unit	The processing unit must be inside the delimited area.	Documented
10. Collecting time after milking	Immediately after each milking session or once a day.	Documented
11. Equipment for collecting and conformity of milk	Separate milking for the ones that do not comply with the specifications of the GI.	Documented
12. Limited distances for milk collection	All farms delivering milk to the cheese factory and the processing unit should be within 25km of each other. Exceptions are possible.	Documented
13. Mixing of milk	Mixing the milk of different farms for making cheese is mandatory.	Documented
14. Equipment for the cheese factory	No means for pasteurising the milk, no thermisation or other means to take out the natural flora from the milk.	Visual
15. Material for the vat	Copper vats.	Visual
16. Only authorised ingredients in the processing stage	Rennet prepared with lining of calves' stomachs, specific cultures, salt and green casein label.	Visual or documented
17. Heating of cheese curd	Heating temperature	Visual or documented
18. Pressing conditions	Minimum pressure and local pressing temperature	Visual or documented
19. Salting and first care	Cheese wheels salted with dry salt on the exterior	Visual or documented
20. Identification	Casein label on each piece of cheese. Identification of processing unit, month and day of manufacturing.	Visual
Pre-maturing stage		
21. Equipment for pre-maturing cellars	Spruce boards	Visual or documented
22. Maturing temperature	Pre-maturing temperature	Visual or documented
Maturing stage		
23. Location of maturing unit	The maturing unit is located inside the delimited area.	Documented
24. Equipment for the maturing unit	Spruce boards	Visual or documented
25. Length of maturing period	At least 120 days	Documented and/or visual with the cheese outflow, and/ or by measuring
26. Maturing temperature	More or less 19° C	Visual or documented
27. Marking of cheese wheels	Marking on the sides of the wheels targeted for sale in sliced: logo, in green or brown band	Documented
Pre-packing		
28. Location of the packing unit	The packing unit is located inside the delimited area.	Documented
29. Presence of rind	Mandatory on portions of more than 40g. Partial rind tolerated.	Visual
30. Logo on packaging		Visual
Milling		
31. Location of milling unit	The milling unit is located inside the delimited area.	Documented
32. Logo on packaging		Visual
Final product		
33. Quality of final product	Conformity with regulatory characteristics for composition and quality of the final product	Analysis and organoleptic

Source : AOC Comté, INAO Website

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- Do all producers accept the requirements of the CoP?
- How will the quality level of products be ensured?
- What are the available guarantee systems for consumers and producers?
- Do producers accept the controls by an independent organism?
- Does the external certification of your product increase its value?

List in the table

- 1) Each requirement that should be in the product's specification.
- 2) How it could be controlled (technical issues)?
- 3) Who could carry out controls (in the least expensive perspective)?
- 4) Which documents would attest the controls?
- 5) When do we have to make the controls?
- 6) At which frequency and with which coverage (all producers or sampling)?

There may be different ways to control the same requirement, as well as different possibilities for realizing these controls. A first inventory should be as complete as possible, in order to provide comprehensive data and to decide which controls are really

1- Requirement	2- What to control?	3- Who controls?	4- What document?	5- When to control	6- Frequency/coverage
Example: Mandatory variety(ies) of fruit	Varieties in existing orchards	Experts on fruit varieties, especially for the varieties concerned	Registered inventory card; registration as an authorized source for grafts	Before the initial certification of a new applicant	Once All producers
	New plantings		Registered inventory card based on certificates issued by nurserymen or owners of orchards where grafts come from	After a new planting has been announced by a producer	Once All producers
	On-field controls	Inspectors for yearly production (food safety, yields, etc.) should note any change in the orchards which would not correspond to the inventory card	Control report	Between 1 and 2 months before the usual period for harvesting	1 x /year At least 50% of the producers
	Typicity of the final products in relation with the fruit varieties	Expert commission for final organoleptic testing	Evaluation report for each sample	During the first days of harvest (fresh fruit) or at a defined period just before beginning to sell the products	1 x /year All users of the GI
.....			
.....			

2.5 Taking into account environmental and social issues in the code of practice

Introduction

Society, culture, traditions, natural environment and local resources have direct consequences on the quality and the image of GI products and their preservation affects the possibility to pursue production over time. This is why the definition of the rules in the code of practice (CoP), with references to natural and human resources, can play an important role in their preservation and impact on rural and sustainable development.

The code of practice and sustainability

The CoP may have important impacts on economic, social and environmental aspects and this should be taken into consideration when setting up the CoP.

Biodiversity preservation

The specificity of certain GIs relies on the use of native plant varieties and breed, frequently threatened with extinction (See case study 9). In addition, traditional production techniques frequently participate in keeping traditional landscape features, as well as avoiding land and soil degradation.



The PDO code of practice of Corsica Olive oil authorizes the use of 7 varieties of olives, without prescribing any proportion or excluding mono-variety olive oils.

Preventing overexploitation

The rules in the CoP may include certain environmental and social criteria to guarantee the sustainability of the system and prevent an overexploitation of natural and local resources if the GI becomes an important commercial success.

Preservation of culture and traditions

By mentioning traditional practices, specific know-how and historical elements in the CoP, while defining the product characteristics, process and the link to the Geographical Origin, the GI scheme contributes to preserving these human and cultural assets, including sometimes a way of life, reinforcing the local identity and self-esteem of producers and inhabitants, thus preventing rural exodus.

Socioeconomic effects

The CoP can contribute to a fair distribution of power along the value chain. This will depend on whether the definition of the process characteristics in the CoP includes all the stakeholders and social categories (whatever the size or type), by referring to the know-how and skills of farmers and not only processors, allowing all of them to benefit from the added value. The negotiation for elaborating the rules represents a process where dominant positions can be balanced.

Indeed, by limiting the area in which raw material can be produced, the code of practice reinforce the bargaining position of primary producers in the negotiations, as it limits the possibilities for downstream actors of the supply chain from sourcing the raw material from outside the region (delocalization).



The CoP of Argan oil (Morocco) includes in the process description the extraction of kernels by hand, which has been done by Berber women for generations, making them important primary producers of the GI value chain.

Territorial impact

As a result of their link with specific local resources, GI products are expected to influence some activities “outside” the supply chain as well, especially to integrate the diverse economic activities in rural areas (for example. prompting tourism inflows and giving value to other local products that may benefit from the GI reputation) (See Case Study 7 in chapter 4.3).

Case study 9: Products based on biodiversity resources

CHIVITO CRIOLLO DEL NORTE NEUQUINO (Argentina)

In association with the GI differentiation process, the local breed “Neuquen Criollo Goat” has been identified and described (phenotype, genotype, productivity and the production system) and is part of the FAO inventory on biological diversity. The code of practice mentions both the breed and the importance of pastures itinerary together with the kid age and the slaughter seasons that give the meat its special flavour. In return, this allows preserving the composition and diversity of the grazing land and the characteristics of the breed. (Case Study 3 in chapter 1.1)



Source : Pérez Centeno, M. 2007.

CACAO ARRIBA (Ecuador)

Ecuador has a very rare type of cacao known as “Nacional” (or Criollo) which is characterized by a very short period of fermentation, a soft fragrance, a smooth taste, and is recognized as a “superior scent Cacao”. Based on these characteristics and the reputation of the product, it has been decided to preserve the characteristics of the variety by setting up rules in a CoP and applying for the protection of the Geographical Indication Cacao Arriba as Denomination of Origin. (Case Study 13 in chapter 1.4)



Source: Quingaisa, E. et al. 2007.

CHERRY OF LARI (Italy)

Cherry production is a secular tradition in Lari (Tuscany, Italy). The tradition is witnessed by the presence of 13 native cherry-tree varieties, which coupled with the peculiarity of the soils and the climate, form the basis of the specificity and reputation of the cherries of Lari. Recently, many local initiatives have supported research and marketing promotion based on the native varieties. (Case Study 2 in chapter 4.1)



Source : Marescotti A , 2003.

JINHUA HAM (China)

The Jinhua ham had been produced for more than 1 000 years in the Zhejiang province, traditionally with raw material from the local breed Jinhua Pig (also called two-end-black pig). This specific breed, provided with high quality hams, has been recognized as one of the endangered domestic animal breeds of China by the Ministry of Agriculture. The recognition together with the inclusion of Jinhua pig in the code of practice could be an efficient way to insure the breed preservation.



Source : Wang G, 2009.



Setting the rules for sustainability

When setting the rules for a GI product, it is important to consider that some environmental and social resources are at the very basis of the specificity of the GI product. Therefore it is important to insert in the CoP some criteria aiming at protecting these resources that allow for their reproduction and improvement.

Also, local communities could judge other environmental and social resources to be worth protecting, by means of appropriate norms in the CoP. Attention should be paid to the effects that the norms written in the CoP may have on the environmental and social resources that should be preserved.

Figure 1: Taking into account environment and social aspects in the CoP

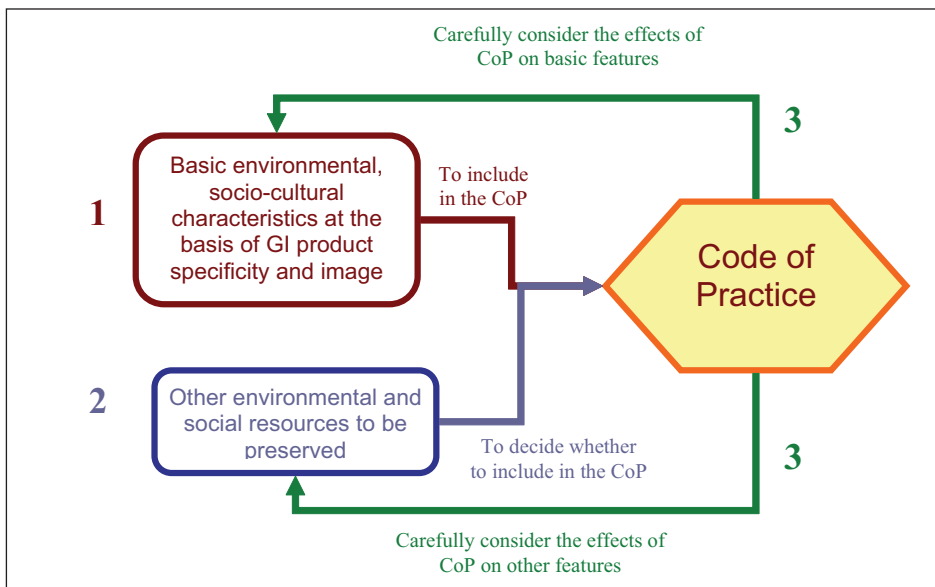


Table 5: Examples of criteria for social and environmental sustainability

Environmental and social components	Inclusion in the CoP?	Contribution or risks
Biological resources at the basis of the specific quality (plant variety, breed, feeding,...)	Mention of the specific biological resources	Use and management of this resources within the GI system; contribution to their maintenance and reproduction
	If no mention	Risk of using only modern biological resources and lose the genetic patrimony of the native ones.
Diversity (heterogeneity) of genetic resources	If only one resource is mentioned	Risk of specialization and loss of diversity
Traditional practice and know-how	If mentioned	Conservation and transmission of traditions and know how
	If not included	Too modern techniques may dilute the image of product authenticity. More modern and competitive firms may push the more traditional ones out of the market
First stage of production (farming)	If included and mandatory in the delimited area	Primary producers (farmers...) could be part of the GI value chain (distribution of adding value, bargaining power)
	If not included	Risk of disappearance
Specific (handicraft) methods for small-scale producers	If mentioned and/or mandatory	If only mentioned the industrial-produced methods can crowd-out the artisanal one; if mandatory risk of blocking the evolution of the GI product, rules too costly to comply with.
	If not mentioned	Social exclusion of small-scale producers

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- Are some social, cultural and environmental attributes important for the production and for the reputation of the GI product?
- Are there any risks of polluting or damaging the environment as a consequence of the GI production?
- Does the code of practice include provisions concerning the sustainable use of local natural resources? Does the code of practice contribute to the preservation of biodiversity?
- Which are the main social categories involved in the process of production for the GI? Are those categories active at all stages of production? What are their main contributions to the process and what are their needs?
- Is the distribution of the added value equitable for all social actors?
- Do certain social actors have a dominant position?
- Does the code of practice refer to the know-how and skills of producers, or of processors only? How can the producers' know-how be better stimulated?
- How is local culture affected? How can it be preserved?

List in the tables

- 1) The most favorable and most critical environmental factors linked to your product
- 2) List the most favorable and the most difficult social factors linked to the product

Table: Environmental aspects of production

Most favorable factors (opportunities)	Most critical factors (threats)	Comments
1.... 2.... 3....	1.... 2.... 3....	1.... 2.... 3....

Table: Social aspects of production

Most favorable factors (opportunities)	Most difficult factors (threats)	Comments
1.... 2.... 3....	1.... 2.... 3....	1.... 2.... 3....

2.6 Potential problems in setting the rules and how to solve them

Introduction

As many problems and conflicts may arise in the process, setting up the “right” level of rules and allowing for their evolution is a complex task. It is very important to consider both advantages and constraints, considering the heterogeneity of the actors and their objectives, and the consequences of each choice made from an economic, social, and environmental point of view. A participatory approach and a collective action can balance the different views and interpretations.

Actors involved in the GI system often have different visions about the product, its relevant characteristics, its production process and even the geographical boundaries delimitating the legitimate production area. Conflicts often arise regarding the key stages of production and the key actors conferring the specific quality and distinctiveness to the product. The interest of farmers that produce the raw material, for example, tend to agree with the interests of processors and traders when building the quality of the product, but on the other hand they compete in order to share benefits from the value creation process and from the GI.

The way the rules are designed have many implications in terms of balancing the roles of different stakeholders and influencing the distribution of the benefits (if any) from the value creation process. Before making any decisions, it would be better to carefully design and discuss these rules (See questions in “Practice”).

To resolve conflict situations and reach common defined rules, it is important that GI facilitators (extension workers, researchers, chambers of commerce, etc.) encourage a multi-stakeholder vision to enhance bargaining capacity inside the GI production system, and support the establishment of fair rules of deliberation.

Table 6 presents a non-exhaustive list of problems, risks and possible solutions related to setting up the rules for a GI product.

From this review of possible conflicts that could arise when setting up GI rules, two aspects emerge in order to manage and prevent those risks:

- A balanced and representative composition of the collective organization representative of the GI system and charged with the elaboration and management of the CoP (see chapter 3.1) can empower and give responsibilities to the local community of producers and processors
- The definition of democratic internal rules for decision-making within the collective GI organization (transparency of information, secret votes with majority rule, etc.).

Establishing and creating a GI code of practice requires time. It is also a learning process, useful to build and share a common vision that strengthens the coalition among

the group of people which should assume future responsibilities for the GI. Even though the codification of GI rules may be a long-term process, it is important to underline that each step in the consolidation of the project will provide efficiency improvements.

Table 6: Example of problems and solutions

PROBLEMS	RISKS	POSSIBLE SOLUTIONS
Too many rules in the code of practice	- Rules not applicable - Rules not controllable - Dilute the identity of GI into a lot of irrelevant characteristics	- Focus on a limited number of enforceable rules which are key to the identity of the GI product
Rules defined only by a limited number of actors	- Rules not well adapted - Rules not accepted/applied - High level of exclusion	- Establish the rules through a widespread consultation and deliberation process among producers and processors - Give responsibility to local stakeholders (Ex. GI group) - Define formal deliberation and decision-making rules within the GI group
Rules that are too strict	- Lack of flexibility and of adaptation - Lack of capacity to face challenges (global warming, evolution of demand, etc.) - High level of exclusion - High costs of compliance	- Establish a mechanism to discuss and decide on adaptations of rules and on geographical delimitation
Confusion between generic rules and specific rules	- Rules that are too generic included in the code of practice	- Focus GI rules on aspects that are voluntary and additional to mandatory requirements - Focus GI rules on operations that are key to the identity of the GI product
Difficulty for some traditional GI products to comply with certain generic rules (food safety requirements)	- GI products may be jeopardized by generic rules if enacted regardless of traditional processes	- Well defined processes for exemptions should be included in the regulations to allow for preservation of traditional processes
Difficulty to explain the link between the product characteristics and the geographical and human environment	- Over-valuation of analytical measurements - Checking only what is measurable - Difficulty to define and measure criteria	- Reach the right balance between technical, cultural, historical and organoleptic criteria - Combine several types of assessment methods: some measurements and documentary evidence, visual assessments
Internal heterogeneity	- Risk eliminating some variants of the product when codifying the practices	- Choose one or several variants of the product (the most frequent? the most controllable? the most authentic according to local actors?) - Let the producers decide - Expertise reports can be added
Unbalanced power distribution along the value chain	- Risk that strategic decisions are taken only by preeminent actor	- Take into account the power relations in the production area - Include more than one trader in the GI group - Adopt democratic decision rules inside GI group (secret votes, majority decision, etc.)
Exclusion of local operators	- A rule can be interpreted as favouring some players and excluding others	- Avoid excessively strict rules - Ensure democratic decision-making about the GI rules definition and enforcement - Lower the costs of control
Conflicts in setting up the GI rules or delimiting the production area	- Risk 1: High standards + small volumes + scaling up in value but with increased costs OR - Risk 2: Low standards + small differentiation + scaling up in volume but with risk of loss of price premium and product identity	- Set up a representative GI body and provide enough support to take balanced decisions - Carefully analyse the market to strike the right balance and avoid extremes
Conflicts in organizing controls and verification	- Internal control can be unpopular - In some countries, the state has no (human/ technical/ financial/ trust) capacity to implement	- Third party verification with government supervision - Organize controls through farmer groups, not individually - External controls can be carried out by buyers

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

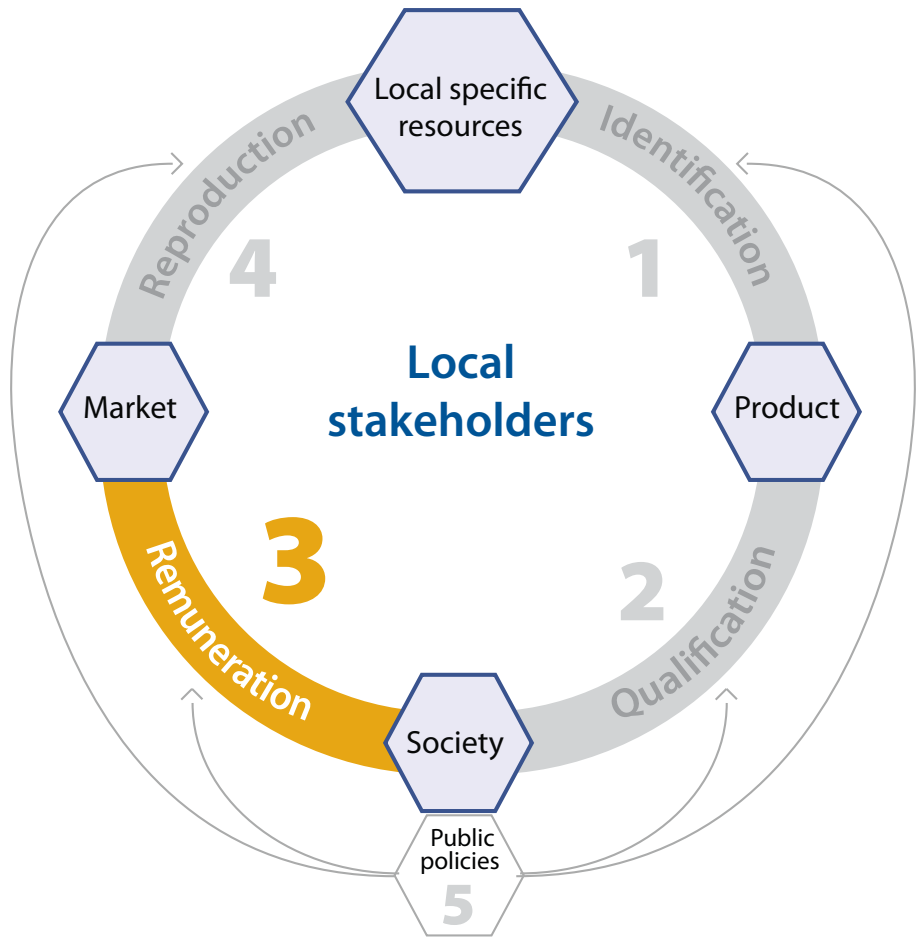
Answer the questions

- Are the actual rules satisfying and benefiting all actors?
- Who is not satisfied by the actual rules and why?
- How can we modify the code of practice?
- What are the advantages and the disadvantages for each rule?
- Who can help us to solve conflicts?

List in the table

- 1) The main risks of conflicts faced during the qualification process of your product
- 2) Possible ways to manage these risks.

1) Main risks of conflicts	2) Possible solution
1.... 2.... 3....	1.... 2.... 3....



Remuneration: marketing a GI product

The GI system, its organization and its product(s) are dependent on the remuneration stage of the virtuous quality circle: Economic remuneration will allow long term business sustainability. However marketing needs to be considered at the outset of the origin-based quality virtuous circle. The identification stage of the circle needs to verify carefully if a GI product has market potential and if this potential can be feasibly translated into sales that generate sufficient income and profit to support the entire GI initiative. Once the project has been deemed feasible, then other stages of the virtuous quality circle can be pursued.

Being knowledgeable about markets, marketing channels, consumer demands, selling and competition, in other words marketing, is a good method of reducing the risk of business failure and importantly generating income and profit for the GI organization and its members. Profits will enable the GI system, its organization and members to survive in the long-term as costs will be covered, remuneration will be earned for its members and investments can be made.

However marketing of GI products represents a challenge: Marketing must be considered from the point of view of the GI organization, collective marketing, as well as from the point of view of its members, individual marketing. Importantly marketing carried out needs to be integrated between these two levels of marketing. Further quality aspects, territory, social and cultural issues as well as other related economic sectors, such as tourism, also need to be considered in the marketing of GI products.

Chapter 3.1 considers the need to provide an organized basis to the GI system, the GI organization, and the importance of appropriate agreements, rules, roles and responsibilities as well as a structure that governs such an organization. Chapter 3.2 focuses on strategic marketing and marketing planning, while chapter 3.3 deals with the operational side of the marketing activity.

3.1 Building an organization to manage the geographical indication system

Introduction

The remuneration phase as well as the qualification phase of the virtuous circle require GI producers coordination. In order to generate governance actions that include all stakeholders of a GI system, a collective organization supporting the GI product at all stages of the system (setting up rules, controlling processes, product commercialization and conflict resolution) is recommended.

Importance of a GI organization

Setting-up collective rules for GIs strengthens the links between local stakeholders, especially when marketing their product. This creates interdependence, as a result of the common interest, thus becoming the basis for collective actions.

To create value for consumers and income for producers, the GI production system, like for most value chains, involves a series of activities undertaken by individuals and organizations owning different assets. However, unlike most value chains, all members of the GI production system share a common asset: The GI reputation. This common asset justifies a specific coordination structure, representative of all the members of the GI production system. Indeed, the commercial behaviour of each producer has an effect on the reputation of the GI, as well this collective reputation has effects on each producer.

Joint collective initiatives can increase benefits and reduce costs of using the GI for marketing the product. All professional categories of the supply chain should agree on giving responsibilities to a common structure in order to contribute to maintaining quality and reputation, and thus, increasing the value of their GI products.

Roles and activities of a GI organization

It is important to take into account that GI producers are often involved in the production and marketing of different products (the GI product as well as others), while the GI organization focuses its marketing on the GI product.

The activities that the GI organization can carry out to support the GI system are manifold. The GI organization may ease the reaching of agreements among local producers on questions related to production systems and marketing strategies. Usually, the collective organization manages the control system (directly or indirectly) to guarantee the quality level of the GI products for producers and consumers. Other important and frequent activities are related to the collective promotion of the product on market. In some cases, the collective coordination structure directly manages some production activities, like final processing and classification or packaging of the product.

BOX 1 : EXAMPLES OF ACTIVITIES AND SERVICES THE GI ORGANIZATION MAY PROVIDE

RULES AND CONTROLS

- Set up the local rules (CoP) and adapt them over time.
- Manage an internal control system and reduce cost of external certification by economies of scale and management of the relations with the external certifier.
- Facilitate conflict resolution and provide arbitrage in case of disputes over the CoP: a legitimate and objective representative commission, can decide if practices are compatible or not with the CoP.

PRODUCTION

- Increase the quality of the GI product by providing technical assistance and information, facilitating the introduction of innovations.
- Directly manage some production activities, like final processing and classification or packaging of the product.
- Reduce the individual costs of services that usually are unaffordable for most individual small-scale firms, for example: product research and development, technical advice, information on quality and volumes of the GI product and competitors.

MARKETING

- Increase the bargaining power of local producers in the supply chain. The collective coordination structure might become a place for structured negotiations on quality and price premiums between the different professional categories.
- Elaborate collective marketing strategies although many responsibilities such as sales force, customer relations, price and distribution will remain the responsibility of each producer.
- Develop collective actions to reduce cost (for example market research and information, promotion initiatives in order to gain visibility on the market).

COORDINATION, REPRESENTATIVITY and SUSTAINABILITY

- Represent the GI system in the dialogue with external actors, in particular with public authorities in charge of GI policies.
- Facilitate access to firms who want to use the GI protection scheme.
- Develop internal trust among producers and processors who share the use of the GI
- Provide a forum for discussing problems and opportunities to use the GI.
- Improve the coordination between producers and between different stages in the supply chain, thus improving the efficiency of the value chain and producer competitive position.
- Make proposals for orienting the evolution of the GI system towards economic, social, and environmental sustainability.

The organization structure

The organization should represent all the stakeholders of the GI production system. A formal definition of the organization structure is necessary and can take different forms: association, consortium, group of representatives of professional categories involved in the production process of the GI product, cooperative or inter-professional organization. The organization in charge of managing the GI product should be the same as the group applying for the GI legal protection and it should incorporate the lessons learned during the GI application phase.

This organization may include stakeholders active at different levels of the GI supply chain: raw material producers, primary processors, secondary processors, and when relevant for the GI system, middlemen or distributors (See figure 1). In principle, the organization should represent all categories included in the CoP, and in a way it

Case Study

**Case study 1: An organization supporting a GI product
COMTE CHEESE (France)**

Created in 1963, the Inter-professional Gruyère and Comté Committee (CIGC) is both the representative of the actors within the supply chain and their intermediary with economic, administrative, political and academic partners. It commercially promotes Comté Cheese, defends the interests of the professional network, organizes cultural events and conducts research. Its activities include marketing management, protection and regulations of the PDO, communication, advertising and managing the internal cohesion of the network. The CIGC covers 95 percent of its operating costs from the sale of its label and by implementing controls. It receives public grants for some research activities, but they only represent 5 percent of the whole budget.

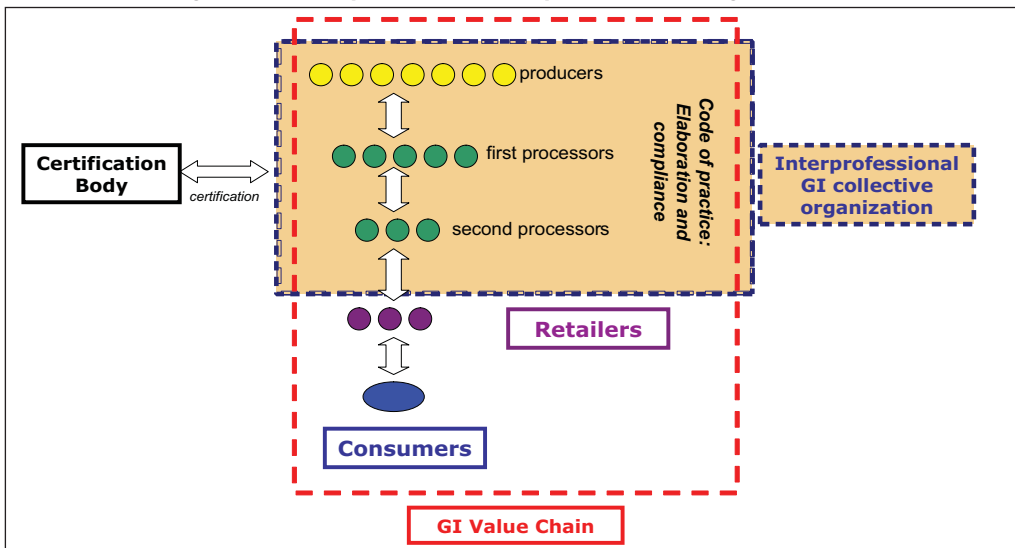


Source: Van de Kop, P. *et al.* 2006

represents all types of actors within the category. Normally, these categories nominate their representatives in the organization.

Producers belonging to the GI value chain delegate certain responsibilities to the collective representative organization, depending on the objectives they have. The collective actions are complementary to individual entrepreneurial actions and do not replace them. Nevertheless, all members maintain their financial autonomy, remain owners of their assets, trade with partners of their choice and retain a level of technical freedom within the CoP.

Figure 1: Example of a GI inter professional organization



Case Study 2: Building a producer organization KAMPONG SPEU PALM SUGAR (Cambodia)



Palm sugar has been produced for a long time in the Kampong Speu province. In this mountain area, sandy soils and low rainfalls combined with the know-how of producers make Kampong Speu Palm Sugar particularly tasty, by concentrating aromas. That's why this sugar gained reputation on the market and encouraged the local producers to organize themselves in order to set up and manage a GI. A task force of 14 members has been set up through an election process, comprising representatives of producers and representatives of public and scientific support organizations. Among its missions, this task force was responsible for discussing and drafting the statutes of the future GI association (or GI management organization). After 5 months of preparation work of the task force, the GI association has been created. Today the GI association is composed of 142 producers and proceeds for official registration of Kampong Speu Palm Sugar as a GI product. The association has led the identification phase together with supportive actors within a national project, and is now setting up the rules for using the GI by elaborating the CoP and the control plan and will keep coordinating the GI system when the GI will be officially recognized.



Source: Sereyvath P, 2009, and Pilot project for geographical indications in Cambodia - Ministry of Commerce of Cambodia / AFD / GRET / CEDAC / Ecocert

The composition and rules for running a GI organization are very important issues. The following key principles should be taken into account:

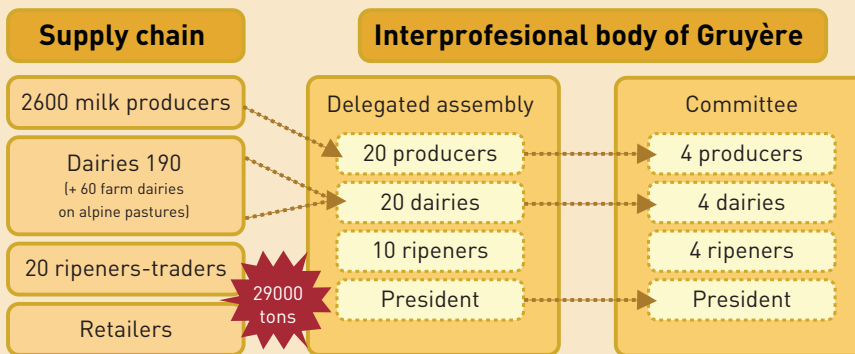
- Representativeness in the management board of all categories of firms, other actors involved in the supply chain and all types of actors inside each category (for example artisan and industrial processors, small-scale and large-scale farmers). If a category is insufficiently represented, it might not respect the rules or act self-interestedly.
- Transparency and democracy in the decision-making processes, even if it's balanced with the real participation of each actor in the economic activity of the GI system.
- Equitable financial contribution to the GI organization, on the basis of correspondence between costs and benefits. It is good practice to differentiate the membership fee (unique and not too expensive) and the payment for services (that should be proportionate). In some situations solidarity principles could apply, asking more to bigger firms in order to support smaller ones in taking part in the GI organization.

- Participation of the local public administration to the GI organization allows greater coordination with public policies.
- Promoting communication and networking as important dimensions of the local GI production system organization.

As for any organization, the definition of internal rules (and their constant improvement) should be considered, including conflict resolution mechanisms. The statute should consider good practices, models and legal requirements provided at national level. It should seek advice from other previous successful organizations in the country, and support from specialized support agencies with expertise in rural organizations.

Case Study

Case study 3: The organization structure PDO GRUYERE (Switzerland)



Gruyère is one of the most important PDO cheeses in Switzerland. In 1997, three years before obtaining the PDO protection, Gruyère cheese created the inter-professional organization. It groups all firms active in the production of Gruyère cheese which pay contributions to the structure according to the volumes of milk or cheese they process. The different categories (or sections) have their assemblies consisting of elected delegates. All changes in the CoP, and all the important decisions, need the approval of each assembly. Each assembly also delegates four representatives to the committee. Wide responsibilities are attributed to the inter-professional organization, covering quality assurance (CoP, internal controls, including organoleptic tests, certification, etc.), image, promotion (including foreign markets), negotiating prices and volumes, etc.

Source: SINER-GI. 2006



To be or not to be ... part of the GI organization?

Producers located in the GI delimited area and producing the origin-based product have to decide whether they want to be part of the GI organization, meaning producing and processing in conformity with the GI code of practice and importantly using the GI for marketing the product. Such a decision has many consequences on the producer and the decision depends on the balance of advantages and disadvantages associated with GI.

Generally speaking, producers have to coordinate with others using the GI by means of the collective organization, while keeping their autonomy. For example in terms of marketing the producer has to evaluate the advantages and disadvantages of marketing the product with and without the GI, in other words, marketing collectively with other producers or marketing as a single entity.

Table 1: Potential advantages and disadvantages of being part of the GI organization

DISADVANTAGES	ADVANTAGES
<ul style="list-style-type: none"> • firm marketing plan dependent to some extent on the collective marketing plan (strategic and operational) • some degree of interdependence with other firms using the GI • membership fees for the GI organization • internal costs for adaptation to formal rules as stated in the GI code of practice • certification costs, both paid and not paid, depending on the guarantee system 	<ul style="list-style-type: none"> • prevent fraud and usurpation by enforcement of the GI code of practice • opportunity to enter new market segments and market places • more visibility of the GI product on the market and increase in volume of the GI product sold • services offered by the collective organization and with lower costs by economies of scale (see box 1) • increase the product reputation and selling prices • increase in reputation of the firm as a whole (benefits on selling other products of the firm)

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

Composition of the GI organization

- Who are the stakeholders in the supply chain of your GI product?
- What are their objectives? Do they agree on these objectives? Which issues are controversial?
- Who leads the chain? Who holds the power in the chain? Are there any bottlenecks or dominant positions among the actors?
- Does the organization include producers, processors and traders? If not, why? Should a producer organization be established first?

Statute of the GI organization

- What are the definitions and rules that apply to associations in your country? Are there specific rules concerning inter-professional bodies?
- Are there leaders in the collective organization that could take on the roles of President, Treasurer, Secretary and Controller?
- Are there several sections according to each type of actor, within the inter-professional association?
- Do the statute of the GI organization mention any membership fees, service fees, decision-making rules, sanctions or conflict resolution procedures?
- For each main task, is there a clear procedure and responsibility (defining the rules, carrying out controls, implementing the internal control system, promoting marketing and resolving conflicts)?
- Are members elected? Is a secret vote system in place?
- Is there a rule for partial renewal of elected members so that at least some of the experienced leaders stay in place after one election?
- Does the GI organization have financial and human resources to assume these tasks?

List in the table

- 1) What are the main tasks of the GI organization?
- 2) What are the responsibilities and is there any risk of liability?
- 3) What are the specific human and financial resources needed in the collective organization.

1) Tasks of the collective organization	2) Responsibility and liability	3) Adequate human and financial resources
....

3.2 Actions for strategic marketing

Introduction

Marketing should be considered as the outset of the virtuous quality circle: the identification stage needs to verify if the product has market potential and if this potential can be feasibly translated into sales that generate sufficient income to support the entire GI initiative. Marketing is a risky operation : it can lead to increase or loss of income. Therefore, marketing, at collective and individual level, has to be carefully planned and managed. Strategic marketing provides the “road map” for selling the GI product.

Strategic and operational marketing

Strategic marketing encompasses all the tasks that are needed to sell. This “road map” is usually written down in terms of a marketing plan. The plan is to reach consumers according to market opportunities, and the potentials and limits of the GI production organization and product, and individual producers involved.

The plan is usually divided into two main parts: strategic and operational. The strategic side, which gives direction to the marketing effort and addresses such questions as: Who to sell to? Where to Sell? These questions are usually answered by an attentive analysis of consumers, opportunities and threats found in markets, the business environment, the strengths and the weaknesses of the GI organization and its individual members, etc.

The operational side of the plan looks at implementing the strategy and addresses such questions as How to sell? When to sell? (This is commonly referred to as the marketing mix (see chapter 3.3). The operational plan simply means organizing the marketing strategy to sell the GI product. As an example, the GI organization and individual members will sell the product directly to consumers, via on farm visits, and will also sell the GI product to wholesalers, exporters and retailers and will promote it at food fairs. This part of the plan is primarily about who will do what in terms of making the marketing strategy become real and who will be responsible.

In terms of the GI organization marketing planning is necessary both at the collective level and at the individual producer level, and a right balance and coherence have to be ensured between them, depending on the concrete situation of the GI system and its members. In some situations individual GI producers are well structured and organized and they have clearly defined their marketing strategy. In this case, the collective organization may intervene on specific tasks where it is more effective to work collectively, for example in market analysis. In other situations, especially for small-scale GI producers with low capacities and resources, the collective organization may define the whole marketing plan by enhancing the participation of all categories of stakeholders in its preparation. In this case, the individual producers should build their marketing plan on the basis of the collective one.

BOX 2 : STRATEGIC AND OPERATIONAL MARKETING FOR GI PRODUCTS IN TUNISIA

Some GI products are being set up in Tunisia for which strategic and operational marketing are being developed. In particular, in the case of pomegranate of Gabès and the Black sheep of Thibar, the market analysis was used to assess and understand market potential and conditions as well as possible commercial partnerships:

- The Pomegranate of Gabès is produced in the oasis of Gabès on the coast and enjoys a good reputation, especially in Gulf countries where they are exported. In order to assess the European export market potential, a commercial partnership with a local exporter lead to selling a limited volume of pomegranate in a wholesale market in Rungis, France with a specific reference to its origin-based quality. This experience also permitted to test product conformity that needed to be put in place and establish successful relationships with traders.
- The Black sheep of Thibar is a specific local race, historically produced in the region of Beja. In order to assess the feasibility of promoting and selling the origin-based product on local markets through large-scale distributors and assessing the receptivity of local consumers, the producer association (represented by its president) and a retailer negotiated a specific commercial contract. This included an improved selling price and a differentiated presentation of the Black sheep of Thibar in comparison with the non-differentiated related products within the supermarket. This was done primarily by providing information on its origin-based quality.

Source: Technical Cooperation Programme of FAO/ Ministry of Agriculture and Hydraulic Resources of Tunisia

Commonly relationships between each individual producer and the GI collective organization and other GI producers is a mix of competition and collaboration (co-opetition). This will define how each producer will integrate his or her own marketing strategy with the collective one, and how much it will differentiate from that of other GI members.

Developing a strategic marketing plan

The strategic marketing plan helps define long and short term strategies. It defines market objectives on the basis of potentials, limitations, market characteristics, competitors, etc. For GI organizations having clear objectives is a very important aspect. These objectives need to be shared among all members of the GI organization and consensus needs to be achieved.

The strategic part of a marketing plan requires two main steps:

- Market analysis: the study of consumers' motivations, attitudes, perceptions and willingness and ability to pay, competition, market opportunities, possible commercial partnerships, etc.
- Segmentation, targeting and positioning are "tools" that are used as a result of market analysis to develop a marketing strategy.

Market analysis

Market analysis aims at identifying the business environment and the characteristics of the market, both related to competitors (number, strategies, pricing and quality, distribution, etc.) and to consumers (characteristics, quantities bought, level of income, food habits, gender, age, etc.).

The necessary market data and information can be collected using different tools: Formal interviews with buyers, formal surveys of consumers (a questionnaire to interview consumers in a market place, see for example case study 4), media or website information. GI Organizations are usually at an advantage in market analysis as they have more resources on which to base their market analysis. Members of the GI organization can contribute their market knowledge, and their network of social contacts, internal GI records and accounting system can also be another important source of market information. Moreover the GI organization can commission an expert or a specialized agency in marketing research and carry out an in-depth market study. Members of the GI organization individually can also carry out market analysis. Commonly informal and formal talks with rural traders, wholesalers, retailers and transporters can provide a wealth of market information. Small-scale producers can also carry out consumer surveys with simple questionnaires and can also provide tasting panels, where consumers are asked to taste the GI product and give their views on it.

Case Study

Case study 4: Market research and consumer surveys TURRIALBA CHEESE (Costa Rica)

In 2006, different studies were undertaken to define the specific quality linked to geographical origin for the Turrialba cheese (interviewing farmers and dairy processors; chemical, physical, microbiological and sensorial analysis of the cheese) and to identify the market potentials and consumer demand.

The survey on consumers' perceptions was conducted with 201 interviews in some shopping areas in order to help define the preferred characteristics of the cheese, its reputation, consumers' characteristics and their willingness to pay. The methodology used an open-ended questionnaire to enable consumers to express fully their views on the cheese, visual identification, etc.

The results of the survey provided the following:

- confirmed the image of tradition for the cheese, with specific flavour and texture
 - identified the preferred places of purchase for consumers
 - consumers' awareness and proof of a longstanding reputation: for example 81.6 percent of consumers polled agree on "Queso Turrialba", among different types of white cheese, as very distinct and recognizable.
- On this basis, producers defined the marketing plan, in particular the different market channels to be used according to consumer type and location:
- distant urban centres via middlemen
 - shops in the local villages and near by cities via local sellers
 - direct selling to consumers during fairs (in particular the annual event organized by producers in Turrialba) and selling on farm, in relation to the development of tourism and the "route of the Turrialba cheese"



Source: Blanco, M. 2007.

Another common “tool” used for market analysis and assessment is the SWOT tool (Strengths, Weaknesses, Opportunities and Threats). A SWOT analysis allows the identification and description of the current situation of a GI product and GI organization, focusing on their strengths and weaknesses and on the opportunities and threats that can be found in the market. The analysis simply looks at the market opportunities, such as consumers willing to pay higher prices for GI products, the threats that can be found in the market, such as competition, and the strengths and weaknesses of the GI product as well as the GI organization and its individual members in facing up to such opportunities and threats. Box 3 below provides a sample SWOT analysis.

BOX 3: EXAMPLE OF A SWOT ANALYSIS FOR WHICH THE STRATEGIC MARKETING IS MANAGED BY THE GI ORGANIZATION: PARMEGGIANO REGIANO (ITALIA).

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. High quality standard of the cheese 2. Reputation of the Consortium label both nationally and internationally 3. Protection from imitation through PDO recognition and Consortium measures 4. Product differentiation in terms of presentation and packaging (vacuum packed pieces, snacks and grated cheese) 5. Presence of cooperatives for processing stages 6. Contribution to rural development 	<ol style="list-style-type: none"> 1. Fragmentation in the production stage (500 dairies and 5 000 farms) 2. Few processors carrying out the ripening phase 3. Rigidity of dairies producing only one product 4. Failure of horizontal and vertical integration strategies for controlling excess supply 5. Failure in communicating quality differences established by the Consortium to consumers 6. Lack of own-brand strategies by producers/wholesalers
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. High willingness of consumers to pay 2. Increasing international popularity of Mediterranean diet and Italian cuisine 3. Potential international property right protection of speciality products in the current WTO round 4. Increasing efficiency of the EU legislation in avoiding fraudulent imitation both on the Italian and international markets 5. Increasing consumer awareness of PDO recognition and PDO product characteristics 6. Increasing consumer interest for new products (vacuum packed pieces, snacks and grated) 	<ol style="list-style-type: none"> 1. Increasing concentration and bargaining power of modern retailers 2. Development of private labels at the expense of producers' brands 3. Persistence of national economic crisis and drop in the consumption of high price products 4. Increase in food consumption away from home and related substitution with cheaper ready grated cheeses 5. Better chain organization of competitors in the cheese sector

Market segmentation: dividing a market into categories

Market segmentation derives from market analysis. It is a process of dividing a particular market into different categories. Each category (or segment) corresponds to a significant group of consumers with homogeneous characteristics. For example a market can be segmented by age, in its simplest form: A young consumer segment; a middle-aged consumer segment and an old age consumer segment. The rationale for segmenting markets is that producers, depending on the product characteristics, can identify the most suitable segment(s) for marketing their products. In reality, it is difficult to offer a product that addresses the demands of all consumers, wherever their location, their behaviours and their purchasing power, and to face the consequent competition from all other producers of the same product category.

Case study 5: Segmentation and targeting COLOMBIAN COFFEE (Colombia)

The National Federation of Colombian Coffee Growers is developing a marketing strategy that aims at achieving the differentiation of the Colombian Coffee in different targeted markets.

- On the national market, the National Federation of Colombian coffee growers (FNC) is setting up a chain of shops specialized in coffee sale to the public, the “Juan Valdez Shops”. Since the opening of the shops in December 2006, 12 millions national clients and tourists have already visited them. Juan Valdez shops have also opened in Spain and in the United States, improving the international recognition and visibility of Colombian Coffee. The local tourism segment, which is also directly targeted, largely benefits from the creation of the “Coffee national park”. Initially developed for the promotion of Colombian coffee’s traditions and culture, the park is today a real asset for the economic development of the area, offering different activities to local consumers (coffee museum, botanical path, attractions).
- For export, the FNC implements a program called “Café especiales” (Speciality coffees) to take advantage of the various types of coffee that are produced in Colombia, with the objective of differentiating them on the international market. The product range of these “cafés especiales” is based on sustainability (organic production, social development or preservation of the biodiversity), particular origin (sub-regions within Colombia) and particular care in the production process (higher quality). The demand for these kinds of products is improving on the world market, and the Colombian exports of speciality coffees are increasing, going from 200 000 bags in 2002 to 750 000 bags in 2007.

Source: Gallego Gómez, J. C. 2007.

COTIJA CHEESE (Mexico)

Producers of “Queso Cotija” have divided the market into different segments:

- Local market: this includes local consumers and consumers that live outside but close to the GI production area. In general, Cotija cheese is well known to rural consumers around the production area and they can recognize the authentic taste.
- Urban consumers: this includes consumers living in urban areas without direct access to the product. In order to reach these consumers, it is necessary to find out about their preferences, purchasing habits (supermarkets or other urban retailers), etc. It is also necessary to fight competition coming from industrialised imitations, as consumers are less educated about the authentic Cotija cheese.
- Nostalgic market: a large amount of the product is sold during the holidays, when migrants from the region come back. The nostalgic market segment involves the migrant communities abroad, especially in the United States, where most people emigrated.
- International market: Cotija won an international cheese competition held in Italy in 2006, which triggered interest from consumers internationally. Cotija cheese thus became a source of national pride. This contributed to the increase of producers’ self-esteem and their product value.

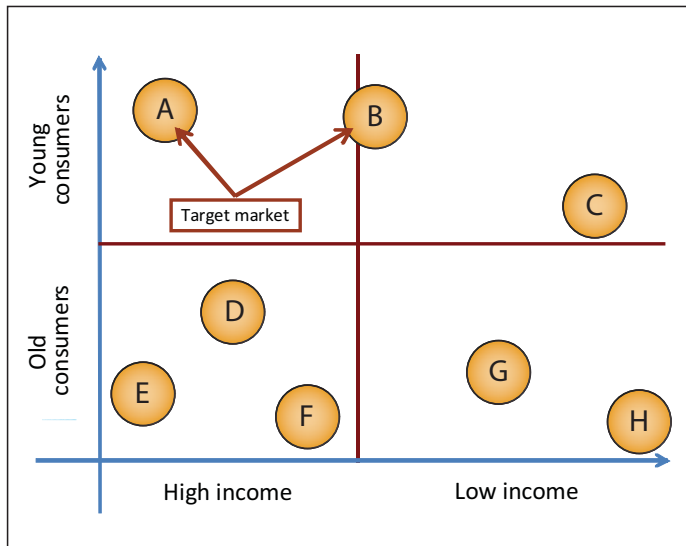


Source: Poméon, T. 2007.

The constitutional characteristics of the GI product differentiate per se the product, which offers unique quality attributes linked to its origin. It is important to identify and characterize consumer segments able to perceive and value such specific qualities, and pay for it. Sub-categories of GI products (depending on quality type or presentation etc.) can address some specific expectations of each segment of consumers, with a specific quality-price ratio.

Defining and profiling segments should be based on measurable criteria; each group must have comparable characteristics (for example, income and age, See figure 2) and be large enough to guarantee an economic return to producers.

Figure 2: Examples of consumer's segmentation- by income and ages



Targeting: prioritizing

This phase consists of selecting and evaluating the various segments identified in the previous stage. Typically segments are evaluated on their: accessibility (Can the GI product access the segment without any major constraints and threats?); reachability (Can the GI product be distributed to the segment at a profit?); profitability (Does the segment have the ability to pay and is it large enough to make it profitable for the GI product to be sold in?); feasible (effective marketing programmes can be designed for attracting and serving the segment and the segment is responsive).

For each segment that is seen as feasible, appropriate strategies can be defined, taking into consideration the specificity of the GI product. Two pathways can be considered:

- the selective marketing strategy which consists in adopting a specific strategy for each selected segment depending on its characteristics;
- the focused or concentrated marketing strategy consists in focusing on only one selected segment and concentrating all efforts on it.

Each segment identified as a marketing target should be developed by operational marketing with tools known as the marketing mix: communication, advertising, distribution channels, sales force, etc. (see Chapter 3.3).

Positioning: getting consumers to understand the product

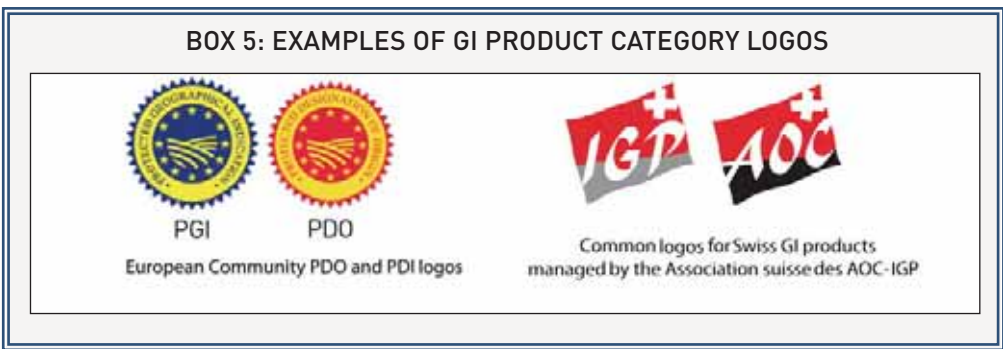
Positioning consists of providing “understanding” of what the GI product is all about to consumers. Consumers, depending on their particular characteristics will classify products in their minds, according to a number of factors, for example, taste, aroma, scent, feel, texture, packaging, labels, emblems, etc. Most commonly consumers will rank products, from best to worst, from cheapest to expensive, etc.

The role of positioning for a GI product and its organization is to imprint in consumers’ minds the GI product and its particular qualities, relative to other products. Thus the positioning strategy depends on the characteristics and expectations of each target segment.

One essential aspect for positioning is to associate in the consumers’ minds the GI product with specific values relevant for each consumer segment, for example, tradition, taste, environmental concern, social equity and fair distribution of revenues, and so on. Common logos on labelling for the GI products give the consumers the possibility to recognize them, thus the importance of a collective organization to develop such a strategy (See box 4).

In order to reach a precise position in the consumers’ mind, the use of a logo can become very relevant as a quality sign. Logos contribute to rank the quality level for consumers and help them recognize and purchase products reducing information asymmetry.

Another action level for consumers’ awareness can be provided by using a national common logo that can be used for all recognised GI products (See box 5). This is the case for example of official quality labels designed by public authorities to certify the product conformity as a registered GI.



3.2

Another positioning choice regards the role that individual producers give to their own firm logo or firm name called a brand (see chapter 3.3). In some situations producers take advantage and give more evidence to the firm brand (when the internal concurrence is strong and there is a need for internal differentiation, or when quality levels inside the GI system are very differentiated), in other situations producers give evidence only to the collective brand.

Another strategy for positioning the GI product is to associate the GI label with another differentiation label such as fair-trade or organic, or to participate in international food fairs in order to obtain formal recognition by the peers of the profession (see case study 5, Cotija cheese).

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What are the characteristics of your supply chain?
- What are the characteristics of the market?
- What is the possible objective and strategic vision of your value chain and firm?
- Who are the competitors (products, firms)?
- How can the consumers be grouped? Which market segments can be identified? What are their different characteristics and needs? Does your product fit with them?
- What should you communicate to the consumers?

List in the tables

A. The following issues for your product (the statements are only examples):

1) Product characteristics and potentials	Ex: Intrinsic quality features (aroma, flavour, taste) Extrinsic quality features (maturing period, services level)
2) Market segmentation	Ex: Service criteria - Price/quality ratio criteria - Quality level criteria - Etc.
3) Targeting	Ex: Wealthy consumers -Local consumers -Fair - trade consumers - Etc.
4) Positioning	Ex: Respect for the traditions and rules of productions - High quality and high price - Medium quality and high services - Etc.
5) Which message to communicate and how	Ex: Country of Origin - Method of production - Specific intrinsic features - Sustainable aspects - Composition and social features of the supply chain

B. For your product, prepare a SWOT analysis for your target market and for your firm characteristics (the statements below are only examples):

Strengths	- Good image and reputation of the GI product - Strong cohesion between actors along the chain - High social involvement of the local population - Sustainable return from the process - High capability to solve internal problems by GI producers association - Etc.
Weaknesses	- Low financial capability - Low capability to invest and to innovate - Low scholarstic level of stakeholders - Marketing power concentration in some stakeholder in the chain - Etc.
Opportunities	- High consumer interest for GI products in fair trade channel - High willingness to pay for high quality GI products - Increasing consumers interest for GI products with high level of services included
Threats	- Sanitary regulation - Unfair competition in foreign Countries - Presence of strong competitors in the same target market - Logistic problems as a result of small quantity produced - Non homogeneous quality - Etc.

3.3 The marketing mix (operational marketing)

Introduction

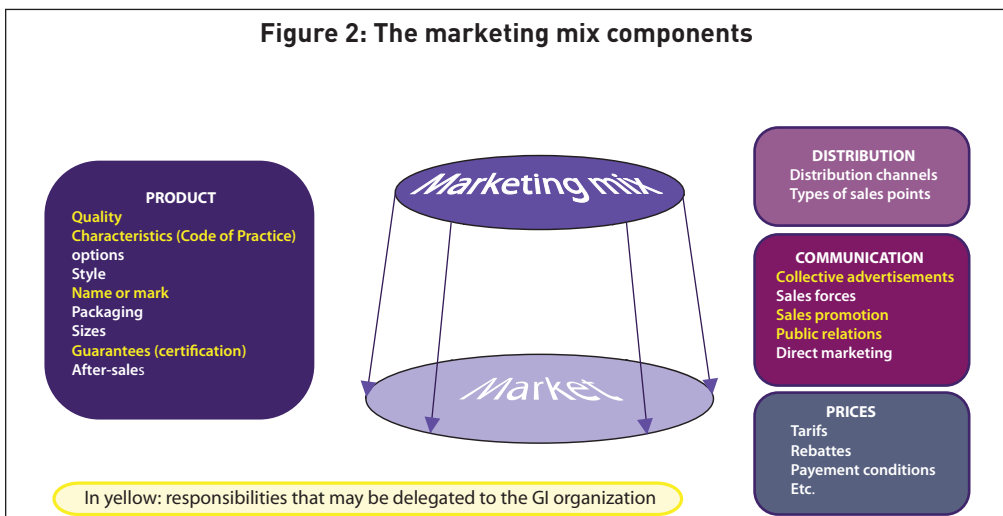
Once the strategic marketing plan is defined, producers at the collective and individual levels, have to make it operational taking into account the GI Code of Practice. The marketing mix provides tools for decision-making in implementation of the marketing plan, taking into account such things as the optimal price, the market channel(s), the communication actions and their costs.

What is marketing mix?

The term marketing mix and the framework of the “4Ps” of the marketing mix, encompasses the combination of four operating factors: Product, Price, Place, and Promotion. These should facilitate the achievement of the targets selected by the GI organization and its members.

Operational marketing activities are usually generated by individual actors. Indeed, GI organizations are often more dedicated to the definition of product characteristics and communication. But this is not a rule; the collective organization could also take decisions or give advice on the product presentation, price and selling place and also be involved in other marketing aspects of the GI product.

Figure 2: The marketing mix components



Product

GI products possess common characteristics described in the CoP, but additional characteristics can be considered. The marketing mix help to assess important assets with regard to the market, in particular in relation with the three following categories:

1. The *attributes of the product*

The attributes refer to the tangible and intangible characteristics intrinsic to the product (colour, flavour, aroma, taste etc.), or associated to the degree of processing, the presentation or the packaging (for example coffee can be sold as beans or as powder; fruit can be fresh or dried). Some innovations to adapt the attributes to the modern way of consumption (see case study 9) are always possible and not contradictory with some traditional production and process practices defined in the CoP, provided that they are in line with the image of the GI product.

2. The *brand of the producing firms*

The firm brand allows consumers to identify the GI product itself and then recognize a specific producer for a GI product. In addition to the GI on labelling (the use of the GI name in the product designation), usually can be found on the label:

- a firm brand is designed to link the products to a specific quality-price ratio.
- a collective brand, managed by the GI organization, is designed to identify easily the GI product and guarantee the respect of the rules and the quality level to consumers.

A brand is an important asset to build the reputation and image of the firm, but often small-scale producers can't afford the cost of an individual brand. In this case, a collective brand related to the GI, and owned by the GI organization will be the identifier.

Case study 9: New attributes for longer conservation and types of logos

PARMA HAM PDO (Italy)

The Prosciutto di Parma PDO have two logos on each leg: the collective brand of the Parma Ham GI organization and the individual brand of the producing firm. Now the Parma ham can be sold sliced in modern distribution channels and is presented in a special vacuum package. On this modern package, the collective brand of Parma ham is inserted in a big black triangle easily recognizable by consumers and identified as a guarantee of the specific quality linked to Parma region.



Source: Giacomini C. et al (2008)

3. Packaging and labelling

The packaging and labelling contributes to the value creation. Packaging can increase the level of services provided with the product, in particular it can be used as an appealing 'advertisement' for the GI product and can also protect the product while in transport and in keeping the product fresh (see case study 9). Labelling provides information about the product characteristics (in general: composition, nutritional facts, description of how to use the product) and is an important tool to provide guarantee and information related to the GI, for example with a specific or common logo (see examples box 4 and 5 in chapter 3.2). Information can also be given that reinforces the image of the GI attributes: for example information on the specificity of the production process and on natural resources used in it, the know how, the link with the culture of the production area, etc. A label can also suggest possible utilization of the product in culinary preparations by "non-expert" consumers, for example giving traditional recipes, suggestion for conservation, and so on. This can facilitate the use for consumers and increase occasions to use and to buy the product.

By means of an appropriate design of the brand, packaging and labelling it is possible to create several product lines originating from the same GI product. Indeed, consumers increasingly need a more varied choice in terms of intrinsic characteristics and of "services" included in the product, according to their knowledge of the GI product and their willingness to pay.

Price

Price is a direct determinant of profits (or losses). Price also determines, to some degree, the type of customer and competition the organization will attract and an error in pricing the GI product can nullify all other GI activities.

Case Study

Case study 10: Quality differentiation, price and labelling PARMIGIANO REGGIANO CHEESE (Italy)

Parmigiano Reggiano cheese maturation time spans from 18 to 30 months, according to the CoP. In order to make the different sub-categories identifiable to consumers and allow them to pay the appropriate value in respect to the quality and the aging period, the Consortia has developed three different quality signs signalling the maturing period of the cheese and justifying the higher prices.

RED STAMP: "cheese which matured for 18 months, has a somewhat distinctive milk base, with vegetable notes such as grass, cooked vegetables and at times flowers and fruits". Its price is the basic one for this product.

SILVER STAMP: cheese which matured for 22 months, with more distinctive flavour with notes of melted butter, fresh fruit and citrus fruits as well as overtones of dried fruit. It has a balanced mild yet full-flavoured taste, with a crumbly, grainy texture". Its price is intermediary.

GOLD STAMP: "cheese which matured for more than 30 months (extra-strong), has the highest nutritional value, has a drier, crumblier and grainier texture. It has a strong flavour and notes redolent of spices and dried fruit prevail". The price of this cheese is the highest one.

Source: www.parmigiano-reggiano.it



3.3

Costs for producing and marketing the GI product will put a “floor” to the price that can be charged. Under this floor, prices charged will result in a loss, as money received will be below the cost of producing and marketing the GI product. Consumer demand will put a “ceiling” to the price. If the price is over and above what consumers are willing to demand in terms of quantity and price, consumers will see the product as too expensive. If this is the case, competitive GI products will attract consumers.

Competitive prices, consumer preferences, and GI organization and individual members pricing objectives will give an indication of where the price should be between the price floor and price ceiling. Pricing the GI product correctly is not easy and has to be carefully analysed and considered.

In order to attract consumers, the relationship between price and quality level, in comparison to other GI products and non-GI products of the same categories should be considered. Competitors tend to take advantage of an insufficient quality differentiation from the consumer point of view. Therefore, more information on the specific attributes of the product is provided, more justification is given for the consumers to pay a higher price.

Place

Place is related to the selection of the distribution channel(s) and of the geographical market. The choice of the geographical location to sell the product is a complex one. This also has to be considered with who will actually sell the GI product, for example a wholesaler, a retailer, an exporter, etc.

Normally, distant markets offer a potential (in particular in developed countries) where a good willingness to pay for products perceived as “niche” and “gourmand” are present and consumers value and have the ability to pay for higher than normal prices. But increasing the physical distance between production and consumption areas increases also costs and cultural differences.

For the distribution of GI products, three main channels could be considered, depending on GI characteristics and target market desires:

- Traditional distribution and direct selling
- Large-Scale Distribution
- Innovative distribution



Feria plays an important role in promoting the products

Traditional distribution and direct selling

Local consumers are usually extremely attached to traditional markets and direct selling, but these may present advantages and disadvantages. Generally, one positive element is that local sellers already know the GI characteristics, as well consumers' habits and they often have a direct relationship with them. However, the volume capacity and the visibility of these channels are limited, as well as the possibility to increase the price level. Moreover, local traders may be reluctant to use new selling or marketing techniques. Traditional distribution is an adequate channel for small-scale GIs, where producers can sell small quantities taking advantage of interpersonal relationships. This aspect can reduce gaps as a result of the low marketing capacity of producers. At the same time, traditional shops are interested in GI products for they offer the possibility to differentiate their product assortments from those of large-scale retailers.

Case Study

Case study 11: Accessing a new niche market LIMON OF PICA (Chile)

At the Pica Oasis in Atacama, Chile, in the driest desert of the world, a special kind of lemon tree is grown. The fruit of the lemon tree is well-known for its unique scent and its high juice content, and it is a prized product for use in spirits such as Pisco Sour. A group of local producers have sought to obtain a designation of origin for the Lemon of Pica in order to protect its valuable reputation and encourage production, as well as to seek out new markets for the product. In 2007, during the process



Selection of the limon of pica for restaurant and hotels markets

of obtaining a Denomination of Origin, producers explored a new marketing channel through direct sales in Santiago de Chile, in order to reach high-value niche markets with better prices: restaurants, hotels, bars, etc. Each week, the cooperative of producers organized through its Marketing Unit, the lemon selection, packaging and transport to bars and restaurants of the capital. This channel allowed them to obtain much better prices, 50 percent more than on markets handled by intermediaries and on which they compete with similar but imported products from Bolivia and Peru.



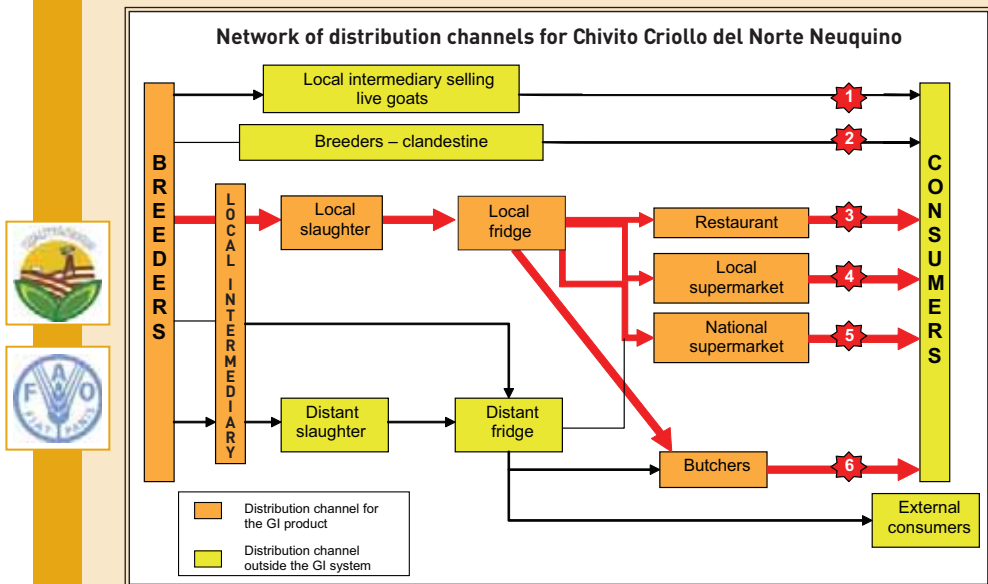
Local market benefiting from tourism

Source: Vandecandelaere, E. 2007.



Case study 12: Selecting the distribution channels CHIVITO CRIOLLO DEL NORTE NEUQUINO (Argentina)

The distribution network for marketing the kid meat in Neuquen has different channels, many of which are still informal. In the case of the GI “Chivito Criollo del Norte Neuquino”, only some of them will be accepted following a collective marketing strategy that includes a verification system to guarantee the conformity to the code of practice. For the GI, slaughtering has to take place at the local slaughterhouse within the region. Therefore, a specific distribution channel is associated with the POD (Channels 3, 4, 5 and 6). This means that products sold through the informal channels 1 and 2 would be considered outside the GI system and should not bear the label “Chivito Criollo del Norte Neuquino”, which ensures the quality of the product.



Source: Pérez Centeno, M. 2007.

Large-Scale Distribution

Large-scale distribution is one of the most important channels for the agrifood sector in developed countries and is a growing sector in many developing countries. The advantages include: the possibility to trade a high volume of products and to adopt marketing strategies focusing on firm brands. A risk is that retailers may retain most of the bargaining power and access to consumer information. Moreover, it may be difficult or expensive for a GI product to find space and visibility in the assortment. Producers need to guarantee consistency and conformity in supply, provide adequate volume of supply and need to obtain a good price for the GI product they will sell to large-scale retailers. Large-Scale Distribution is recommended for large-scale GIs that have already adopted marketing strategies and marketing tools to attract new consumers.

Innovative distribution

Innovative distribution concerns such aspects as e-commerce, trade fairs, agritourism markets, fair-trade purchasing groups, community-supported agriculture, etc. It is becoming more and more important these days to address social expectations for closer relationships between producers and consumers and lower environmental impacts as a result of production and marketing practices. Innovative distribution is an important new possibility for GI producers. A key factor is linked to the ability to create and maintain stable relationships with the representatives of networks providing them with the proper quality level, technical assistance and a stable price.

Promotion

Promotion is an important aspect of the marketing mix : it is crucial to keep constant communication with both current and potential consumers and provide information about the specific quality and characteristics of the GI product in order to increase consumers' willingness to purchase and pay.

Promotion is also one of the most costly elements of the marketing mix. The GI organization has an important role to play in this aspect, both because of the cost of the promotional activities, and because of the importance of the collective dimension of the GI reputation.

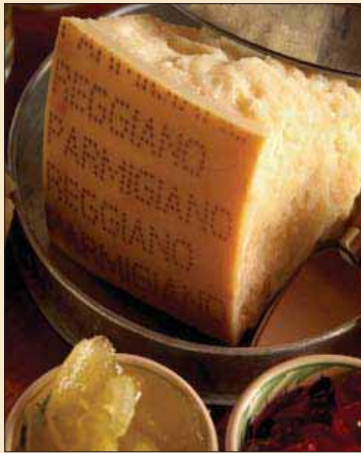
Therefore, as far as the GI reputation is concerned, the definition of the promotion strategy and the communication activities should be managed at the collective level, in order to reduce costs by sharing them between all the local producers involved. Individual promotion is also necessary to communicate values and information related to an individual firm.

The implementation of a promotion plan should follow the four questions related to the marketing plan:

- **Who is communicating?** Generally, the GI communication campaigns reflect the objectives of the GI organization and its members.
- **Towards whom is the communication directed? Who is the recipient?** The aim of the communication is to create a direct link between the producer and the consumer. Therefore, the main target is the end user. Other important targets are the marketing channel actors, such as wholesalers, retailers, restaurants or agritourism actors.
- **What is communicated? What is the message to be transmitted?** The specific quality linked to geographical origin is an important asset to highlight and explain in the message because it is at the basis of the differentiation and the consumer recognition and willingness to pay motive. An informative type of communication can be used to explain what a GI means in general, what are the unique features of the product, its tradition, its bond with the territory and with its history, and how to present the typical product using traditional and creative aspects, etc.
- **How should the communication be achieved?** Various communication tools are available: print, magazines, internet, billboards, radio and television. Local, national or international fairs, tourism activities are very relevant events for communicating GI product uniqueness.

The more collective the resources are, the more effective the promotion campaign will be. Governments, if it is in their policies, could also offer some funding in order to promote specific GI products.

Case study 13: Examples of collective advertising tools PARMIGIANO-REGGIANO CHEESE (Italy)



COOKING AND SERVING ADVICE FOR CONSUMERS

18 month maturation:

Ideally, it is diced and served with aperitifs, and in particular dry white wines, or as an accompaniment to fresh fruit such as pears and green apples.

22 month maturation:

It is an ideal accompaniment to quite firmly structured red wines and excellent when served as Parmesan petals in fruit salad drizzled with Balsamic vinegar.

30 month maturation:

For such a distinctive cheese, full-bodied, firmly structured red wines, white dessert wines from partially dried grapes and sipping wines are ideal.

PARTNERS OF ITALIAN FOOTBALL TEAM



Source: Arfini et al (2006)

RECIPES ON LINE



PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

Product

- What are the main attributes and characteristics of your product?
- What are the main innovations with respect to the past in the production process and techniques?
- What are the differences with the minimum standard level defined in the CoP?
- Is your brand company appropriate for recognizing the GI products?
- Is the association of the companies brand with the collective brand useful?
- Which are the main product innovations that may increase the level of services to the consumers?
- Is the packaging suitable for marketing your product in the related channel?
- Is the labelling appropriate for giving all the information consumers need?
- Which logo can help increase the level of information to the consumers with respect to the GI quality?

Price

- What is the price your competitors?
- At which price should you sell your products?
- Can you make discounts? Under which conditions?

Place

- Which are the advantages and the disadvantages of possible trade channel?
- Which is the more functional and effective trade channel for your product?
- Which network or chain should you activate in order to reach this trade channel?

Promotion / Communication

- What are the values you want to communicate to the consumers?
- Is your communication strategy adapted to the image of the product?
- What are the links between private advertising and collective promotion?
- Which media do you have to use to communicate with customers?

List in the table:

The following issues for your product (the elements below are only examples):

1) Product characteristics	2) Price	3) Placement	4) Promotion
GI Coffee toasted in vacuum packaging	High price respect to branded mass coffee	Fair trade shops	Communication with web site and brochures



Reproduction for sustainable GIs

The fourth phase of the quality circle, reproduction, consists of ensuring that both natural and human resources used in the production of the GI products are reproduced, improved and preserved, in order to allow long term economic, social and environmental sustainability of the system. This encompasses social and economic reproduction (redistribution of value and remuneration), as well as preservation of natural and cultural resources over time.

For this purpose, it is important to evaluate carefully the impacts of the code of practice on local resources over time, during the set up of the qualification phase. This should allow evaluating negative effects and/or economic, social and environmental changes. It may then be important to reinforce or extend the collective strategy and/or to consider possible changes to the rules themselves to be able to bring about benefits to the entire territory.

The reproduction phase is therefore favourable to assess the impact of the GI system and to develop it with a sustainable development perspective (chapter 4.1). The next chapter provides illustrations explaining the reasons and the process for making the rules evolve (chapter 4.2). One strategy to increase sustainability is to extend the benefits outside the GI production system to all the territory: local stakeholders may use the reputation of the GI product to attract people in the GI territory and sell other products and services (chapter 4.3).

4.1 Key factors for sustainability

Introduction

In order to ensure the reproduction of local resources for a sustainable GI system and for all the territory, even outside the production area, it is important to assess the impacts of the rules (code of practice) and the collective actions undertaken over time. Expected positive impacts on the economic, social and environmental dimensions are not automatic, and negative effects can appear, depending on the way the system is set up and managed.

Reproduction of local resources and sustainability

Reproduction encompasses social, economic and environmental sustainability. Regarding the economic component, reproduction is linked essentially to distributive aspects. The value created by means of remuneration activities, should be fairly distributed along the value chain, between the local production system and the external one, and between different actors involved in the production process, in order to remunerate each actor according to their contribution to the value creation process.

With regard to the environmental component, reproduction means ensuring the preservation or even the improvement of natural resources, by guaranteeing the equilibrium between exploitation and development over time, while maintaining or increasing biodiversity.

With regard to the social and cultural components, reproduction means promoting traditions and cultural heritage, reinforcing the sense of local identity and self-esteem of traditional ways of living that are endangered by rural exodus, poverty, lack of information and access to markets.

The impacts of GI products on the local economy, society, culture and environment, vary greatly according to the characteristics of the production system. Certainly not all GI systems exert the same positive impacts on sustainable development. The intensity (how much?) and direction (positive vs. negative) of the impacts strongly depends on the rules and actions that local and non-local actors undertake around the GI product (see case study 1).

Being aware of possible negative impacts

The potential of a GI product for sustainable development, as part of the quality virtuous circle, should not undermine the fact that it can generate negative effects under certain conditions, and awareness of this fact is important in order to prevent or minimize negative externalities.

Regarding economic and social aspects, negative impacts may relate to the exclusion of certain stakeholders, because they can't meet the requirements of the CoP. These

exclusions could affect smaller firms located in less favoured production areas. Additionally, powerful 'external' actors may succeed in extracting local resources and added-value from the production area, thus undermining its development. Unbalanced collective organization and the impossibility of some producers to actively participate in the decision-making process, may worsen social relationships among local producers along the value-chain or potentially exclude some producers from benefiting from the GI product's reputation.

With regard to environment, negative impacts can also be the result of the rules established in the CoP. For example, loose rules (low requirement level or unclear boundaries) may lead to the substitution of local specific resources with standard and/or external ones in order to simplify the production process. This may increase production and resource productivity or lower production costs, but lead to a loss of biodiversity and of the GI product specificities. The intensification of production methods and product specialisation (monoculture) may lead to the over-exploitation of some specific resources (water, land) or even affect the quality attributes and the specificities of the GI product.

Case Study

Case study 1: Rural development issues ROOIBOS HERBAL TEA (South Africa)

Rooibos herbal tea (see also case study 4 in chapter 2.3) is endemic to a part of the country and considered as part of the South African patrimony. The identification and qualification process for the GI highlights a number of conflicting issues related to sustainability. The main motivation of leading producers for developing a GI was to fight product usurpation, risk of delocalization of the activities and to address the rapid increase in demand. However, defining a common strategy was not easy. Some considered that the GI initiative should enhance small-scale producers' integration in a perspective of social sustainability. This vision was not shared by all stakeholders and



the GI initiative even created conflicts and modified the relative power positions of different actors. Eventually, stakeholders realized the importance of maintaining a rich living tradition and sustained local identity. Environmental problems linked to the production system also emerged and these will have to be dealt with to ensure long-term sustainability of the production system. In this process, intervention of public actors might contribute to promoting inclusion and other issues relevant to the territory and society.

Source: Bienabe, E. et al, 2007.

Key factors for sustainability

Local actors are at the core of the system outcome for sustainability as a result of their role and level of empowerment, their motivations, the social capital and the awareness on issues concerning social equity and environmental preservation. Undeniably, these factors influence whether the objectives of the three pillars (economic, social and environmental) can be met and which of the three in particular. The building up of the process and the collective management are the basis of the positive effects. However, networking activities between private and public actors, as well as the strength and the nature of the “common vision”, will surely influence the strategies surrounding the GI product. These strategies can either be oriented towards the efficiency of the supply chain or more extended territorial approaches (see chap. 4.3).

Collective action can support participation and a fair distribution of the benefits by setting inclusive rules of representativeness and decision-making, as well as assisting producers with conflict resolution. Training courses and education, information and dissemination, technical and financial assistance, are all actions that may lead to a more balanced power distribution and active participation. Information activities and participation in collectively managed marketing initiatives may stimulate producers' pride and knowledge. The GI collective organization should interact with a wider network composed by other stakeholders (private and public), with the specific scope of managing and guaranteeing local resources reproduction.

In order to preserve natural resources, it is necessary to manage them collectively and to have the right to access specific common regulation. The management of natural resources requires principles such as clean water conditions and biodiversity preservation, which justifies the positive action of GI products in sustainable production systems. Some changes in the CoP may envisage protection of the local environment, cultural heritage and traditions (See chapter 4.2).

Social networks in GI systems represent different groups of stakeholders who are involved at different levels of the production process, such as research and education institutions, public bodies, consumer associations, non-governmental organizations, etc. The relevance of a social network is not only from a social point of view but also from an economic point of view. Keeping these networks alive allows the GI system to be more sustainable and to better understand the need to develop actions at the local level.

Assessing sustainability

It is crucial that local actors set up a monitoring and controlling system in order to evaluate the impact of their strategies and actions on local resources and sustainability, comparing individual and collective aims with the outcomes of their actions over time. Local actors should consider the evaluation of the impacts of the CoP and the collective and individual initiatives, as a learning process conducted over time, over the virtuous quality circle. The evaluation process results permit an adjustment of the norms and implementation of new initiatives.

The implementation and discussion of the evaluation should be collective. The results of the analysis may be useful to activate solutions and remedies in order to guarantee long-term sustainability.

4.1

The evaluation activity is all but simple, considering the many actors involved and interested in the GI product, each with different aims and expectations. When evaluating the effects, we must consider at least two different levels:

1. The local production system point of view, that should account not only as a simple sum of individual positions, but also for collective issues. In fact the collective success of the GI system may come from the outcome of divergent individual positions: some producers may have improved their economic and social position while other producers may have suffered. Therefore, it is important to analyze the diversified effects produced on the different typologies of producers.

2. A wider “public” point of view. The positive impact on local producers’ economic and social position may hide some negative effects “outside” the local production system. Producers who have been excluded from the benefits of the GI reputation (being located outside the delimited production area or who may not have sufficient technological, financial or information resources to use the GI), thus threatening social cohesion at the local level.

The accountability for positive effects of the GI system is a very important issue. Local actors should measure and trace performance of the GI system with regard to collective values (social issues, environment, biodiversity preservation, etc.) and be able to communicate these effects outside the local production system, both to consumers and to other relevant actors (public authorities, environmental associations, etc.).

In order to assess the impacts, a conceptual scheme may be useful to evaluate as a whole (see box 1): the actions individually and collectively undertaken to develop and manage the GI product as well as the balance of economic, social and environmental sustainability issues.

Case study 2: Social and environmental sustainability CHERRY OF LARI (Italy)

According to consumers' renewed interest in environmental and cultural traditions linked to food, producers started to set up and manage a network of actors interested in supporting the GI system for Cherry of Lari.

Many local agencies that are not part of the cherry production or value chain have been involved in the valorization strategy: the Lari Municipality, the Local Cultural and Tourism Associations, the Province of Pisa, the Tuscan Regional Administration, the local Chamber of Commerce and the Slow Food Association. These actors are interested in connecting the image of the cherry to other rural amenities, such as landscape, environmental quality, art, culture and traditions, in order to promote the area. The involvement of these actors outside the supply chain has increased the awareness of the cherry producers and as well as the economic and cultural value of the cherry, while strengthening

their will to improve the quality image of the product. Other actors include some agents external to the local production system who have been undertaking research activities aimed at preserving the many native cherry tree varieties (National Research Council, ARSIA-Tuscan Region, Universities of Florence and Pisa). A growing concern for better preservation of biodiversity stimulated the involvement of these actors. Collective initiatives were promoted for technical, agronomic and marketing aspects. A collective brand and a collective processing plant for producing jams has been set up, as well as some educational initiatives with local primary schools on the cherry's history. Riding on the wave of this renewed enthusiasm and producer cohesion, the local Municipality was influential in constituting a National Association of Cherry Municipalities, dedicated to reinforcing research and promotional activities for cherries across Italy. Overall, the qualification process has delivered numerous benefits. It has reinforced solidarity and cohesion between farmers by making producers meet when no association was previously active in the area. The producer association represents the current interests of producers in their negotiations with agencies and institutions. Finally, the qualification process, by encouraging the defence and promotion of the cherry, acted as a catalyst for the involvement of other local and non-local actors. The qualification process stimulated collective action in this case.

Source: Marescotti A. 2003.



BOX 1 : SOME QUESTIONS FOR SUSTAINABILITY EVALUATION

Economic sustainability

- Did the GI system increase the product's reputation on the market over time?
- Did the production volume and incomes grow as a result?
- Did it create new marketing opportunities? Did marketing relationships improve?
- To what extent are local actors actually receiving economic benefits from the GI reputation? Did local employment increase?
- What are the main obstacles that producers face in marketing their products?
- To what extent is the legal protection of the GI helping producers to improve their income?
- What are the main obstacles for respecting the code of practice? What are the consequences?
- Did consumer knowledge and reliance on the GI product improve?
- What is the impact of the GI product's initiatives on the local economy? Did the acquired reputation of the product benefit other local actors outside the value-chain?

Sociocultural sustainability

- Which producers benefit the most? And the least?
- How are economic benefits distributed along the value-chain? Are there any bottlenecks?
- To what extent do firms take part in the initiatives set up by the collective organization?
- Did local producers improve in technical, managerial or relational skills?
- Are local actors effectively taking part in decisions and actions around the GI product?
- Do we have an equitable distribution of the benefits between the GI producers?
- Are there any gender equality issues?
- Has communication within the GI system improved?
- Are there any conflicts that have emerged following the initiatives surrounding the GI product?
- Are workers' rights sufficiently respected?
- Are local actors aware and proud of their knowledge, traditions and work, as well as cultural identity and way of living?
- Is local culture and production traditions threatened or negatively affected by the functioning of the GI system?

Environmental sustainability

- Have the rules of the code of practice and the individual and collective actions implemented preserved or improved local natural resources?
- Do the initiatives around the GI products threaten local natural resources?
- Are there any problems with water pollution or scarcity linked to GI production process?
- What are the impacts on biodiversity preservation? Do the initiatives of the GI product threaten local specific plant varieties, local breeds, agro biodiversity or landscape?

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- 1) Referring to box 1 of this chapter, answer the questions on social, economic, and environmental sustainability.
- 2) In which area (social, economic, environmental) could your GI system improve the sustainable approach of the reproduction cycle?
- 3) How do you think you can improve this area?

4.2 The evolution of rules over time

Introduction

Different factors influence the GI system: the characteristics of producers, the local environment, the production techniques, consumer needs, retailers' requirements and the legislative obligations that evolve over time. In this perspective, the rules defining GI products may also change, in order to face challenges and adopt new strategies. The local community should validate this development and the modifications in the code of practice (CoP). Local stakeholders are still entitled to suggest changes that further define the CoP, under the condition that the link between the quality of the product and the territory does not change or become threatened by the new rules.

Living products

Indeed, GI systems are not static: they should evolve to take into account the developments of the market and to ensure the reproduction of local resources in a sustainable perspective, that's why evolution of the CoP should always be possible.

It is important to consider that local products are constantly evolving but what makes their specific quality should remain the same after the local producers have defined it. Therefore, some elements in the CoP are key characteristics to maintain the unique originality of the product and its image for consumers; other minor points of the CoP may change, if the management of the GI and the community of producers ensure a meticulous technical evaluation and consensus.

The reasons the rules change

What are the reasons that make the rules change? There are several factors that bring about changes to the rules and can affect different components of the CoP (Definition of the product - raw material and process - delimitation of the area).

1. The rules agreed on in the CoP no longer fit market demand

- If the initial rules are too strict, they may not allow for a sufficient quantity to be sold on markets:

This is the case of GI for meat "Pampa Gaucho da Campanha meridional" beef in Brazil that restricts the production capacity to only a few animals per week. The rules create high barriers to entry in the GI production, especially for small-scale producers. As a result the market impact is low. Some fluctuations in production capacity are possible without changing the overall product. (see case study 11 in chapter 1.4)

- **If the initial rules are too loose**, GI producers may decide to strengthen them in order to enhance higher quality in all products, or incorporate more environmental and social aspects:

For example, the Roquefort cheese made from raw ewes' milk has a high quality natural tradition and image. In order to maintain this reputation and the corresponding quality expected by consumers, breeders in the Roquefort GI management council decided to ban the use of silage feed. They decided to write down this rule into their CoP.

- **Consumer preferences can change**, this may create the need for some adaptations in the production process:

For example, in the case of Prisuttu (ham) in Corse (France), as a result of the trend of consumers to ask for less-salty products, a discussion about the minimum contents of salt for the ham maturing has been conducted between local producers. The use of salt was originally the only way of product conservation, but as cooling facilities are now available, the use of less quantities of salt for maturing the product may even allow for an improvement in the quality (aromatic expression) of the final product.

Case Study

Case study 3: Increasing market demand and resource shortage can lead to the modification of the rules TEQUILA (Mexico)

In the case of Tequila from Mexico, since the establishment of the first official standard (1949), the constraints of production have been eased by different changes in the CoP in order to take into account production and markets constraints.

Agave production is subject to cyclic surplus and shortages. During periods of shortage the ratio of agave for the distillation was reduced to 70 percent in 1964, and then to 51 percent in 1970. Concomitantly a high quality segment was created with 100 percent agave-based Tequila. From 1997 to 2000 the blue agave population decreased drastically by 50 percent, following a fungal infection and an early winter frost. This scarcity of agaves was exacerbated by the contemporary skyrocketing demand for Tequila in domestic and international markets (particularly in the United States and Europe). So in the year 2000, the companies proposed to reduce the agave sugar content to 30 percent, but it was not accepted by the government in order to protect the reputation of the product and avoid conflicts with farmers.



Source: Bowen, S. 2008.

2. Some new scientific information or available technical innovations may facilitate the production process while keeping the basic features of the GI product

- **New scientific information** that permits a better description of local resources.

On the basis of precise qualitative studies, some adjustments have been brought to the original delimited area of Champagne French AOC in 2007, after a long local deliberation process.

- **Technical innovations**, not originally foreseen but then widely adopted by producers and that do not impact on the specificities of the final GI product may need to be introduced in the CoP.

For example, mechanization in wine harvesting has been widely adopted in most PDO wine-producing areas in France. It has been shown not to jeopardize the quality and characteristics of the end product and therefore it has been accepted.

3. Stakeholders want to enhance the system sustainability.

- **The sustainability assessment** in the reproduction phase leads the local community and producers to change some rules to take into account more environmental and social issues.

Beaumes-de-Venise is a famous French protected denomination of origin producing a famous white muscatel wine. The GI management body acted to modify the production rules, in order to forbid vineyard plantation on the wood-planted slopes around the village. These areas will be protected and become part of a communal preservation area. In this way, they ensure soil protection and maintain the beautiful landscape, which is candidate to become part of Unesco as a “cultural landscape”.

4. General changes in the global environment:

- **Climatic changes** may mean that schedules and even some technical activities will need to be adjusted.

Changing the rules

The link between the product and its territory may be continuously under re-interpretation in the light of changes in the economic and social, local and global environment. The producers should act to guarantee that the authenticity of the product is kept over time, in particular that the local specific resources used in the production process are reproduced in order to keep the unity of the product characteristics.

The rule-setting mechanism should therefore allow for evolution of the product. However, this possibility should not dispense the necessary care in setting the rules in the first place. Changes should not be done hastily and must be subject to careful consideration.

The process for changing the rules should follow the same procedures described in part 2, allowing local producers' participation, discussions, and democratic decisions, and after evaluating pros and cons of each change with the help of the external support network.

In the case of protected GI, changes must be done in accordance with laws that regulate the registration and protection of the GIs (See chapter 5.1). Procedures may be more or less complicated according to the countries and over time.

Case study 4: Changing the rules for a GI within a new national legal framework HAM OF UZICE/ZLATIBOR (Republic of Serbia)

The Zlatiborska/ Užiæaka Pršuta (Ham of Uzice/Zlatibor) is a meat product made of smoked beef, produced in the district of Zlatibor, exclusively in the Municipality of Āajetina and more specifically, in the village of Maækat. It is a unique product, which has a long tradition in Zlatibor. Traditionally, the smoked meat of Zlatibor was made with beef and the animals (mainly working animals) used to be 4 to 6 years old before being slaughtered so that the smoked meat retained a strong flavour. Only specific parts of the legs, sirloins, tenderloins and the low end of the back are used for Pršuta.

One semi-industrial producer of Pršuta registered the "UŹicka Pršuta" as a PDO, in 1995 as a state company with the role of coordinating the use among producers, and as a way to reduce constraints to the minimum: absence of conditions regarding the meat origin, no specific practices differentiating the PDO process from any other process. Consequently, more traditional producers sell higher quality products on the market compared to the only official authorised user, which is the semi-industrial company that has since been privatised. In 2006, a new law established the revision of the former registration to guarantee a minimum quality, extend the authorisation for all local users complying with the CoP and make the PDO more sustainable, with a new application procedure. This new application can count on the support of the municipality, IDA, a local NGO, which is in contact with the Ministry of Agriculture and the Intellectual Property Office to re-register the PDO under the new law. Since the beginning of 2007, meetings and working groups have been organized to establish a new CoP, shared by most of the Pršuta producers in the area. In the case of the defined area of primary production and inclusion of the breeding practices in the revised CoP, this could improve economic and social sustainability along the food chain as the product would be more linked to the local place, local breeders will have a stronger negotiation position and a right to benefit from the GI channels. Zlatiborska/ UŹiæaka Pršuta could become one of the first registered products under the new Serbian law on PDO/PGI.



Source: Bernardoni P. et al, 2007.

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- Do you need to modify your code of practice? Why?
- Which problems could be solved by this modification?
- Does this modification generate a dominant position or increase the bargaining power of certain GI stakeholders?
- Do all producers agree with the modification?
- Will the proposed modification of the code of practice change the characteristics of the GI product? Will consumers accept that modification?

4.3 Extended territorial strategies for increasing rural development

Introduction

Rural development is based on the integration of all the activities located in the area of production, where agriculture is only one of the sectors involved in the process of development and where the environment and local population are important players of the process too. GIs, in this perspective, can represent a valid opportunity to enhance local development and generate a sustainable virtuous circle with positive benefits for the whole community.

Geographical indication as a leverage for extended territorial strategies

GI products, as part of a local system, allow the adoption of extended territorial strategies. This means that local stakeholders can use the GI product, the specific local resources linked to it (local gastronomy, traditions, landscapes, etc.) and its reputation as a tool to increase the competitiveness of the entire local social and economic system, benefiting from its capacity to attract consumers and tourists in the production area and promoting a differentiated basket of local products and services based on the use of local resources. As a result, other economic activities can be developed both by GI producers and by other local firms.

Within an extended territorial strategy, the GI product can benefit from (and also reinforce) the attraction capacity of different local sites. Important tourist locations and attractions (museums, archaeological sites, particular landscapes, ski resorts, etc.) may benefit the marketing of the GI product.

Such a strategy requires effective collective coordination and synergies between different activities to avoid competition for the same resources and conflicts between local firms. It is therefore necessary to consider how a global territorial strategy can be coordinated within sectors.

Investing in rural tourism

Local tourism and GI products present clear synergies, the development of one contributing to the other. This interaction is particularly evident in cultural events organized around products representing a region, as it links traditions, culture or gastronomic itineraries (cheese museum, saffron festival, wine and olive-oil itineraries, etc). GI reputation can benefit from the local economic and social development. Therefore, actors of the tourism industry can play an important role in supporting the collective promotion of the GI product as an ambassador of the locality, by disseminating information and organizing itineraries for tourists such as a combination of scenic routes and gastronomic stopovers in restaurants or at production site (See box 7).

On the other side, local resources participating in building the specific quality of a product constitute significant resources for tourism as well. Remarkable landscapes shaped by agricultural systems over time, specific native animal breeds or plant varieties, production know-how and traditions can serve as vehicles for tourism attraction.

The development and promotion of a GI product can serve as a starting point for the development and promotion of the entire geographical heritage and related products within a basket of goods. In addition to encouraging the economic development of other local activities, adding value through tourism can facilitate the collective promotion of a product and exploration of new marketing channels. In this perspective, agri-tourism has become a tool for the diversification of farmers' activities, promoting local products and resources through tasting and direct selling to tourists and consumers.

Case Study

Case study 5: Extended territorial strategy: benefiting from the reputation of the GI LARDO DI COLONNATA (Italy)

Lardo di Colonnata (pig fat) is produced in a very small village (Colonnata) in the Tuscan mountains (Massa-Carrara province), with a very specific production process (in particular, maturing the Lardo in marble tubs placed in caves or in cellars, without conditioning) (see case study 5 in chapter 2.3). The Lardo di Colonnata became famous in Italy in the 1990s.

The production area is restricted to the small village of Colonnata which favoured the identification of the product with the village and its population and Lardo became the symbol of the village and the catalyst of a comprehensive local development strategy. Following the growing acquired notoriety and reputation, many other families living in Colonnata, became small and artisanal producers of the Lardo, setting up many other economic activities, too: restaurants, small shops, guesthouses, etc. The Lardo economy also revitalised the tourism activity linked to the visit of the marble quarries close to the village, in the Alpi Apuane mountains. Therefore, many young people that had emigrated to work elsewhere came back to the village to undertake new economic activities, such as opening new restaurants or grocery stores and organizing visits to the marble caves.

Source: Belletti G., Marescotti A. 2006



A typical marble tub for seasoning Lardo di Colonnata



Conditions for setting-up extended territorial strategies

As evidenced above, there are some necessary pre-conditions for activating an extended territorial strategy based on GI:

1. The GI product must represent an element of identity for all local actors (not only those involved in the production process), and assume the role of catalyst in the planning of a comprehensive rural and integrated development strategy.

2. In addition to the reputation of the GI product linked to the territory, the territory should be attractive or have the potential to attract external consumers (tourists), who may enjoy buying typical products (the GI and other local products) and services on the territory itself; this way short distribution channels can maximise the positive economic effects inside the territory.
3. Social cohesion is relevant as well, to support the consolidation of the identity based on the product and enhance linkages between different economic sectors and common projects (for example the organization of a local fair or routes linking production units, tourism sites, restaurants and accommodation, see case study 6)
4. The local resources, natural, cultural, historic, etc., should be very specific and well recognizable by consumers.

Case Study

Case study 6: GI as a tool for promoting the territory Linking local wine and tourism activity - (Brazil)

Goethe wine has been produced in the Urussanga region in Brazil for more than a century, and takes its specific identity from the local wine tradition and the vine variety. The producers, in collaboration with the local government (município), agronomic public services, the state government and the Federal University of Santa Catarina are working for the recognition of their wine through a Geographical Indication. "Vales da Uva Goethe" will be one of the first Geographical Indication registered by the national intellectual property office, under the Brazilian law. The association "PROGOETHE" is also carrying out some rural tourism activities in a dynamic of local development. They propose oenotouristic tours in the area, networking with different local economic activities:

- a visit to a museum presenting the history of wine and the vine culture in the region,
- a church with specific sacred art,
- visit and tasting in Goethe wine cellars
- and meals in a famous restaurant in which they serve the Goethe wine.

Thanks to this kind of tourist activities, the economy of the whole area is benefiting from the fame and the recognition of the wine.



Source: www.progoethe.com.br/atrativos.php

Involving local stakeholders for extended territorial strategies

In order to develop an extended territorial strategy, it is necessary to involve other local stakeholders in the process of adding value. It is important to organize meetings within the local community in order to explain the process of developing and promoting the specific quality of the product and to show that it is also an opportunity for the territory as a whole as a result of interactions with other economic and social networks.

Therefore, there is a need for public support and involvement of local public actors in terms of facilitating the integrated development strategy, involving different sectors and social groups, and providing for an enabling environment that not only considers economic and business aspects, but importantly social, cultural and natural environment aspects. In successful cases, the rural community, private sector, and different levels of government, can contribute to the reproduction or the improvement of local specific resources and to the generation of opportunities to other economic and social activities by working closely together as partners with common goals and reinforcing social cohesion.

This interaction between sectors, in particular agriculture and tourism, is not only relevant at the local level, but it should also be considered at the national level (see case study 7). Indeed, public and private policies for tourism could highlight the gastronomic heritage and facilitate the emphasis of local products in restaurants inside and outside the territory.

Case Study

Case study 7: Linking GIs to rural tourism development (Morocco)

In Morocco, GI products have recently been used as a starting point for mobilizing a wide range of stakeholders into developing tourism in rural areas. This is the case for products such as saffron and argan oil. Some tourist routes have been developed around the theme of saffron and argan oil production, with visits to the villages, introduction to the production techniques, tasting sessions and the possibility to buy the products. Some village groups, supported by NGOs have even developed infrastructures to receive tourist for longer periods letting them spend a few nights in the villages. This has encouraged villagers to invest in the cleanliness and hygiene of their village. This is part of "sustainable tourism" networking, that is promoted through website (www.tourisme-atlas.com) to allow international and national tourists to choose their destination linked to typical products territory, among saffron, argan oil and rose routes, identifying the attractions, accommodation and restaurants.

This development project is supported by different actors:

- Agence de développement social du Maroc
- NGO Migrations et développement
- French Agency for Development
- European commission



Source : FAO, 2006. and www.tourisme-atlas.com

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

Engaging in the territory

- Do you know your territory?
- What are the activities of the product chain that are located within the territory?
- What are the activities that share resources in the territory? How does coordination work?
- Is the reputation of your product linked to the reputation of the territory?
- What is the knowledge plan (communication, training, etc.)? What are the challenges and the opportunities in order to develop them?

Tourism Potential

- Is your production system attractive for tourists? Why?
- What is the potential for rural tourism/agri-tourism development (attractiveness of the region, site of interests, restaurants, hotels, etc.)? Are there any possibilities for farmers to host tourists at production sites?
- Are the local public actors aware of the rural development potential of the GI products? Are they informed or involved in the development of the GI scheme?
- Are any external consumers coming to the area? Who are they?
- What are the main advantages and constraints?
- What could we do in order to develop direct sales or promotion of the product in restaurants and hotels (improved packaging, selling point, contracting with hotel and restaurants, etc.)?



Creating conditions for the development of GIs: the role of public policies

Promoting quality linked to geographical origin by means of Geographical Indications (GIs) can support rural development. In this respect, governmental authorities at national, regional and local level, as well as other officials with public duties or representing public interests have an important stake in ensuring the sustainability of the GI system framework, especially when targeting initiatives at the local level.

The public sector can play a key role at all levels of government, including intergovernmental cooperation, in providing the conditions to ensure that GIs are adequately protected, regulated and supported. The sustainable development of GI products requires:

- A sound legal (legislative and regulatory) and institutional framework, enabling the recognition and the protection of collective property rights over the GIs on a given territory, by the legitimate territorial community of owners and with the adequate local rules (code of practice) (chapter 5.1).
- An integrated rural development policy that supports local stakeholders throughout the various phases of the quality circle. In order to establish and regulate a sustainable framework for GIs, several different factors should be taken into account by public authorities, including the need to promote fair trading relations and encourage value redistribution along the food chain and for the entire territory, as well as the need to protect and support public goods, including the environment and cultural values (chapter 5.2).

5.1 The legal protection of Geographical Indications

Introduction

Under the World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), WTO members have a mandatory responsibility to recognize and protect GIs as intellectual property rights. This can be done in many ways, and many countries have developed their own legal frameworks to enforce these rights. This section provides an overview of the variety of legal tools available to protect GIs that can be tailored to the needs and priorities of countries and their product markets.

Legal tools

Since 1995, the TRIPS Agreement has required all WTO members to establish a national legal framework for the protection and use of GI names for specific products (see box 1).

Most Governments have adopted legal instruments to protect GIs, although there are significant differences among them. Tools for GI protection range from general national laws on business practices relating to the repression of unfair competition or the protection of consumers, to specific regulations for the registration of GIs.

Two main approaches can be distinguished at the national level:

- Public law approach: this is the case when public authorities enact legislation dedicated to the specific protection of GIs (*sui generis* system). This approach generally consists of an official recognition of GIs, by granting the status of a public seal of quality, often through a common official logo.
- Private law approach: using laws against unfair competition, passing off, and trademark laws, where the protection is based on private actions.

Other intellectual property rights may also be used to protect GI products. For example, GIs may involve logos or distinctive shapes. However, they are generally registered as graphic trademarks. They may also involve the use of patents for processing or packaging, as well as industrial models and designs, etc.

Registration is the most common legal tool to define the circle of legitimate users and ensure protection for GIs. *Sui generis* systems and trademark laws can also be used to this effect.

Sui generis systems and trademark laws

Sui generis (from the Latin meaning “of its own kind”) is a term of art used to identify a legal classification that exists independently of other categorizations because of its uniqueness or as a result of the specific creation of an entitlement or obligation. *Sui generis* methods of intellectual property protection may provide legal protection for

BOX 1: TRIPS AGREEMENT AND GEOGRAPHICAL INDICATIONS

In 1995, the World Trade Organisation (WTO) as an intergovernmental organization, was assigned the mandate to regulate international trade. The WTO provides a global forum for negotiations on trade for goods and services that gave rise to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPSs).

Article 22. 1 of the TRIPS Agreement defines GIs as “indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

Under the TRIPS Agreement, three different levels of protection are provided for GIs:

- 1- Article 22 provides for a minimum standard of protection for all products in connection with misleading of consumer and unfair competition.
- 2- Article 23.1-2 provides for a higher level of protection, for wines and spirits only. It strictly prohibits the use of a GI on wines and spirits that have not specified a corresponding place of origin, even if used in translation or accompanied by expressions such as “kind”, “type” or “imitation”.
- 3- Art. 23.3-4 provides the highest level of protection for wines with homonymous indications (with the same name). It requires each Member state to determine the practical conditions under which the homonymous indications will be different from each other in order to avoid misleading the public.

The establishment of a multilateral system of notification and registration of GIs for wines and spirits under Art. 23.4 raises the following key international issues :

- a) the legal effects of the GI registration, and the scope of application of the registry;
- b) the establishment of a dispute procedure to deal with notifications are not considered eligible for protection by one or several members; and
- c.) the costs and administrative burdens of such a register, in particular for developing countries.

The extension of the level of protection provided for wines and spirits to other products under Art. 24.1 of the TRIPS Agreement is also a topic of current international debate.

signs and characteristics associated with a product, such as a logo or specific shape, by including them in the related product specifications.

The GI may be considered as a collective *sui generis* right as its use is normally reserved to those producers who respect a CoP that are defined by a community of producers and approved by a competent authority. The GI is then linked to the geographical place, and becomes non-transferable.

GIs may also be protected under trademark law, in the form of a trademark (TM), a certification mark or a collective mark, depending on the categories existing in the country.

A trademark is a distinctive sign which is used by a firm to identify itself and its products or services to consumers. A trademark is a type of intellectual property involving a name, word, phrase, logo, symbol, design, image, or a combination of these elements. Trademarks do not refer to generic terms, nor do they exclusively refer to geographical terms. They do not protect against the use of terms such as “blend” and “type” in conjunction with a geographical origin.

BOX 2: THE *SUI GENERIS* SYSTEM FOR PROTECTED DESIGNATION OF ORIGIN (PDO) AND PROTECTED GEOGRAPHICAL INDICATION (PGI) IN THE EU

In 1992, the European Union introduced two regulatory tools for the protection of Geographical Indications: Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). These intellectual property rights extend to all food products with the exception of wine and spirits, and they have replaced national pre-existing intellectual property rights for these indications in many European countries.

The definition of PDO is close to the concept of Appellation of Origin, where all phases of the production process should be localised inside the production area and the quality of the product should be strictly related to a particular geographical environment with its inherent natural and human elements. The PGI covers agricultural products and foodstuffs closely linked to a geographical area, where at least one of the stages of production, processing or preparation takes place within the given area.

The EU PDO/PGI regulation provides EU-wide protection to names of agricultural products and foodstuffs that have a close link to their geographic region of production. The regulation aims to prevent the use of registered names unless the products are produced in a specified territory and according to a specified code of practice. Protection is also provided to names of products produced in countries outside the EU, if these names are themselves protected in their own country of origin.

In order to benefit from PDO/PGI protection, EU producers can apply to register a name with their national authorities. As a result of amendments introduced under EU Regulation 510/2006, the Commission can now receive applications not only from non-EU national authorities, but also directly from non-EU producers. The application for review and publication of a GI by the EU commission is free of charge.

All applications must refer to a code of practice that must include at least the following:

1. The name of the product comprising the designation of origin or geographical indication;
2. A product description, including raw materials, if appropriate, and principal physical, chemical, microbiological or sensory properties of a product (involving taste, colour, odour and feel);
3. The geographical region of production (and any details relating to the origin of raw materials used in production of the product);
4. A description of the method of production, including local know-how and packaging of the product, where appropriate;
5. Details of the relationship between the quality or characteristics of the product and the geographical environment in the case of a PDO or, as the case may be, the link between the specific quality, reputation or other characteristic of the product and the geographical origin in the case of a PGI;
6. The name, address and specific tasks of the authorities or bodies verifying compliance with the provisions of the specification;
7. Any specific labelling rules for the agricultural product in question; and
8. Evidence that some quality, reputation or other characteristic associated with the product is linked to the region of production.

If the application is successful and the name is registered, then any producer from within the region complying with the product specification and controlled by a control body or national authorities can use the name. Following registration of a name, PDO/PGI regulations are enforced by public authorities in EU member States. It is the national enforcement authorities who provide protection of the name and exclusive rights for its use to producers who can meet the product specification.



PGI



PDO

5.1

Two types of trademarks may refer to a geographical name to indicate specific qualities of goods : the certification mark and the collective mark (See glossary and table 1 in this chapter). It is important to note that standards and norms that have to be established in order to register a collective or a certification mark do not necessarily specify the links between the local resources and the quality of the product, nor provide a guarantee system.

Case Study

Case Study 1 : Generic name or not? A GI product with a collective trademark COTIJA CHEESE (Mexico)

The genuine Cotija cheese (see case study 10 in chapter 1.4) reputation has been under threat by producers using the designation “Cotija type” for cheeses that may have been produced outside the original production area. Consequently, the name Cotija is often used in a generic way. “Cotija type” cheeses are often made through industrial processes (through intensive production, without maturation and with fillings, etc) and as a result they tend to be cheaper, although the taste can still be distinguished from authentic Cotija cheese. In order to preserve the Jalisco mountain farmers’ distinctive way of life and to ensure a sustainable income for their products without having to relocate



La marca colectiva del queso “Cotija región de origen”

from the region, the producers of the Cotija cheese have been engaged since 1999 in a process of qualification. They have sought to obtain legal protection for the reputation of authentic Cotija cheese through the use of a denomination of origin (DO). The Mexican Intellectual Property Office rejected the DO request in 1994, as it considered the denomination to be generic and registered the name “Cotija region of origin” under collective trademark. Therefore, other producers can still use of the name “Cotija” for cheese even if it may have been produced elsewhere. The decision has been open to debate, as it did not rely on consumer studies to assess the generic character nor to criteria to differentiate the generic denomination from the denomination of origin (where a specific link to a territory and its potential for rural development should also be considered). Although the quality circle process engaged locally has resulted in positive impacts, including the development of the local economy through collective actions to support the development of direct sales, better market recognition of the specific quality and an increasing price (between 1997 and 2007 the price has doubled relative to “Cotija type” cheeses), local stakeholders are still concerned about the absence of special protection under *sui generis* DO system. There are increasing concerns over the potential for a shift away from local production, the transfer of intellectual property rights away from the local community, as well as misuse of the name by other producers outside the area who do not comply with local standards and code of practice.

Source: Poméon T., 2007



Table 1: Main differences between *sui generis* GI, certification TM and collective TM

	<i>Sui generis</i> GI	Certification trademark	Collective trademark
Right holder	Private right often with strong involvement of public authorities (definition, implementation, enforcement). There is often no definition of the owner of the right, as the public definition of the legitimate users makes it unnecessary. Identification/recognition is provided by the State and the administration generally corresponds to the regulating council.	Private right. The intellectual property and administration belong to a firm or an association which cannot directly use the certification mark.	Private right. The intellectual property and administration belong to an association of manufacturers or producers.
Definition	General definition applying to all GIs at the national level (e.g. PDOs and PGI defined under European Regulation 510/2006).	Rules and requirements defined and controlled by the owner of the certification mark	Rules defined by the owner, either through specific requirements or restrictions on the range of authorized users (for example membership of an association).
Purpose	To protect the authentic designation of origin of a given product and the link between the origin of a product, its quality and reputation	To certify quality, characteristics, geographical origin and/or a method of production, etc..	To indicate membership to an association or a group sharing product quality, characteristics, place of origin, and/or materials, etc..
Duration of protection	In principle, protected from the date of registration until the conditions of registration cease to exist. Generally no need to renew the registration. Registration is often free of administrative charges for applicants.	Must be renewed after a certain period of time. There are fees for the application of a TM and for each renewal of registration.	
Basis of protection	Based on the actions of national authorities (if provided by law) as well as private actions	Based on private actions only.	
Scope of protection	Exclusivity of denomination use (at least for identical/similar products) and often on associated characteristics (shape, packaging, etc.).	Generally a combined trademark (verbal and graphic elements). Exclusivity on a geographical denomination may be granted only as an exception to the general rules (public domain, distinctiveness, descriptive nature).	
Use	Close link between the GI and a specific product; in some cases, different types of the same product may also be labelled with the GI.	May cover several kinds of products or be limited to one specific product, depending on the trademark registration and marketing strategy.	
	Open to any producer who can meet the requirements for use of the GI or the certification mark	Membership in the association with entitlement to use the collective mark may be restricted upon a decision by members.	
Marketing issues	The pre-existing reputation of the denomination and/or the GI registration as a quality sign <i>per se</i> may mean that less marketing is needed, thereby lowering costs	High investments in advertising are necessary to establish the trademark reputation in the market.	

5.1

The choice of appropriate legal tools by local stakeholders

Generally speaking, the interest of local stakeholders in GI legal tools goes beyond the protection from misuse of geographical names on national and international markets even if it is an essential point to consider. The “protection only” purpose may exist in limited cases where the GI product is highly reputed, with a much higher price than similar products and where market imitations are widespread. Very often, local stakeholders are also interested in the overall approach to the codification of process, including product characteristics linked to geographical origin and in the official recognition that legal protection may provide. Recognition serves not only to provide consumers with a kind of guarantee but also to reinforce the local identity and pride in the product and the community, particularly in rural areas.

Each legal mechanism to protect a GI has its own constraints, costs and advantages which may differ from one national context

to another. GI producers should explore and use all the available means to obtain protection, considering the location of markets for their product. The protection of GIs must first be established within the domestic market before it can be obtained on international markets (See case study 2).

A GI protected under a *sui generis* system in the country of production may be registered as a certification or collective mark in countries where it is exported and where *sui generis* system does not exist. For example, GI producers of Champagne wine and Roquefort cheese in France had to register their GI as a collective TM in the United States in order to benefit from legal protection of their GI on the US market.

Early protection to prevent generalization and expropriation of the geographical indication

Two major problems can arise for producers in relation with the loss of their legitimate right: when the name becomes generic or synonymous (common use outside the area, generalization) and when the GI has been registered outside the territory (expropriation).

The recognition of the generic nature of a geographical name may vary among consumers, producers and countries and has often caused disputes that have been very difficult to resolve. In some cases, producers in the original area have managed to obtain the “re-localization” of the GI. This is more likely to occur if the use of the geographical name is not too widespread, or if the geographical name is well-known and the economic and political stakes are high and favourable to the protection of the GI (see case study 5 and Box 3).

Generalization occurs when a non protected GI is used as a general term, thus also to designate products originating from outside the original area, as a result of the spread of reputation and specific characteristics of the original “model”. Such geographical names are said to have become generic or synonymous terms.

Expropriation occurs when the GI is registered outside the territory before the local legitimate stakeholders have been recognised as such and have protected their GI.

Conflicts, usually complex ones, can occur between the owner of a prior registered TM and local producers wishing to protect their GI. This often generates high costs for administrative and judicial procedures (See Box 4).

BOX 3: WHEN A GI BECOMES GENERIC, THE EXAMPLE OF CAMEMBERT

“Camembert” has been the name used for over a century to define a type of cheese that is produced in several countries. As a result, it has not been possible to reserve the right to use the term for producers localized in the region of Camembert (Normandy, France). The only intellectual property protection over the name has been granted to “Camembert de Normandie” as a PDO.

To avoid expropriation or generic use, it may be important to provide the basis for the required protection at a later date and consider early strategies to reinforce their legal rights. In particular, they should look for ways to increase public awareness of the GI product, with the support of public authorities if possible (See Box 5 on public inventories).

BOX 4: WHEN A GI IS REGISTERED OUTSIDE OF THE TERRITORY, THE EXAMPLE OF ROOIBOS

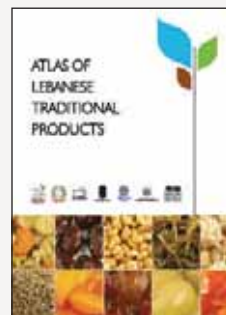
The problem of prior TM registration by external non-legitimate producers is well illustrated in the “Rooibos” case in South Africa. Rooibos was registered as a trademark in the US by an Rooibos exporter in 2001, giving rise to difficulties for South Africans to export Rooibos to the US. Litigation, in which a number of United States coffee houses participated, concluded reportedly with an out of court settlement at a cost to the industry of about US\$ 1 million.

Conveying the GI as the heritage of a local community of producers, in relation with a specific product and a defined geographical area may support a claim against infringement in good faith. The reputation of a GI may also be promoted through the internet (such as through a dedicated webpage or a definition in Wikipedia and references to websites), or through the participation in international associations such as OriGIn, etc.

BOX 5: EXAMPLES OF INVENTORY OF PRODUCTS

The Atlas of Lebanese Traditional Products is a collection of traditional products of the Lebanese cuisine with a strong link to the territory, the history and local production. It was developed in the framework of the cooperation project “Activation of Mechanisms to Sustain Rural Territories and Communities in Lebanon” (TerCom) promoted by the Italian Ministry of Foreign Affairs through the Italian Directorate-General for Cooperation and Development, in the frame of the “Early Recovery Assistance” with the contribution of the Apulia Region and implemented by CIHEAM- IAMB. The products included in the ATLAS have been identified through field visits of the TerCom team with the collaboration and support of the MoA experts, and the Local Action Groups established in the framework of the project. The information was collected by meeting local communities, mainly women producers, individual or organized into cooperatives. The objectives of the ATLAS are to promote the richness and uniqueness of Lebanese territory and communities and to preserve, encourage and promote the production and consumption of traditional foods in the era of globalization.

www.tercom.org/?q=content/atlas-lebanese-traditional-products



continue next page

5.1

Cybermontagne has been developed in the framework of the cooperation between FAO and the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM). This platform is both an internet-based information system concerning mountain products from four Mediterranean countries (Algeria, Morocco, Lebanon and Syria) and a tool for identifying and facilitating projects for the promotion of such products.

www.cybermontagne.org



The culinary patrimony of Switzerland: a website lists the traditional products for each of its region.

www.patrimoineculinaire.ch



The Register on Traditional Knowledge in agricultural products and food of Austria describes the different Austrian agro-food products linked to traditional local knowledge

www.traditionelle-lebensmittel.at



BOX 6 : THE ORGANIZATION FOR AN INTERNATIONAL GEOGRAPHICAL INDICATIONS NETWORK ORIGIN

In 2003, in response to the increasing risks in terms of abuse and misappropriations faced by GIs, producers from all over the world joined forces to advocate for the establishment of an effective international system of protection for GIs and to promote GIs as a tool for sustainable development for local producers and communities. OriGIn – the Organization for an International Geographical Indications Network – was launched in Geneva as a NGO for this purpose. Today, OriGIn represents some 80 organizations of producers from more than 30 countries from both the developed and developing world.

OriGIn is a key actor on the international stage for GIs, as well as an excellent communication vehicle for GI producers worldwide.

The goals of OriGIn are to promote GIs as a tool for sustainable development and an instrument to protect local knowledge. OriGIn also advocates for more effective legal protection of GIs at the national, regional and international levels, through campaigns aimed at decision-makers, media and the public.

More information is available at www.origin-gi.com.



Case study 2: Different legal tools used for protection

DARJEELING TEA (India)

Darjeeling Tea benefits from a global reputation. It is cultivated, processed and manufactured in the hilly areas of the Darjeeling district in the state of West Bengal in India. About 10 000 tonnes are produced in a year, 70 percent of which is exported, but it is believed that much more of tea labeled as “Darjeeling” was sent to the world market as a result of blending with other teas and GI misuse. This situation has led the Tea Board of India to protect the name and the logo of the Darjeeling Tea by different legal means. On the national market, Darjeeling tea is protected under the Geographic Indication Act, registered in 2004 as the first GI product registered in India, and as a certification trademark under Trade Marks Act. The artistic work is protected under the Copyright Act. At the international level, the logo and the word “Darjeeling” are registered as Certification Trademarks in the United Kingdom, United States and Australia. The word Darjeeling has been registered as a community collective mark in the European Union.



Source: Datta T.K., 2009

TEQUILA (Mexico)

Legal tools used by the Tequila organization (provisions are illustrative, not exhaustive).

Provisions	Objective
1949: Defined by the law as an industrial standard for spirits made from blue agave, distinguishing aged (2 years) and non-aged tequilas.	To prevent unfair competition and avoid misleading consumers.
1968: Extension of the geographical area, obligation to mention “tequila” on the bottles, and obligation to indicate the addition of flavours or colorants.	To extend the supply area in order to satisfy growing consumer demand and to meeting information requirements for consumers.
1974: Recognition of tequila as the first Mexican “Denominación de Origen” (DO), according to the law adopted in 1972.	To protect the Tequila GI from misuse in other countries on the basis of the national registration.
1977: Tequila is registered under the Lisbon Agreement for the Protection of Appellations of Origin.	To ensure protection for the use of the Tequila GI in other countries.
1993: Creation of the Consejo Regulador de Tequila (interprofessional body) which began to manage controls.	To manage the supply-chain and ensuring that quality requirements are met.
1994: Recognition of the DO Tequila by the United States and Canada under the North American Free Trade Agreement.	To protect the Tequila GI in its main foreign markets.
1997: Recognition of the DO Tequila by the European Union through a bilateral agreement; thereby extending the geographical area.	To maintain the added-value within the geographical area and to prevent potential misuse of the name when the product is bottled abroad.
2004: Obligation to bottle the Tequila DO in the DO territory.	

Source: Bowen S., 2008

Tools for an effective legal framework

The level of protection offered to GI products is a very important but not an exclusive aspect of the legal framework that national governments can promote. The recognition of the GI as intellectual property right also requires the establishment of “rules of the game”. These rules needed to ensure the participation of all relevant stakeholders in the development and management of a GI system, to avoid the exclusion of local, traditional producers, and to ensure that both social and economic issues are addressed.

The existence of a sound legal framework for the protection of GI-related intellectual property rights, both inside the country and at the international level, is an important condition for the economic sustainability of a GI system. This requires the integration of many different policy aspects at the local, national, regional and international level to ensure the system is transparent, enforceable and efficient.

A transparent registration procedure is necessary to balance the development of meaningful designation criteria and the need for simplicity in application process. Small-scale producers are likely to be discouraged from using the GI system if it involves highly technical, bureaucratic or complex registration procedures. In these circumstances, large producers, who may have more resources to devote to the process are likely to gain an unfair advantage in the GI market.

In addition to registration, it is also important to establish an efficient system for the enforcement of GIs in practice. The national institutional framework will greatly influence the effectiveness of the GI system in this regard. Nevertheless, local stakeholders also have an important role to play in ensuring adequate self-regulation and internal controls such as through the establishment of a participatory guarantee system (See chapter 3.5).

To be effective, the legal framework should be accompanied by the adequate provision of information on the objectives and characteristics of the normative framework, as well as capacity-building measures, both for public institutions and production system stakeholders. Naturally, a lack of basic awareness among public authorities and local stakeholders (farmers/processors) on the meaning, characteristics, and evolution of the GI system, or the scope of regulation of GIs, may pose serious obstacles for implementation.

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What are the available legal tools to protect the GI?
- Are there any other intellectual property rights that should be taken into account?
- What would be the expected outcomes of a legal protection of the GI?
- Is there a representative group of producers interested in defining the GI products through a legal protection of the GI?

List in the table

Analyse and list in the table the opportunities offered by different legal means of protection with regard to objectives of the collective action (examples are provided in the table).

Objectives	Requirements, opportunities and constraints of the legal means		
	Collective/certification TM	<i>Sui generis</i> registration	Other
Counter imitations based on a distinctive shape	Very difficult to get a protection on the shape through a TM	Description of the distinctive shape in the code of practices	Patent?
Access to remote markets in other (developed) countries	High costs for monitoring in third countries	Benefit from the quality standard associated to PDOs and PGIs	
Collective management of the supply-chain	The power of a collective organization is related to the degree of protection granted	Need to establish an efficient organization that continues to manage the supply-chain after the GI registration	
FILL-IN:			

5.2 Supporting GI system through public policies

Introduction

As a result of the characteristics of the GI products and to their potential links with economic, social and environmental considerations for sustainable development, there is a growing demand for an involvement of public stakeholders in the GI system. Public stakeholders are needed to support these products and to ensure the effective regulation of these tools. Public policies, at different levels, can play an important role in ensuring the success of GI protection systems. Local stakeholders involved in the GI system need to become familiar with the policy tools that are available to them. Therefore, cooperation between public and private stakeholders is of fundamental importance in order to effectively develop the GI product system and ensure its sustainability.

Different approaches and different roles for public policies

As we have seen, public actors play an important role in providing a sound legal framework for the recognition of GIs, but the role of public stakeholders goes beyond simply establishing the legal framework. The value of the origin-based quality virtuous circle is subject to constant review and evaluation. The effects of this quality circle are not automatic: they depend on effective strategies from both private (individual and collective) and public stakeholders to define the relationships between a GI product, local resources, communities and markets.

BOX 7: POSSIBLE ROLES OF PUBLIC ACTORS ALONG THE QUALITY CIRCLE

Identification: information and sensitization of stakeholders on the nature of GI products and their potential for rural development; support for the identification of this potential; providing legal tools and an institutional framework to protect the reputation of these products.

Qualification: support for conducting necessary studies, for establishing a participatory process and for a sustainable approach in elaborating rules and codes of practice; information on the national procedure for the recognition/protection of GIs.

Remuneration: enforcement of legal protection, nationally and worldwide; information to consumers on the nature of GIs, communication tools (see box 5 in chapter 5.1).

Reproduction: support for assessing the impacts for ensuring the sustainable evolution of rules and codes of practice for GIs.

5.2

Public policies can provide an important contribution to creating favourable conditions for harnessing the potential of GI products. Public stakeholders at various levels have a diversified set of policy tools at their disposal. Many of these tools are not specific for GI products, but they can be used and coordinated into a comprehensive and proactive “GI policy” approach. A “proactive” GI policy is a policy that spans the entire GI constitution and valorization process to maximize the potential positive effects and minimize the negative ones. In this process, it is essential to evaluate the positive and the negative elements on the basis of the principles of economic, social and environmental sustainability criteria. In this context, GI products are only part of the broader policy options that may be implemented and GI protection schemes can be seen as only one of many available tools for promoting rural development.

It is also essential to ensure that there is an appropriate mix of public and private initiatives for the GI system to function correctly, the balance will depend on the context. In some cases, public actors can intervene directly on the GI implementation by participating together with the producers and other private stakeholders to the elaboration of the rules (CoP) or the control of their compliance. In these situations, the direct intervention of public stakeholders should not replace the private and economic functions. In other situations indirect intervention may be more effective, for example by supporting producer organizations to accomplish some of the relevant activities and functions of the process (identification, qualification, remuneration, reproduction). (see chapter 1.4 “Sharing a common approach” and case study 3 in this chapter).

In any case, benefiting from public support, it is important that producers’ organizations really represent the various categories and interest of the GI system and act with transparent and balanced rules allowing the participation of all interested parties to decisions (see chapter 3.1 : “Building an organization to manage the GI system”).

Different levels in the definition of GI public policies

Different public stakeholders may be involved in developing GI policies, both in terms of operational and geographical perspectives. Public institutions involved in the agricultural sector are key stakeholders from a functional perspective, but there may also be institutions involved in cultural, education, training, and industrial activities, for example.

From a geographical standpoint, international (United Nations organizations such as FAO), national (central governments or individual ministries), regional and local public institutions should also play important roles in the definition and implementation of GI policies. The distribution of public functions within these levels and the integration and harmonization of policies at these levels are important factors to consider.

The integration of public policies in the local project around the GI

There is no single “appropriate policy” for all GI products. Different support tools are required for the various types of GIs, from long standing and well known GIs (where protection of the name is the primary goal) down to “new” GIs (where the main objective is to bring stakeholders together around a common identity for a product name or project). The specificities of the product, its production system, and the individual goals of each

BOX 8: MAIN ROLES OF LOCAL PUBLIC ACTORS

Public stakeholders at the national level should guarantee a sound regulatory framework from both a legal and economic standpoint. However, regional and local public stakeholders should also play a very important role in the design and management of these policies, promoting GI initiatives, and supporting them in the field.

As a result of their proximity to the GI product supply chain, local stakeholders should play the following main roles:

- Ensuring a balanced representation of stakeholders in the GI system and ensuring that smaller players are given an equal voice;
- Regulating the definition process of the GI, mediating potential conflicts in the light of general aims, and orientating collective choices if needed;
- Encouraging stakeholders to take into account local specific resources and the environment; and
- Supporting the operation of the GI system through capacity-building measures to encourage GI product market development.

stakeholder, particularly at the local level, also need to be taken into account. The success of a GI policy is dependent on coordination between various stakeholders and the different policy tools, where local stakeholders are given special attention.

There are many possible tools for implementing and/or strengthening the value quality circle of a GI product. Table 2 provides some examples of these tools and is categorized according to the various stages of the value circle.

Public policies can enable local stakeholders to develop value creation initiatives for GI

Case Study**Case Study 3: Public and local authorities support LIMON OF PICA (Chile)**

In 1999, the cooperative of Pica was nominated by the Foundation for Agrarian Innovation of the Ministry of Agriculture to participate in an initiative aimed at establishing a differentiation strategy and system for Limón de Pica (see case study 11 in chapter 3.3). Three projects followed, from 1999 to 2007, to provide investments, studies, capacity building and organizational support. The project also received support from the Chilean Government to build the packing house. Finally, the National Institute of Agricultural Development, supported additional capacity building measures, including visits for producers to learn about specific marketing channels for fruit export (such as PROCHILE).

Source : Vandecandelaere E., 2007



products as long as they are designed in consultation with them. For local stakeholders, it is important to identify the different policy tools and initiatives that can be used in a developing collective strategy for GI products, and to initiate discussions with local institutions to assist in developing local policies that are tailored to suit their needs.

Table 2: Examples of policy tools and possible actions

Phase	Policy aim	Possible actions/tools
Identification	Improve awareness by producers and other local stakeholders of GI characteristics and potential	<ul style="list-style-type: none"> • Design technical and socioeconomic assistance programmes for GI product characterization; • Raise awareness of GI products in Public Administrations; • Support local actors involvement (also through producer and consumers associations, etc) in national inventories; and • Support the establishment of "GI local groups" to discuss GI products specificities and their links with the territory.
	Strengthen knowledge of the roles of local specific resources (biodiversity, human capabilities, etc) for GI specificities (characterization)	<ul style="list-style-type: none"> • Support studies to analyse the role of specific local resources for the quality of the GI product; • Encourage debate between local stakeholders on the importance of local resources for GI specificity; • Promote the identification and characterization of local production practices; and • Provide technical assistance, research programmes, and training courses.
	Integrate GI schemes with initiatives linked to the protection of biodiversity, and preservation of the environment	<ul style="list-style-type: none"> • Consider the link with the ecosystem as one of the criteria for GI recognition; • Support technical and economic inputs into the environmental criteria for GI codes of practice; and • Consider the potential for creating a quality hallmark to identify "good, clean and fair" GI products.
	Support local initiatives to apply for the GI protection/ recognition – Support local engagement and knowledge awareness for GIs in the community	<ul style="list-style-type: none"> • Support innovative policies to encourage collective and multidisciplinary actions; • Provide financial mechanisms to increase public access to the GI application process; • Provide technical assistance for the GI application process; and • Use local and regional discussion forums to evaluate the strengths and weaknesses of GI schemes and applications.
	Enhance community engagement towards the GI product	<ul style="list-style-type: none"> • Take into account cultural aspects in the GI recognition process, • Assign value to culturally significant practices, such as festivals, educational events, etc; and • Support popular festivities that are associated with the GI product.
	Allow the participation of all the categories of local stakeholders in defining the CoP.	<ul style="list-style-type: none"> • Empower local stakeholders by improving access to information; • Create local discussion forums for GIs and encourage the active participation of stakeholders, especially small producers; • Carefully consider the effects of the CoP on the distribution of benefits between stakeholders; and • Promote the involvement of public stakeholders at the regional, provincial and municipal levels in the formation of a committee product.
Qualification	Improve knowledge of GI protection schemes and minimize confusion between the different legal tools that use geographical names	<ul style="list-style-type: none"> • Provide clear information on GI protection schemes and their benefits/risks; • Provide training for local administration staff to increase their ability to assist consumers and consumers; • Provide instructions on how to apply for GI protection from regional/ local authorities and Producers organizations (booklets, websites, training courses); and • Emphasize practical examples of related GI systems and the potential benefits for local stakeholders.
	Enhance community engagement towards the GI product	<ul style="list-style-type: none"> • Promote national information awareness campaigns as well as information on CoP and consumer information regarding the differences between legal tools that use geographical names; and • Make websites and other information tools accessible for GI representative associations.

Phase	Policy aim	Possible actions/tools
Remuneration	Consider bottlenecks in the GI product supply chain	<ul style="list-style-type: none"> • Establish credit programmes for structural investments in processing; and • Support local cooperatives and other community stakeholders
	Support joint (collective) marketing initiatives	<ul style="list-style-type: none"> • Create specific learning institutions dedicated to marketing; • Support collective promotion initiatives coherent with the values targeted by the product.
	Support the comprehensive value-added of the territory, mobilizing the image of the GI product	<ul style="list-style-type: none"> • Encourage ecotourism for GIs on commodities; • Encourage GI system actors to make synergistic links with complementary industries and other GI products; • Create "GI product" routes; • Encourage the development of tourism circuits in which valuable cultural elements are associated with traditional methods.
	Encourage the use of the GI in domestic markets	<ul style="list-style-type: none"> • Support local stakeholders in identifying coherent strategies for different market segments.
Reproduction of resources	Facilitate the use of GI protection schemes by all categories of local producers	<ul style="list-style-type: none"> • Develop temporary financial support programmes for producers seeking to apply for GI protection; • Target initiatives to strengthen the weakest and most marginalized producers, including the provision of information, technical assistance and financial support; and • Encourage the development of local stakeholders groups.
	Support the inclusion of the producers of the raw material and ingredients in the GI system	<ul style="list-style-type: none"> • Encourage the participation of farmers in the process of GI standard setting; and • Establish training centres for the dissemination of practical skills related to GI products.
	Support the equitable distribution of benefits from GI protection among different categories of stakeholders in the supply chain and within each sector	<ul style="list-style-type: none"> • Encourage cooperation agreements within the supply chain and among other producers and associations; • Encourage the establishment of professional associations to encourage fair and efficient negotiations among stakeholders; • Enable producers to access new market channels beyond local buyers (through producers' associations or other means); and • Ensure that the weakest stakeholders are granted equal access to information, technical assistance and financial support.
	Encourage more ecologically sustainable production practices into the GI local production systems	<ul style="list-style-type: none"> • Encourage GI system stakeholders to develop ecological practices by identifying and promoting them; • Incorporate rules of sustainability inside codes of practice for packaging, energy, transport, etc; • Develop links to product quality attributes and use them as a marketing resource, where relevant; and • Establish a system for ongoing monitoring and evaluation of the GI system.

Source: Belletti G., Marescotti A. (eds.) (2008), "Geographical Indications strategies and policy recommendations", SENER-GI EU Funded project, Final Report, Toulouse (F)

PRACTICE

Think about the issues raised in this chapter in relation with your situation.

Answer the questions

- What are the main needs of the GI production and marketing system, in its economic, environmental and social dimensions?
- What policies are currently available and how are the different stakeholders involved in the GI system?
- What are the problems stakeholders face in accessing information to policies affecting the GI system?
- What are the gaps that need to be addressed through local policies?

List in the table

- 1) The main needs of the GI system
- 2) Available policies and their characteristics related to each need
- 3) How to access these policies.

1) Needs of the GI system	2) Policies and their characteristics	3) How to access these policies
...
...



Conclusion

GI systems all around the world are the result of a complex process of relationships (formal and informal) among several types of stakeholders and actors (private and public, local and outside the territory) that have formalized in a set of common rules the main focus points on the definition of the quality linked to geographical origin: production systems, standards, control schemes, as well as the use of local resources and protection system against usurpation. All these activities are finalized to add value to the products originating from specific geographical areas that have been produced using human skills or cultural habits and to preserve production systems for future generations. In other words, relationships among actors should preserve GI production systems from market pressure and enhance local development in rural areas under three different perspectives: environmental, social and cultural.

Within the human and environmental contexts, the sustainability of GI systems is the result of a composite set of intertwined processes. These processes include the identification of the potential of the origin product and the involvement of actors (identification phase), definition of common rules for managing production systems and local resources (qualification phase) and adoption of common strategies for marketing initiatives (remuneration phase). Local producers and local populations might benefit from the characteristics of the local environment and cultural heritage without compromising the future of their environmental systems and the future of the local inhabitants and this should be enhanced (reproduction phase). The consequence of those actions on local resources that generate opportunity and increase the quality of life has direct outcomes on the local population.

The creation and management of GI systems and products requires a delicate equilibrium between the three pillars of sustainable development and the motivations of different stakeholders. Reaching this equilibrium is a very difficult task because the collective interest and the social welfare will be impacted by collective actions carried out according to the definition of the “quality rules”, the adoption of common strategies for specific issues (local resources and marketing) and networking activities (GI networks and GI with other social and economic networks).

In order to reach the final objective of creating GI sustainable systems, it is necessary to have the knowledge, vision, determination, time and help of facilitators. Those can be public institutions (local, regional and national institution) but also NGOs, that facilitate the spread, comprehension of methodologies and approaches already applied in many successful GI products.

In this perspective, this guide synthesizes all the aspects dealing with the creation, management and development of sustainable GI systems. It hopefully provides an “ideal” path that should be followed by GI stakeholders and a set of questions that will help them to know, to manage and to develop their *own* GI products in their own socio-environmental context.

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Glossary

Accreditation

Third party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks (ISO/IEC 17000:2004 - clause 5.6).

Alliance

A collaborative agreement between independent economic units sharing certain objectives that combines their resources and expertise to reach these objectives in the interest of each participant. In the area of GIs, a strategic alliance might be established between producers and processors to coordinate production and sales of a local product so that consumers are willing to pay an added value for the products. It is supported by collective bargaining and generally some form of collective organization.

Appellation of Origin (AO)

Appellation of Origin is the geographical name, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors. The term is commonly used in France and parts of southern Europe. Appellation of Origin was one of the earliest forms of GI recognition and protection (Paris Convention, 1883). Though mentioned in earlier treaties, the 26 Contracting Parties to the Lisbon System first formally agreed to use the term Appellation of Origin as a form of GI by using one single registration procedure, effective among the signatories.

Certification

The procedure by which official certification bodies and officially recognized bodies provide written or equivalent assurance that foods or food control systems conform to requirements. Certification of food may be, as appropriate, based on a range of inspection activities, which may include continuous on-line inspection, auditing of quality assurance systems and examination of finished products (Codex Alimentarius). Certification is a third party attestation related to products, processes, systems or persons (ISO/IEC 17000:2004, clause 5.5).

Certification body

An organization performing certification sometimes referred to as “certifier” or “certification agency”. For a product or a production process to be certified, a third party must give written assurance that the product, process or service being certified meets specified requirements. Certifications are offered through a certification body, which is usually an accredited organization that can be owned by a governmental agency; but can sometimes be a professional or a regulatory body (administration). The certification body may use an existing standard or may set its own standard, sometimes based on

an international and/or normative standard. In the field of GIs, certification bodies set up control procedures and assure that producers respect the established CoP. In some countries certification is compulsory for GIs.

Certification mark

A certification mark is any word, name, symbol or device that signals the certification of a product's quality characteristics, which may include geographical origin. It conforms to specifications laid out by the owner, which can apply to place of origin and/or methods of production. The mark requires some verification by a third party that prescribed that the attributes have been met or are present. Unlike trademarks, certification marks are source-identifying in the sense that they identify the nature and quality of the goods and affirm that these goods have met certain defined standards. Certification marks differ from trademarks in three important ways. First, a certification mark is not used by its owner. Second, any entity that meets the certifying standards set by the owner is entitled to use the certification mark. Third, it applies only to the product or service for which it is registered. However, a single US certification mark can be tied to a variety of products, producers and processors in a region i.e. 'Pride of New York' for fresh fruits and vegetables.

Code of practice (CoP) (or book of requirements, product specification, disciplinary document)

Documented list of precise practices that have to be implemented and standards of production that have to be met to make a GI product; usually agreed upon by the producers' association. This refers to standards, minimal standards, product specifications and production mode and conditions.

Collective/public good

A collective good, whether produced by the public or private sector, is a good that can be used simultaneously by several actors without any diminution of its attributes. The consumption of a collective good by one additional actor does not reduce the satisfaction of all other actors (the principle of non-competition) and it is not possible to exclude any actor from consuming the good (the principle of non-exclusion). Geographical indications as an Intellectual Property Right can be considered as a collective/public good. However, the misuse by individuals (or by groups) of the collective reputation linked with a geographic name threatens the value of that collective resource.

Collective mark (USA)

Collective marks are used by the members of a cooperative, association or other collective group to identify their goods or services as having a connection to the collective mark and its standards. The collective mark may have a geographic identity and may advertise or promote goods produced by its members.

Collective (trade)mark (EU)

Collective marks are trademarks used by the members of a collective group to

distinguish their offerings from those of non-members. A group that benefits from a registered “protected designation of origin” (PDO) or “protected geographic indication” (PGI) may also apply for a collective trademark for their GI product’s name or graphic representation. The PDO/PGI designation provides a protected indication of quality and origin relationship that is separate from other Intellectual Property Rights. Aspects of PDO/PGI can therefore be subsequently marketed as a collective trademark, conferring additional protection via Intellectual Property Rights. Conversely, a product or graphic representation that has been collectively trademarked cannot be subsequently registered as PDO or PGI because a GI cannot override an existing trademark.

Collective marketing

Collective marketing occurs when single people, such as small-scale farmers, involved in commercial activities, for example crop and livestock production, decide to form an organization that coordinates (and if necessary directly carries out) some or many marketing operations required to satisfy consumer demand. Local actors can increase their income and efficiency by joining with other local actors to market their food products and benefit from the collective action, such as better bargaining opportunities, more volume of produce to sell, etc. Collective marketing is commonly carried out by a collective organization (see definition of organization).

Conformity assessment

Demonstration that specified requirements relating to a product, process, system, person or body are fulfilled (ISO/IEC 17000:2004 - clause 2.1).

Control plan

The Control Plan is a specific and adaptable document which specifies how each requirement of the CoP has to be checked. It is a management tool used to identify and monitor the activity required to control the critical inputs and/or key outputs for a process.

Differentiation strategy

Development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. A differentiation strategy is based on a voluntary approach through market segmentation, giving entitlements for value-added in the production processes, such as organic agriculture, traditional products, etc.

Enforcement

The process by which a norm, or in general legislation, comes to have legal force and effect. The rules collectively established for the GI product (the CoP) should be enforced against usurpers of the GI. The producers of the GI can enforce these rules through a Court, or can be given ex-officio status by National authorities (as in the case of some Special protection schemes, as PDO-PGI in the European Union).

Free-rider

A free-rider is a person or group that benefits from a good or service without paying for it. In the case of GI products, the geographical name of the GI product could be used by some actors in order to gain a benefit (for example a higher price) without contributing to the reputation (see “Reputation”) of the product, or without a contribution to any collective expenses.

Guarantee system

A guarantee system is the mechanisms existing or implemented in order to ensure the existence of certain attributes and the compliance with certain specifications as mentioned in the CoP (assessable criteria and critical points, control plan –what, when, by whom to be controlled, and type of sanctions-), documentation (attestation) and information.

Generic

A term or sign is considered “generic” when it is so widely used that consumers commonly view it as designating a class name or category of all of the goods/services of the same type, rather than as a geographical origin. This term applies to standards recognized widely by the marking and offering baselines for quality definition.

Geographic(al) indication (GI)

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (1994) agreement states: “Geographical indications... identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is, essentially attributable to its geographical origin” (art. 22.1). All WTO member countries have to establish basic provisions for the protection of GIs.

A GI is an umbrella term to distinguish the identification of a product’s origin and its link with particular characteristics and reputation related to that origin. When GIs are legally registered they take different forms such as AOs, PDOs, PGIs. As such they become enforceable. The TRIPS agreement does not provide for any specific legal system of protection for GIs; this is left to member countries. If a member country has established a formal registration process to recognize GIs within its territory, then we can refer to this registered product as a “Protected GI”. However, a GI may exist without protection or seek protection, except if the name or product is considered as generic. In certain situations, a Collective mark or Certification mark is the main effective juridical protection for a GI.

Geographic sign

A graphic symbol indicating a GI.

GI System

A GI system includes all actors and activities aiming at contributing to the production of the GI product. Therefore, a GI system includes the GI producers and the other actors along the value-chain, also including but not limited to public authorities, non-governmental organization, research institutions, extension services and other institutions indirectly linked to the GI product (for example tourism activities in the production area).

GI group

Group of stakeholders directly concerned with the product, acting as a representative group of all the actors who joined efforts in elaborating the quality of the end product: producers, processors and traders.

Governance

Neutral concept referring to the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences.

Indication of source

Any expression or sign used to indicate that a product or a service originates in a country, region or a specific place, without any element of quality or reputation (Madrid Agreement, 1891, Art. 1.1; Paris Convention, 1883).

Inspection

Systematic examination of a product and/or the process of its production, to assure that it meets generic standards (sanitary, labelling, etc.), as well as specific standards required by the established CoP for that product. Inspection systems can be implemented at three levels: 1) auto control, implemented by the producers themselves, 2) collective control, implemented at the level of the organization producing the product, 3) state control, implemented at the national level. Successful inspection allows the product to be certified so that it may be sold under the protected GI name. Collective and state controls are generally delegated to third certification bodies.

Intellectual Property Rights (IPRs)

In law, Intellectual Property (IP) is an umbrella term for various legal entitlements, which attach to certain names, written and recorded media and inventions. The holders of these legal entitlements may exercise various exclusive rights in relation to the subject matter of the IP. The adjective “intellectual” reflects the fact that this term concerns a process of the mind. The noun “property” implies that ideation is analogous to the construction of tangible objects. Consequently, this term is controversial. Intellectual Property laws and enforcement vary widely from jurisdiction to jurisdiction. There are inter-governmental efforts to harmonize them through international treaties such as the 1994 World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), while other treaties may facilitate registration in more than one jurisdiction at a time. Disagreements over medical and software

patents and the severity of copyright enforcement have so far prevented consensus on a cohesive international system. GIs are recognized as intellectual property right in the same way as patents, trademarks or software.

Interprofessional association/body

An interprofessional association/body is a private organization, bringing together upstream and downstream partners from the same product chain with the purpose of regulating the product's market, participating in the implementation of agricultural policy provisions, analyzing the implications of different contractual arrangements, encouraging performance improvements in the chain and defending its collective interests. Although this organizational form originated in France (see law 2006-11, January 5, 2006), the notion of interprofessional association is broadly recognized today in texts governing the Common Agricultural Policy of the European Union.

Label

Any tag, brand, mark, pictorial or other descriptive matter, written, printed, stencilled, marked, embossed or impressed on, or attached to, a container of food.

Labelling

Any written, printed or graphic matter that is present on the label, accompanies the food, or is displayed near the food, including that for the purpose of promoting its sale or disposal (Codex Alimentarius).

Management

Management is organizing, coordinating, controlling and monitoring activities, resources and people to reach defined objectives. This is commonly done by setting policies and plans that allocate resources and responsibilities to processes and people. Commonly in GI organizations and GI processes every member has managerial functions to carry out. In a GI system appropriate management is a fundamental factor for the success of the GI process, GI organization and its product(s).

Mark

The term 'mark' is used interchangeably between regular trademarks, collective and certification marks. Depending on the context, 'mark' can refer to regular trademarks, GI-related trademarks, collective marks or certification marks.

Market segmentation

Process of dividing the market into different homogeneous groups of consumers in order to implement specific marketing strategies and actions.

Marketing

Marketing is carrying out all the operations and tasks that are necessary to satisfy consumer demand. Marketing involves such operations as researching markets, handling, product quality and safety, packaging, branding, transporting, deciding how, where and when to sell, etc. Certification schemes, as GI schemes, can be a very

important part of the marketing strategy. In GI organizations marketing is carried out by the organization itself (collective marketing) and by its single members. Importantly there needs to be integration of marketing operations between the collective marketing of the organization and the individual marketing operations of its members.

Strategic marketing

Strategic marketing means developing a strategy to reach consumers and cope with competitors. It implies a thorough analysis that addresses the consumers' needs and their typology ("segmentation" of the market), in order to address the product to the most "appropriate" consumers ("target").

Marketing plan

The marketing plan is a written document that elaborates the necessary actions to be taken in order to achieve the marketing objectives according to the defined marketing strategy. The marketing strategy is therefore "put into practice" with the definition of the marketing leverages given by the price, product, promotion and place.

Niche market

This is a market segment that addresses a need for a product or service that is not being met by mainstream providers. A niche market may be thought of as a narrowly defined group of potential customers. A distinct niche market usually evolves when a potential demand for a product or service is not met by any supply, or when a new demand arises as a result of changes in society, technology, or the general environment. Niche market ventures may become profitable even though they are by nature small in comparison to the mainstream marketplace, as a result of the benefits of specialization and focus on small identifiable market segments; even without the benefit of an economy of scale.

Organization

General term to denote a group of actors (producers, but non-producers may also be included) organized to share functions and/or resources and to provide services for their members, such as training, credit, insurance, etc. Collective organizations are quite generalized in business (i.e., it is not restricted to specific quality products). In agrifood systems, collective organizations are composed of people, such as farmers who come together to benefit from group purchase of inputs, coordinate farming techniques, share know-how and in some cases market their produce collectively. There are several possible configurations for collective organizations, including alliances, consortia, and interprofessional associations (see related definitions).

Origin-based product

Origin based products are products "where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin". Indeed, some agricultural and food products present specific quality characteristics, which can be attributed to the particularity of the place and environment where they are produced. This specificity results from a combination of unique climatic conditions, soil characteristics, local plant varieties, breeds or skills, historical and cultural

practices as well as traditional knowledge in producing and processing certain products. The interaction between these elements (the so-called *terroir*) confers specific characteristics that allow their differentiation from similar products.

Protected Designation of Origin (EU) - PDO

According to EC Regulation no 510/2006, “designation of origin’ can be the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: a) originating in that region, specific place or country, b) the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and c) the production, processing and preparation of which take place in the defined geographical area.” Note that the acronym “DO” was also associated with Spanish and Italian Designations of Origin which existed prior to EU regulation 2081/92.

Protected Geographical Indication (EU)- PGI

According to EC Regulation n° 510/2006, a ‘geographical indication’ can be the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: a) originating in that region, specific place or country, b) which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and c) the production and/or processing and/or preparation of which take place in the defined geographical area.

Reputation

Reputation refers to the notoriety acquired by the GI product on the market and in the society, and it is the outcome of consumption history and traditions.

In a general sense, the term “reputation” expresses what is commonly said or believed about the abilities and/or qualities of somebody or something. In terms of commercial exchanges, reputation denotes renown and/or recognisability of a firm, and/or of a product produced by this firm. Economic theory points out the role that reputation can play in the solution of certain problems that arise from information asymmetry between producer and consumer in the high quality goods markets. In the case of Origin-based products, reputation is a factor which can yield a price rent based on the time-honoured tradition and excellence of the product. This, however, often requires the use of legal instruments to protect the product name.

Quality

The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (International ISO standard 8402).

Quality Assurance

A set of activities, whose purpose is to demonstrate that an entity meets all quality requirements. Quality assurance activities are carried out in order to inspire the confidence of both customers and managers, confidence that all quality requirements are being met.

Specific quality

Specific quality is a set of characteristics associated with a good or service that are recognized by all involved parties as distinctive aspects of the product or service that therefore can form the basis for its protection. Achieving a specific quality may require particular production conditions, some of which may be linked to unique local attributes (*savoir-faire*, *terroir*) that are informal traditional knowledge, which may in turn be defined in a publicly established CoP. These particular production practices may generate additional production and protection costs, which can in turn be recognized by consumers in their willingness to pay a higher price to acquire goods or services with the specific quality they seek.

Stakeholders

In the value creation process of origin-based products, stakeholders are all those persons, groups, organizations, having a direct or indirect stake in the outcome of the process, because they can effect or be affected by its results. Key stakeholders are local producers and their associations, firms involved in the value chain (processors, distributors, suppliers, etc.), consumers, government and all the institutions taking part in the GI system.

Standard

A document, established by consensus and approved by a recognized body, which provides for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context. Standards are set up by numerous types of organizations to facilitate coordination of actors and reduce uncertainty concerning the quality of a good or service.

WTO definition: document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method. Standards prepared by the international standardization community are based on consensus .

Sustainability

Refers to an evolution allowing for the preservation, maintenance and improvement of the quality of natural resources, and the maintenance of environmental equilibria, with a view towards managing them for the future. Sustainable development was defined in the Report of the Brundtland Commission (1987) as, "...development that meets the needs of the present without compromising the ability of future generations to meet their own needs." For the OECD (2001), sustainability is a resource-oriented, long-term and global concept. It is resource oriented because we do not know which use future generations will make of the resources and which economic activities they will engage in. It is viewed as essentially goal-oriented, implying that resources should be used in such a way that the value of the entire stock of capital (including its option value) does not diminish and an indefinite stream of benefits can be obtained.

Sui generis

Latin for “of its own kind,” used to describe something that is unique or different. In law, it is a term of art used to identify a legal classification that exists independently of other categorizations because of its uniqueness or as a result of the specific creation of an entitlement or obligation.

Terroir

A *terroir* is a delimited geographical space, where a human community, has constructed over the course of history a collective intellectual or tacit production know-how, based on a system of interactions between a physical and biological milieu, and a set of human factors, in which the socio-technical trajectories are put into play, reveal an originality, confer a typicality, and engender a reputation, for a product that originates in that *terroir*.

Traceability

International Organization for Standardization (ISO) defines traceability as the “ability to trace the history, application, or location of that which is under consideration.” In the case of the GI products, a traceability system is a more or less complex system (depending on the decisions taken by firms and/or by the normative framework) that allows to clearly identify the different stages for the product to reach customers and consumers, the firms that have been involved in the production process and along the value-chain and the provenience and characteristics of the raw materials used to make sure that the CoP has been correctly applied and to intervene in case of failure.

Trademark

In some countries it is possible to protect geographical indications as trademarks. Geographic terms or signs are not registerable as trademarks if they are merely geographically descriptive or geographically misdescriptive of the origin of the goods. However, if a geographic sign is used in such a way as to identify the source of the goods/services and, over time, consumers recognize it as identifying a particular company or manufacturer or group of producers, the geographic sign no longer describes only where the goods/services come from, it also describes the somewhat unique “source” of the goods/services. At that point, the sign has a “secondary meaning” or “acquired distinctiveness” and can be trademarked.

TRIPS

Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement overseen by the World Trade Organization (WTO). The TRIPS agreement does not determine national legislation, but, in order to be TRIPS compliant, WTO members’ domestic Intellectual Property law must establish the minimum level of protection for IPRs laid out in TRIPS’ 73 articles.

Typicity

1) The typicity of an agricultural product is a characteristic belonging to a type that can be recognized by experts (connoisseurs), based on the specific attributes of that type of product. Typicity also expresses the idea of being distinguishable from other products in a similar or comparable category, which forms the basis for the identity of the type. It includes a degree of internal variability within the type, and should not be confused with conforming to a norm.

2) These properties of belonging and distinction are described by a diverse set of characteristics (technical, social, cultural) identified and refined by a human group that serves as reference. These are based on know-how distributed among numerous actors including producers of raw materials used, processors, regulators and connoisseur-consumers.

3) Among the many expressions of typicity, those tied to the *terroir* is a particular construction that concretizes the *terroir* effect for a given product.

Value Chain

A value chain is a chain of activities through which a product (or a service) is produced and distributed to customers. A product goes through a sequence of processes and activities of the chain and at each stage the product gains some value that builds up from the previous steps.

Value creation process

In this guide, the value creation process consists in activating a “virtuous quality circle” based on the “recognition” of the values of an origin-based product. Four main stages of this virtuous circle have been identified: Identification of resources (local awareness), Product qualification, Product remuneration and Local resources reproduction and improvement.

Promoting the links between people, places, and agrifood products can be a tool for sustainable rural development in many rural communities of the world. In fact, origin-based products show quality attributes linked to the geographical places and people as a result of specific local know how and natural resources, and over time, a collective reputation is being built, that is identified by a geographical indication (GI). The definition of this specific quality thanks to a code of practice and the collective management of the GI system are fundamental tools to identify and preserve natural and human resources thus enhancing economic, social and environmental effects.

The aim of this guide is to provide local stakeholders with a conceptual framework, concrete illustrations and methodologies for the promotion and preservation of quality products linked to geographical origin and for implementation of GIs. The guide proposes a four-step process in order to strengthen the origin-based quality virtuous circle. The material presented in the guide derives from experiences of FAO and SinerGI in this field.

Identification of the links between the specific quality product and the local resources, **Qualification** with the code of practice and recognition of the GI as a collective territorial-based asset, **Remuneration** thanks to the marketing approaches and **Reproduction** of the local resources in a long term approach, are the key steps allowing for an economic, socio-cultural and environmental sustainability of the origin-based production system.



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