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POTENTIAL DEVELOPMENT OF GEOGRAPHICAL INDICATIONS IN UKRAINE IN SUPPORT OF RURAL DEVELOPMENT: CASE STUDIES OF YALTA RED ONION AND RAKHIVSKA BRYNDZA

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- INTRODUCTION -

My personal interest for geographical indications (GIs) started during a class about animal production and societies where I discovered the impact of Comté cheese on its region of production. GIs were also the topic of my final internship before I graduated from a French school of Agronomics. I have to confess that this particular interest is also related to my weakness for good food! Fond of typical French products such as cheese and wine, I was well aware of the role that GIs could play in the development of a region; however I noticed that all the examples of GIs I had in mind were French or Italian (from Camembert to Mozzarella). So, when I started my IMRD degree, the idea to study the potential development of GIs in a country with a different cultural, historical context was already in my mind as well as applying the concept to a truly rural area. After an intensive programme in Poland, it was clear for me that there were countries I had no idea about in Eastern Europe but which had a rich culture and a very different rural development background. Agridea, the Swiss association for the development of agriculture and rural areas, offered me the possibility to achieve my wish by putting me in contact with the Ukrainian charitable organisation known as Heifer.

My knowledge about Ukraine was more or less limited to the Chernobyl catastrophe and to the Orange Revolution. It was essential to fill in this knowledge gap in order to better understand the Ukrainian society, the role of food in that society, and the place of agriculture in rural areas. This short introduction about Ukraine's recent history, geography and agriculture will help others uninformed about Ukraine to better grasp the issues of this thesis.

1. Geography of Ukraine

Ukraine is situated in the middle of the European continent (they declare to have the centre of Europe near the city of Rakhiv in the Carpathian Mountains) and is the second largest country in Europe with a surface of 603 700 square kilometres and around 46 millions inhabitants.



Figure 1. Map of Europe (Source: <http://www.rendezvousland.com/img/europe.gif>)

95% of Ukrainian territory consists of arable lands and only 5% is mountainous (Carpathian and Crimean mountains) which is highly favourable for agriculture (60% of the territory is practically flat). Sixty nine percent of Ukraine’s surface is covered by agricultural land, with 33.3 million hectares (ha) use for cropland (50% of surface) and 7.5 million ha used for permanent pasture.

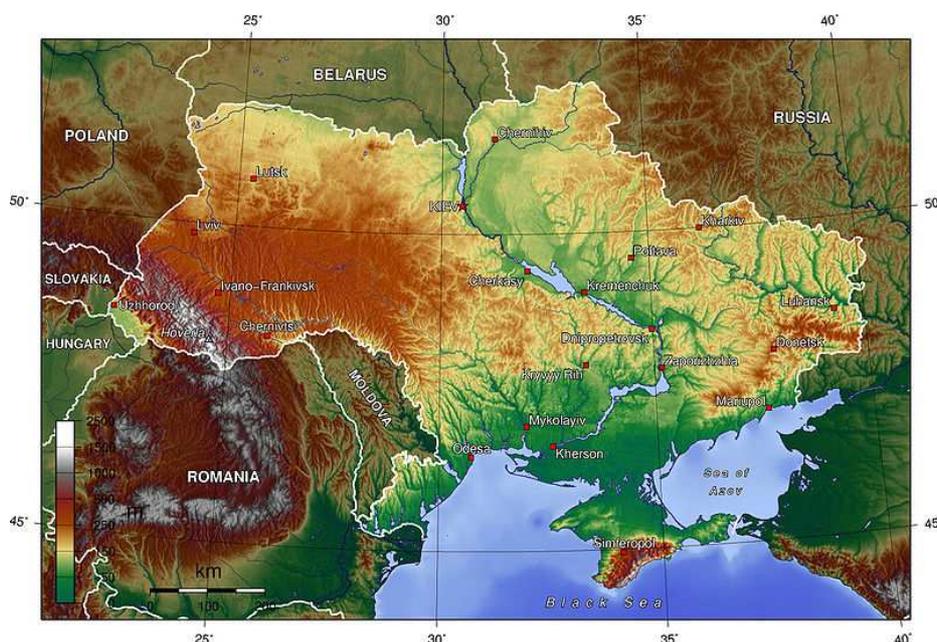


Figure 2. Geographical map of Ukraine (Source: Wikipedia)

The climate is mainly continental with cold winters and very hot summers. Only the south of Crimea has a Mediterranean climate.

2. Brief history of Ukraine

Ukraine is a recently independent state. After a long foreign domination (Russian Empire, Poland, Austria, etc) lasting more than 4 centuries, Ukraine had a short period of independence between 1917 and 1920 after which it was incorporated into the Soviet Union. Finally, with the collapse of the Soviet Federative Socialist Republic in 1990, the new parliament of Ukraine adopted the Declaration of State Sovereignty by which the country established the priority of Ukrainian law over Soviet law. Ukraine was declared as an independent democratic state with the Act of Independence in 1991. The elected chairman of the Parliament, Leonid Kravchuk, was the first president of the country. A new constitution was adopted in 1996 to establish a semi-presidential republic and thus a stable political system. Unfortunately, since 2004 and the orange revolution (the liberalist candidate Viktor Iouchtchenko won the election against Viktor Ianoukovytch after a fraud scandal), the country is not politically stable at all. After the legislative elections of 2006, Viktor Ianoukovytch, considered as pro-Russian, was chosen by the parliament as the Prime Minister. Iouchtchenko instigated new legislative elections in 2007 to get a new prime minister from his party. Finally in February 2010, after new presidential elections, Viktor Ianoukovytch was introduced as president of Ukraine.

These political episodes have an important impact on the countries' economy and development. Every new government is not able to achieve its goals and consequently new policies are created but without being efficiently implemented. On top of that, the people have lost trust in their government and they clearly think that the Ukrainian government is not able to solve their problems. People prefer to start projects without the support of political authorities and mostly look for international support and funding.

3. Ukraine: the breadbasket of Europe?

With its large surface of agricultural land, its 26.6 million ha of arable lands, and 4 million hectares more of potentially agricultural lands, Ukraine has a considerable agricultural potential. Forty percent of the world's black soils (*chernozem*) are in Ukraine. They cover 25% of the territory and contain a high percentage of humus, from 7% to 15%, up to 6 meters in depth.

Agriculture is an important economic sector for Ukraine: in 2002, the agricultural sector represented 14.6% of the GDP and 27% of total employment (FAO & World Bank, 2005).

Agricultural outputs represent 13% of Ukraine's total exports. At the end of 2009, agriculture still represented 16% of the GDP.

The main agricultural productions are wheat, barley, corn, sunflowers, sugar beets and potatoes.

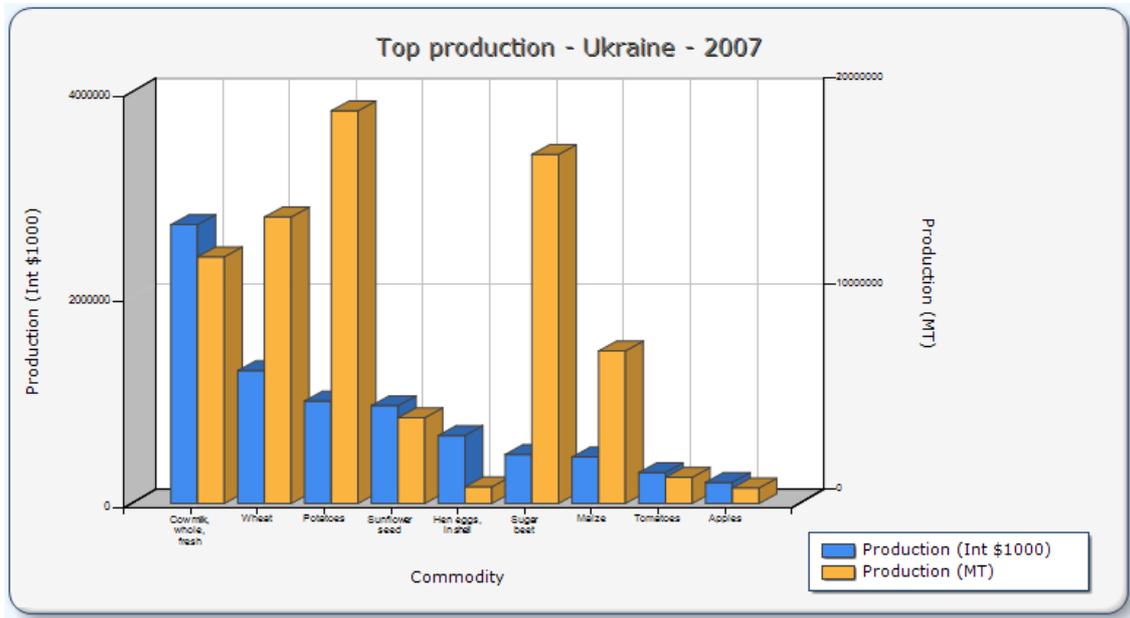


Figure 3. Main agricultural productions of Ukraine in 2007 (Source: FAOSTAT)

In 2006, Ukraine was the largest exporter of barley, at the 8th position for wheat and produced 18.3% of the world's sunflower production.

However, considering its rich natural resources and especially one of the world's best soils, Ukraine's agriculture still does not achieve its full potential. According to the ARIS report of the FAO and the World Bank (2005), the main reasons to explain the low performances of the Ukrainian agricultural sector are:

- an incomplete farm restructuring
- a low level of input
- low marketing facilities
- a lack of adequate education level and advisory services

Indeed, Ukrainian agriculture is still really marked by the years of collectivisation. Even if the first land reform legislation was passed in December 1990, state and collective farms were really dismantled in 2000 when a decree was signed to reorganise the Collective Agricultural Enterprises (CAEs). Those CAEs were enterprises in which land was collectively owned and assets were divided among members according to their labour contributions (Gordon &

White, 2003). Seventy percent of the former collective farms had adopted this status in 1994 (Gordon & White, 2003). As written in the decree, the CAEs could be transformed into different entities like private family farms, private-lease enterprises, economic associations and agricultural co-operatives (Pugachov & Van Atta, 2000). As a result, 11 244 enterprises were created and more than 6 million citizens received their land share certificates (Gordon & White, 2003). Many of those new land owners leased their land back to newly-formed private agricultural enterprises because they were not skilled nor equipped to farm the land they received. The structure of Ukrainian farms in 2009 shows that the situation has evolved in favour of large scale farming (Ministry of Agrarian Policy, 2009). 15 000 farms are agricultural enterprises which occupy 16.9 million ha. Eighty percent of them are partnership enterprises or cooperative farms and 2% of them are still state farms. Seventy percent of those large scale farms are only viable thanks to government support (USAID, 2005). The average land use size for these agricultural enterprises is 1 220 ha. Concerning small scale farms, 4.6 million people have household plots from 0.5 to 2 ha on which they grow vegetables and grain for their own consumption for a total of 6.6 million ha. Some also lease land to bigger farmers.

The lack of investment remains also a major problem for the development of agriculture in Ukraine. Obtaining credit is difficult, especially for large, long-term loans; furthermore the interest rates are too high with some reaching around 25% (USAID, 2005). Moreover, even if the share of agriculture in total employment represents 27%, the budget allocated to this sector was divided by 10 between 1990 and 2004.

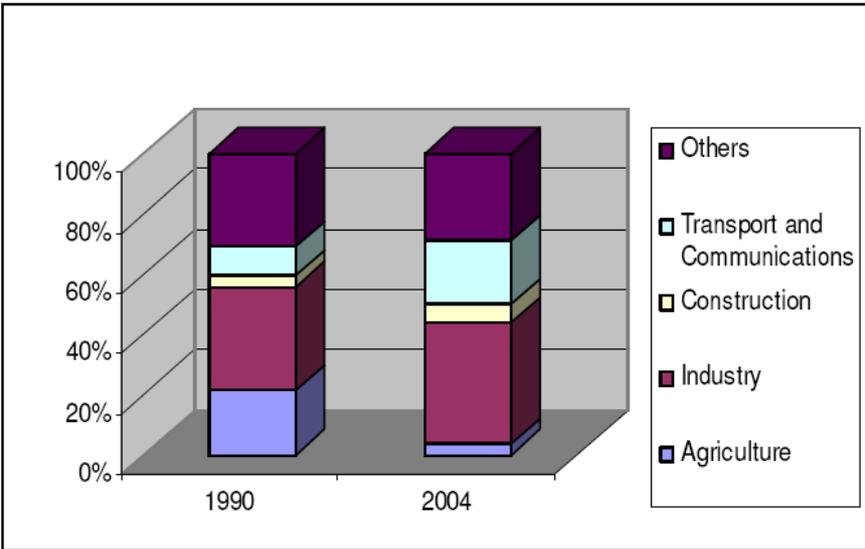


Figure 4. Distribution of public budget in Ukraine (Source: Fao & World Bank)

But with such pedoclimatic conditions, investing in agriculture would be a way to create new jobs and to support economic development, especially in rural areas where the unemployment rate is high and where economic and social infrastructures are under-developed.

4. The state of Ukrainian rural areas

According to national Ukrainian statistics, the rural population represents 30% of the total population (SSCU, 2010) but can reach 60% of the population in certain areas such as the Chernivtsi or Zakarpattia regions. However, the people living in rural areas seem to have decreased rapidly and in recent years. Furthermore, in 2001 90% of villages had a negative birth rate and 11% of them had not a single birth (USAID, 2005).

According to Heifer (2009), in some rural areas more than 30% of the rural population is unemployed (the official unemployment rate is 3.3%) and up to 30% of those employed have an average income below the official subsistence level. Because of agricultural restructuring and especially the 1999 land reform, employment opportunities for rural residents declined by 30% between 1990 and 2000 (OECD & World Bank, 2004). Most of the rural labour force was absorbed into subsistence farming on individual land plots. Thus, agriculture, forestry and fishery represent more than 55% of rural activities. Almost 50% of rural households have 1 ha or more of land for their own use (USAID, 2005).

Agricultural wages as well as other incomes in rural areas are very low, constituting only half of the level paid in the rest of the economy. To compensate for these low wages and to address reduced job opportunities, household plot production is the main way to provide food for the household and to get cash income, but this is often not sufficient. According to the Ukrainian official definition of poverty¹, nearly 40% of rural residents are under the poverty line. Moreover, as 70% of rural household income is spent on food, it is impossible for rural people to invest in any activity, especially taking into account that the interest rate is around 20%.

The lack of employment opportunities in rural areas is also linked to underdeveloped social and economic infrastructures. Rural areas face difficulties in attracting investments, because of bad road infrastructure and remoteness from key economic centres. As an example, in 2005 out of 28 600 villages, 1 500 were not reachable by paved roads (FAO & World Bank, 2005). Consequently, there is a rural exodus in some regions (0.5% of all villages are completely

¹ 75 % of median expenditures per equivalent adult, Presidential Decree issued on August 15, 2001. Poverty was recognised as the inability of the household to provide for its basic needs.

empty) and a constant brain drain towards more economically dynamic regions or countries. Since 1994, 6 million people have left Ukraine mostly to immigrate in the United States, Canada or Italy.

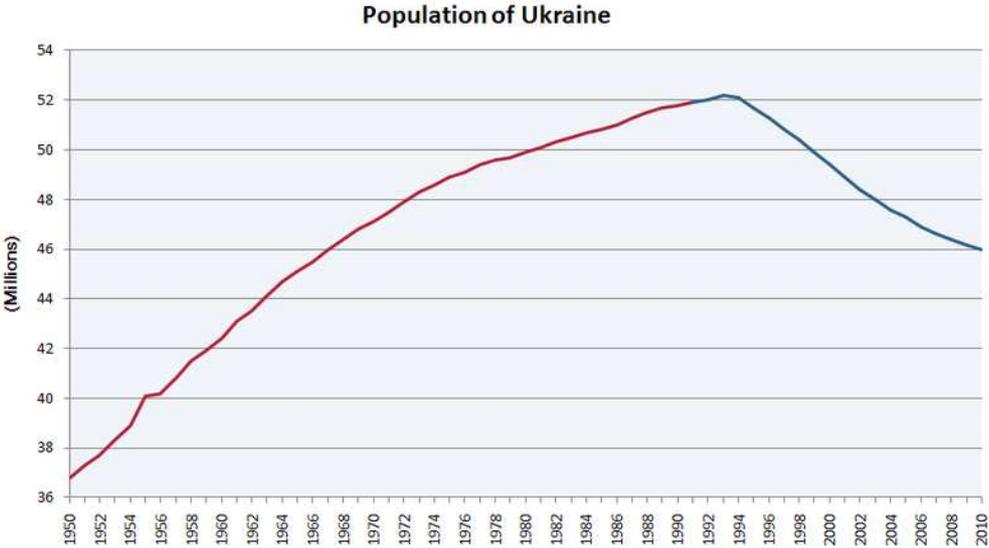


Figure 5. Evolution of the number of inhabitants in Ukraine (Source: SSCU)

This loss of human capital is also responsible for the weakening of rural economies. The rural exodus could be dramatic for the Ukrainian agricultural sector and for food security, considering the fact that small scale agricultural producers, including small private farmers and households, are a major component of Ukrainian agriculture. The share of small scale agricultural producers in total agricultural production has reached 69.4% and especially 66.7% by households (SSCU). These small landholders produced up to 90% of all labour intensive agricultural products produced in Ukraine (Heifer, 2009). They are the major suppliers of milk and milk products, beef, pork, fruits and vegetables.

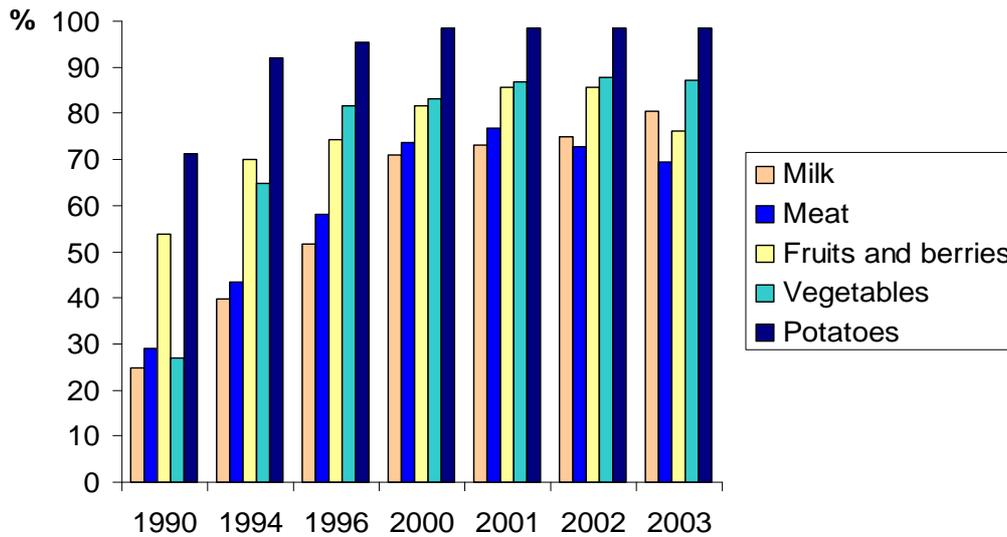


Figure 6. Household share in total production of main food products (Source: SSCU)

According to USAID (2005), one in ten plot holders have extra produce to sell and engage in the sale of their harvest. Nevertheless, this number can be higher depending on a number of factors including the price of products (if the prices are higher, they are more likely to sell their products), the proximity of a dairy factory which would want to buy milk, and of course the amount of harvest sold by small producers depends on the quality of the harvest.

It is clear that rural areas are key regions with regard to the production of agro-food products in Ukraine. However, rural regions are far from being attractive and robust regions, and for the moment they lack political interest, which result in a lack of financial support for these areas. It is clearly written in the new “Ukrainian State Target Program for Sustainable Rural Development till 2020” that there was an absence of state support for entrepreneurial activities and for the maintenance of social infrastructures in rural areas. In 2008, only 8 million UAH were spent for this purpose, half of which was spent in 1990. Furthermore, the unstable Ukrainian government has prevented the implementation of rural development policies until recently.

The new government has just published the new program for rural development whose goals are to ensure sustainable development of the rural areas, increase rural living standards, preserve environmental resources, and increase agricultural production competitiveness. One hundred forty eight billion UAH will be allocated for this program which should start in 2012 with the creation of new normative legal acts on rural area sustainable development. The program looks ambitious but unfortunately it does not deal with the development of traditional food products and the creation or development of value-added food chains. There

are no measures dedicated to support local producers and local entrepreneurship in the measures planned by the Ministry of Agrarian Policy. Moreover, there are no measures to protect Ukrainian culture and biodiversity. NGOs, producer unions and local communities, which understand the need to develop typical food products and preserve their local environmental and cultural resources, are looking for solutions to help and support local initiatives.

In Western Europe, the development of food quality policies based on typical food products has shown a positive impact on the socio-economic conditions of rural regions. The positive results were achieved through the creation of a system of protection and promotion of original food products. A similar system of geographical indications, based on local natural and cultural resources, could be used as a tool for rural development in Ukraine, especially as a means to improve the social and economic well-being of rural areas.

1. Conceptual framework: rural development

In this study, we look at **rural development** through an ‘integrated rural development’ approach as defined by Mardsen (2003). This framework asserts that rural development is not only about agricultural development but also involves the creation and combination of diverse rural activities at the local level. The integration of all of these economic and social activities (food production and processing, tourism, crafts, etc) is the basis for an integrated rural development. As expressed in the Cork Conference of 1996, rural development paths should be based on the mobilisation of local resources (natural resources, skills, traditional knowledge, etc) by rural stakeholders in a sustainable way in order to allow the reproduction of the resources (especially natural and cultural resources). In conclusion, rural development can be defined through three keywords: **endogenous, integrated and sustainable** (Pacciani A. et al. 2001).

2. State-of-the-art: GIs and rural development

2.1. Definition: what is a GI?

A **geographical indication** (GI) is an indication:

“which identifies 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 of TRIPS Agreement).

This definition of GI products is extremely far reaching and includes agricultural and food products but also industrial products (handcrafts, etc).

If we consider international definitions, the Lisbon Agreement signed in 1958 gives a definition of the appellation of origin which is included in the scope of the GI definition and can be considered as a sub-category with tighter requirements:

"An appellation of origin is the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of

which are due exclusively or essentially to the geographic environment, including natural and human factors."

A **GI product**, or geographically indicated product, is a food product whose quality or reputation is essentially attributable to the geographic region or locality from which it originates. The most famous examples are Champagne, Roquefort, Parma Ham and Tequila. Moreover, a GI is also a type of intellectual property. Because of the high reputation of GI products, they can be imitated and the GI can be used to name different products and thus damage the reputation of the GI product and mislead the consumer. That is one reason given for why GIs need to be protected. The idea behind this protection is that the product is strictly linked to its area of production and that it cannot be replicated anywhere else.

2.2. Protection: registration and certification

Similar to trademarks and collective marks, geographical indications can be protected by law to restrict their use and protect users as well as consumers. This protection can be through existing law against unfair competition or about trademarks, or public authorities can also enact specific legislation dedicated to GIs. This is the case for Ukraine which created a law about indications of origin of goods before it entered into the WTO.

In countries that provide legal protection, GIs and the characteristics of the GI products are registered by public authorities under certain conditions. The characteristics of the product and its production method as well as area of production are gathered in the product specification or code of practice.

To be efficient, the registration is usually followed by a system of enforcement. This system exists to ensure compliance with the code of practice in order to protect consumers. A system of control run by public authorities can also be accompanied by self-regulation of producers through internal controls or a participatory guarantee system. The last guarantee system is particularly adapted to small-scale farmers because it is the less costly. It is managed by a local association involving local stakeholders such as producers, local authorities or consumers which are in charge of the supply chain controls.

Certification and the use of a logo are also used to obtain the trust of consumers and to promote GI products.

If the legal framework offers an adequate protection for GIs, they can become not only intellectual property for the producers but they can also serve others purposes including fostering rural development. The EEC regulation 2081/92 of the European Union on the

protection of Protected Denomination of Origin (PDO) and Protected Geographical Indication (PGI) is a good example of a legal framework which highlights the importance of protecting origin food products to foster rural development (Pacciani et al, 2001). It is written in the first part of the regulation that the promotion of those products could bring:

“...benefit to the rural economy, in particular to less-favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas”.

2.3. Impacts on rural development

Following the principles of endogenous development theory, local cultural resources should be a key to improve the socio-economic well-being of rural areas (Ray, 1998). As GIs are based on natural and cultural resources from the local area, they have the potential to generate positive outputs for rural economies. The development of GI products permits local communities to use those resources and to create value through the production of high quality food products. This is particularly true in the case of marginalised areas, such as mountainous regions, which are looking for alternative strategies to use their endogenous resources.

As the use of the GI is restricted to a specific area, a GI protects local communities from competitors. Producers are thus able to get a fair price for their products, which means a price that truly reflects the value created by their regional production. Because the economic activities are set in an enclosed area and cannot be delocalised, this protection provides fair and stable incomes in the long term as well as job security and thus economic sustainability. This kind of production can be less exploitative of local resources than many conventional food systems and can be more in favour of a sustainable use of natural resources. This is particularly true when the link between the product and its place of origin is strong: if the specific quality of the product relies on the intrinsic characteristics of the local environment, producers are more eager to preserve their local natural resources (Barham, 2003; Ilbery et al., 2005). It has been shown that traditional methods of production, which have been used to produce the GI products in the region for ages, tend to be more respectful of the local environment (UNIDO, 2010). Case studies also show “that origin labelled food alliances provide low ‘negative externalities’ and high ‘positive externalities’ on the rural production territory” (Barjolle et al., 2005, p117).

Furthermore, because GIs promote the identity of a region, they can be a key for rural community development (Lee et al., 2005). Regional identity can be promoted through the GI

simply because the GI corresponds to the name of the region. Moran (1993) takes the example of French wines from Burgundy: “Burgundy gives its name to one of the best known wines in the world but at the same time the region of Burgundy becomes known because of its wine”. GIs can also enhance regional identity because it helps to preserve and promote traditional food products, local landscape systems, their associated flora or fauna and also local folklore which are markers of regional identity (Ray, 1998). Indeed, by identifying and codifying well-established practices in a code of practice, GIs help to recognise and perpetuate local know-how which is part of a regional heritage and identity. GI protection also helps to maintain cultural festivities linked to traditional food products, like the festivities of the transhumance in the Munster region (PDO cheese).

As GI products are usually linked to a specific animal breed or plant variety, GI protection can also contribute to the preservation of biodiversity and genetic resources (Bérard & Marchenay, 2006) and can keep regional identity alive. In France for example, special varieties of chestnuts trees called *Combale* and *Pourette* were preserved thanks to the obtaining of the PDO *Chataîgne d’Ardèche* (Bérard & Marchenay, 2006), a special chestnut from the two previous varieties. This chestnut and its logo are now used as markers to differentiate the Ardèche region. In that case, the typical product is now considered by the local population as a cultural marker of the territory (Ray, 1998).

By enhancing the identity of the region, the GI helps to build a “territorial strategic image which businesses and other bodies can exploit” and thus contributes to creating new economic opportunities and innovation (Ray, 1998). Social and economic activities such as agri-tourism, handicrafts and different services can be developed around the GI product for an integrated rural development (Belletti & Marescotti, 2002; Renting et al., 2003). Under this approach, described as a territorial quality strategy, the territorial identity of the region, in association with the typical product, is the basis of value generation (Pacciani et al., 2001).

The best example to illustrate those arguments is the history of the French cheese Comté, which has a geographical indication status as it was registered as an “Appellation d’Origine Contrôlée” in 1958. The success of this cheese and the following benefits for rural areas are built on the strong identity of the Franche-Comté region: Comté stakeholders wanted to preserve the authentic image of the region as well as their traditions (Barjolle et al., 2000). Faced with a growing industrialization of cheese production and the decline of Comté production in the region, producers, cheese dairies and cooperatives gathered in an inter-professional committee to organise the production and promote this local product on regional

and national markets. Consequently, there was a clear rural community development in the Franche-Comté region: 7 600 persons are now employed in Comté production (2nd employer in the region) and still 3 200 farms produce milk for its production. Compared to the industrial production of Emmental cheese in the same area, Comté production employs five times more people and the price of the cheese is twice as high. Producers of milk for Comté production earn 14% more money on the milk price than other producers. Moreover, the region attracts many tourists who, interested by preserved mountainous landscape, visit Comté farms and dairies through a Comté gastronomic road (Gerz and Dupont in Van de Koop et al., 2006). In short, we can quote the chairman of the Comté Committee: *'The area is a tool to attract visitors to the cheese dairies, while the Comté attributes a strong image to the local community of Franche-Comté'* (Jean-Jacques Bret, in Gerbau, 2001).

Another point worth mentioning is the important role of the GI qualification process in the building of a strong network of actors, which is a strong basis for rural development (Tregear, 2007). To register a product as a GI, producers, processors and other main actors need to gather in a collective organisation to debate and set up the code of practice. Even if the qualification is not successful, the collective process is remarkable because it enhances social capital and can be beneficial for rural development. The example of the cherry of Lari in Italy has shown that new initiatives can be created from meetings and social interactions between the cherry actors. A collective brand was set up as well as a collective processing plant to produce jams. And to reinforce research and promotional activities for cherries, a National Association of Cherry Municipalities was created. This strong network of actors, gathered around the potential GI product 'Cherry of Lari', contributed to the creation of new employment opportunities (Tregear, 2007).

Some of the potential impacts of GI on rural development can be summarized in the following table issued from DOLPHINS (Development of Origin Labelled Products for Humanity, Innovation and Sustainability). DOLPHINS is a concerted action conducted in European countries for a better understanding of origin labelled products.

This table only gives a swift overview on the effects of origin labelled products on the development of rural areas as the reality is much more complex. Even if an OLP presents some characteristics that could lead to a certain development, the trajectories taken by the main actors are decisive for the future outcomes. It is even assumed that the positive impacts

of such products depend on the strategies activated by local actors (Belletti & Marescotti, 2002).

Characteristics of Origin Labelled Products	Impact on rural development and on territory
OLP typicity comes from local natural resources	Sustainable exploitation of natural resources
OLP production factor are not reproducible nor transposable	Localisation of economic activities
OLP know-how is site-specific and it is based on a organised local community	Localisation of know-how transmission and support to the reproduction of local social system
The name of OLP is the name of the place	Promotion of the global image of the territory, and feedback effects on the OLP
OLP supports the territorial identity of the producers and of the local population	Territory is the space framework which guarantees the product identity

Tableau 1. Impacts of OLP on rural development (Source: Belletti & Marescotti, 2002)

To conclude, we can say that, based on local natural and cultural resources, the production of a GI product and its promotion creates a strong regional identity that attracts other social and economic activities in the territory. Therefore, GIs have the potential to lead to an endogenous and integrated development of a production region. GIs can also promote sustainable development of the region they are attached to due to the embeddedness of economic activities in the delimited area, to the higher and stable price of the product and to the use of a traditional method of production that can be more respectful of the environment. It is also important to point out that those positive outcomes related to GIs depend on many factors, for example the link between the product and its territory or the commitment of local actors.

2.4. Prerequisites for the successful use of GIs in support of rural development

To get the best potential benefits from GIs, origin food products need to be properly identified and especially the link between these products, their place of origin and the people living in the area need to be evaluated. The stronger this link the more rural areas will benefit from the development of a GI product (FAO, 2008). As a consequence, in the process of using GIs as a tool for rural development, the first identification step should especially focus on the special quality of the products and on the local resources, both human and environmental, required to

produce them. Here are some key issues to better identify the products that are more able to activate rural development:

- The **product** should present some specific characteristics linked to a geographical origin that gives it a special quality or reputation on the market. We consider here the **typicity**, or place-specific peculiarities, of the product and of its production process (Van der Meulen, 2007). The typicity of the product is what makes it typical from its area of production, unique and impossible to reproduce somewhere else.
- The **place of origin** should influence the quality characteristics of the product. It can be the result of natural resources (climate conditions, soil, water, etc) or human resources (traditional know-how, recipes, etc). The factors analysed here are defined by Van der Meulen (2007) as respectively **territoriality**, which means the degree of physical connection with the place of origin, and **traditionality** or the rootedness of an OFP's history in its place of origin, including the eating culture.
- The **people** making this product, or local producers in other words, should be motivated to work together and to engage in a value creation process. This can be regarded in terms of **communality**, which is reflected according to Van der Meulen (2007) in the presence of multiple producers (farmers or processors) that share experience and practices and are ready to collaborate.

Those elements will serve as a basis to develop indicators that will contribute to identification of typical Ukrainian food products with high GI potential.

Then, according to Barjolle & Sylvander (2002), the success of GI products depends on the capacity of local stakeholders, especially producers and/or processors, to manage the GI-product collectively. Indeed, many actors are interacting around the GI products; they are represented in the following scheme. All those actors should be involved in the process of registering a GI to get all relevant information concerning the product, its method of production and preservation, the consumption habits, etc. It is also important that all actors set up the rules together so that everybody will respect them.

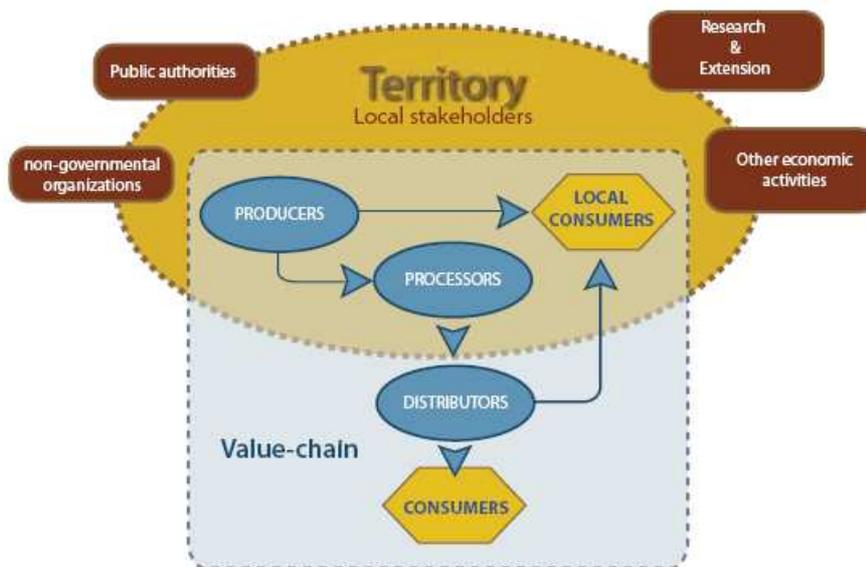


Figure 7. Main stakeholders involved in the GI process (Source: FAO, 2009)

Nonetheless, according to Barjolle & Sylvander (2002), the **motivation of local actors** is the most important criterion in the construction and success of the GI. This motivation is considered in terms of willingness to become involved in a GI process and willingness to cooperate in order to collectively establish a code of practice. This code of practice is the basis for the well-functioning of the GI. Through it, producers and processors adopt a common method of production and then implement a collective marketing strategy. This collective approach is essential for the GI project to succeed.

Finally, **public institutions** can contribute to the creation of favourable conditions for the development of GIs and their policies at national and local levels can be determinant for rural communities to benefit from the protection of the GI (FAO, 2008). First national public institutions provide the framework into which a GI system can be implemented and regulated. Secondly, local or national public actors can provide a decisive support in the development of origin food products and they can contribute to enhance the positive impact of GIs on rural development. Through effective public policies, they can provide technical and financial assistance with the procedure and the promotion of the GI and they can encourage GI stakeholders to adopt a participatory and a sustainable approach (FAO, 2008).

In summary, we can say that through the development of GI products there is a possibility to activate endogenous, integrated and sustainable rural development strategies, but it depends mainly on the **intensity of the link between people, place and products**

(Pacciani A. et al. 2001). We thus focus in this study on food products that present strong links with their place of origin through specific characteristics due to the local environment and also strong links between local people through the sharing of identical know-how and traditions.

We also concentrate our attention on **people's willing and ability to build such value-added food supply chains and promote OFPs**, because these aspects are decisive for the potential outcomes on rural economies (Barjolle, 2006).

The last point which is important to consider is **the existence and effectiveness of a “proactive GI policy”** (FAO, 2008), which means an institutional support at local and national levels to develop the GI system and realize the full potential of GIs.

3. Problematic and objectives

3.1. Problem statement

The topic of GIs is only recently being discussed in Ukraine and currently only a few products (8 mineral waters and 2 wines) are registered by the State Department of Intellectual Properties. It is important to notice that the Ukrainian legislation about the protection of places of origin (Law №149 “On the Protection of Rights to Indication of Origin of Goods”, 23/04/01) was created in the context of the Ukrainian entry in the WTO. The term ‘geographical indication’ was introduced in the Civil Code of Ukraine in 2001. The first 3 products were registered in 2007 and the latest 4 in 2009. However, even if there is a legal basis for the development of GIs in Ukraine, there is for the moment not a policy relating to them; this includes a lack of verification process or logo to make them recognizable by consumers. As a consequence, the Ukrainian GI system, mainly in line with the EU regulation, looks more like a trademark system applied to names of geographical locations. It seems that the first aim of the law “On the Protection of Rights to Indication of Origin of Goods” was mainly to comply with the requirements of the WTO. Contrary to the European legislation on PDO and PGI, the Ukrainian legislation on the protection of places of origin is not part of a global rural development policy or food quality policy.

In that context, is it possible and does it make sense to develop a GI system to protect origin food products in Ukraine in order to support rural development?

3.2. Objectives

The direct objective of this investigation is to examine the possibility to apply a model of rural development based on the protection and promotion of origin food products in Ukraine and to assess the limits and perspectives of such development.

As this study is also part of a research project led by the charitable organization, Heifer International, with the support of the FAO, the specific objectives are:

- identification of origin food products (OFPs, other than wines and spirits) more likely to get a GI label and definition of the specific characteristics of a few OFPs with high potential
- assessment of the potential market for GI products and possibility of development of the defined OFPs
- identification of the contribution of these potentially GI products to rural development

Finally, with regard to the collaboration with Agridea, the swiss association for agricultural and rural development, this study should release detailed information on Ukrainian OFPs, their potential development and the limits to this regional development approach.

3.3. Research questions

From these objectives, several research questions have been raised:

- Does GI labelling represent an opportunity to develop agricultural production, food processing and other activities in Ukrainian rural areas?
- Which products could get GI protection and have the potential to thus activate rural development?
- Are consumers willing to buy those products at potentially higher prices for such a certification? Are they interested in information regarding the origin of products and their methods of production?
- Do producers, processors and other stakeholders want to work together? Are they interested in producing those products? Are they able to organise themselves and to collectively promote those typical food products to get full benefits?
- Is the legal and institutional context adapted to such development?

4. Research methodology

According to the theoretical perspective and research questions, my field work followed 4 main steps:

- Analysis of the GI context in Ukraine
- Looking for Ukrainian OFPs (Origin Food Products) and evaluation of the originality of those products
- Case studies on pilot products
- Analysis of results, discussion and perspectives

Step 1

This study started with the gathering of general information about Ukraine: secondary data on agriculture, rural areas, history and society. Then some more specific information concerning GIs were analysed and particularly official documents concerning the Ukrainian legislation on GI. The specific aim was to clarify the context of emergence of the GI topic in Ukraine and to draw a picture of the existing institutional tools for GI protection.

Step 2

GIs are a fairly recent and unexplored topic in Ukraine. As a consequence, there is no written information available on typical Ukrainian or origin food products that compose the culinary patrimony of the country. That is why the inventorying and identification of OFPs was a determinant step in this study.

To get a primary overview on the existence of such products in Ukraine, Heifer led at first a survey on consumers' awareness and knowledge about such products. The survey was conducted during the month of May (cf. annex A) in 10 regions of Ukraine (cf. ● on the map below) which were chosen to get a broad variety of products. The purpose of this survey was to:

- Identify origin labeled food products and thus potential GI products
- Identify consumer demand for origin-linked products manufactured in certain area (region/oblast);
- Assess citizens' awareness on availability of special labeling («geographical indication labeling») directly or indirectly specifying geographic origin of product, which have specific qualities, reputation or other characteristics related to a geographical location;



Figure 8. Map of the region chosen for the surveys (Source: www.ukrainebiz.com)

One hundred persons were interviewed by regional interviewers which include representatives of the public agrarian sector or of agricultural extension services. Because Heifer did not have enough financial means to pay the services of a real marketing company, the interviewers did not fully take into account in their survey important issues such as the characteristics of the interviewed sample (age, socio-professional category, etc). The consumers were interviewed in the streets in five different districts of each region, including rural areas. Next, as people were asked to mention origin-labeled products, some interesting products were identified and served as a basis for a more in-depth investigation on their characteristics and on producers' motivations to register their products as GIs. A producer survey (cf annex B) was thus led in the same regions during June. Between 20 and 30 producers/processors of each region were interviewed. For each origin food products mentioned by consumers, at least one producer/processor was met.

This collection of information on origin food products served as a basis for the identification of potential GI products with a strong 'originality' and realizable potential to activate rural development in the area of production. To identify several products for a case study, we first collected all of the information in a grid and then we evaluated the potential of each product with the help of indicators. The indicators were chosen with regard to the 4 O-factors of Van der Meulen (2007): territoriality, typicity, traditionality and communality. The presence or absence of these different factors for the highlighted products of each region was compared to finally identify two pilot products for the case studies. No point was attributed in case of absence of the criteria and 1 point was attributed in case of presence of the criteria.

Those indicators are gathered in Annex C. At the end, the 2 products with the highest score were chosen for the case studies.

Step 3

The third step consists in a case study approach: 2 pilot products with high GI potential were investigated in order to acquire a better understanding of the enabling or limiting factors for the development of GIs in Ukraine in support of rural development. Ten producers/processors of each product were initially supposed to be interviewed regarding their products and their characteristics as well as the motivations or obstacles to develop a GI system for their products. The producer survey developed by Heifer will be adapted and modified to reach the special needs of this study (Annex D).

The difficulty for this step was to find producers to interview. In my task I was helped by 2 persons of Slow Food Movement who accepted to contact their coordinators in the 2 regions I visited. Those coordinators, who were in touch with producers, organized the visits and the meetings with producers.

From a more technical point of view, I was also accompanied by a translator who joined me during my two weeks of interviews.

Step 4

First the results of the producer survey were analyzed, especially the results from the regions where the pilot products originate. The answers to the questionnaires were collected by the contact persons in tables from which it was easier to get quantitative data.

Then a qualitative analysis was undertaken for the interviews concerning the pilot products. The information was first gathered in a grid to facilitate the analysis.

Finally, the results were discussed with regard to the political, legislative and economic context of Ukraine. The issue of the potential benefit of GIs for Ukrainian rural areas was also tackled, with comparison with existing GI developments.

- GI LEGAL PROTECTION IN UKRAINE -

Ukraine developed in 2001 a legal system to protect GIs before entering the WTO because it was a requirement for accession. The Law of Ukraine N°752-XIV on the Protection of Rights to Indication of Origin of Goods, which regulates the use of GIs, was not at all enacted to answer to a specific legislative need. The best proof is the absence of information in Ukraine about traditional food products or origin labelled products.

The institution in charge of the examination and registration of indications of origin for goods is the Ukrainian Institute of Industrial Property, a state enterprise related to the State Department of Intellectual Property.

In this part we are looking at the legal system of protection of GI in Ukraine as the legal and institutional framework is a decisive element in the success of GI protection.

1. Which indications are protected?

The Ukrainian legislation makes a distinction between **simple indications of origin** of goods and **qualified indications of origin** of goods (registered).

A simple indication of origin is any word, sign or image that indicates the geographical place of origin of an item (art. 1). This can be a direct indication of origin like a name of region or city, or an indirect indication like a sign or design that implicitly refers to a geographical place. According to article 6, the simple indication of origin requires no registration. Nevertheless, it should not mislead consumers on the true origin of goods by marking them with false indications.

A qualified indication of origin refers in the Ukrainian legislation to a registered indication and is divided into 2 sub-categories: **Appellation of origin** of goods (AO, or literally 'name of place of origin') and **Geographical indication of origin** of goods (GIO).

The GIO and the AO are names of geographical places used for labelling goods originating from that geographical place. The **GIO** is used to label goods presenting certain properties, reputation or other characteristics that are essentially due to the natural conditions of the place of origin and/or to specific human factors linked to this place (art. 1). The **AO** differs from the GIO by the fact that it is used on goods presenting particular properties that are exclusively due to the natural environment of the place of origin or to the combination of these natural conditions with human factors specific of this geographical place.

Comparing with the EU legislation, the AO and the GIO can be respectively compared to the Protected Denomination of Origin (PDO) and to the Protected Designation of Origin (PGI). However, the Ukrainian legislation is not enough clear concerning the link between the product and the natural conditions of the place of origin. The way it is written in the Ukrainian law, it is hard to understand the difference between ‘essentially’ and ‘exclusively due to the natural conditions...’. Indeed, those definitions led to much confusion when we talked about this topic. It is evident that this lack of clearness does not encourage producers or processors to register their products. The writing of simpler and clearer definitions is essential to make this law usable and to enable the successful use of GIs in support of rural development.

2. Who can apply?

According to art.9-§1, different groups or persons can apply to register a good as a GI:

- **A person or a group of persons** that produce or manufacture the good in the defined place of origin

- **Associations of consumers**

- **Institutions** directly related to production or investigation of relevant products, articles, technological processes or geographical places.

In addition, the right to use the geographical indication is only given to those, manufacturers or processors, who produce the goods (§2). As a consequence, the certificate of registration of the right to use the qualified indication of origin of goods, valid for 10 years, is granted to the latter (art. 15, §1&4).

The possibility for a single person to apply for a GI registration shows that the procedure neglects the importance of a collective organisation in the success of the process. Even if the right to use the GI is given to processors or producers, they should be the ones that should apply for a registration. Their involvement is decisive for the collective construction and management of the GI, which are 2 keys of success. The same organisation should be in charge of defining the characteristics of the product, its name, its area of production and its promotion. The actual legislation does not encourage the building of a common view regarding the potential GI product and could lead to disagreements or to the disadvantage of some actors, like unfair competition between producers. On top of that, a non collective

decision is completely not in the interest of the global development of the territory, and thus would not lead to an integrated rural development.

3. Right of use and protection

According to article 17, the owner of the certificate has the right to label its goods with the qualified indication of origin, to use it for advertising and also to inform consumers about the registration in adding the mention: “appellation of origin of goods registered in Ukraine” or “geographical indication of origin of goods registered in Ukraine”.

In addition, to protect the use of its indication of origin, the owner of a certificate can undertake measures to prohibit the unauthorised use of the GI, to demand the cease of the infringement or to ask for compensation in case of material or moral damage (usurpation of the image or reputation of the GI).

According to article 23, those infringements consist in usurping the use of the GI and in misleading consumers on the real origin of the good. More precisely, the rights of the owner of the certificate are infringed when:

- a registered GI is used on a good and by a person without any certificate
- the good labelled with the GI does not come from this place of origin, even if the GI is followed by the words kind”, “type”, “style”, “brand”, “imitation”, etc.
- the GI is use on a product which does not present the characteristics described in the register and thus could damage the reputation of the GI good
- the GI is used as a generic name

The geographical indications are also protected by the law of Ukraine on Protection against Unfair Competition and by the article 33 of the Commercial Code of Ukraine. by Articles 4, 6, 25 and 30 of the Law of Ukraine

4. Procedure of registration

The Ukrainian procedure of registration is quiet similar to the European one, except for the prior examination of the documents by a Specially Authorized Body. Simply, the application should contain the following documents:

- a request for the registration of the GI with information on the applicant and its address;

- name and boundaries of the geographical place where the goods is manufactured and to which the particular properties, certain qualities, reputation or other characteristics of goods are related;
- description of the particular properties, qualities, reputation or other characteristics of goods;
- data on products labelling and marketing
- data on the links between the particular properties, qualities, reputation or other characteristics of the goods and the natural conditions and/or human factor of the delimited geographical area.
- conclusions of a Specially Authorized Body (SPA)

This SPA is a state body determined by the concerned Ministry of Ukraine (Ministry of Agricultural Policy for food or agricultural products, Ministry of Culture concerning handcraft, etc.) and is in charge of checking that the particular properties or characteristics of the good, as described by the applicant, are objectively due to or related to the natural conditions and/or human factors of the geographical place of production of the good (art. 10 §5.b). This body also examines the exactness of the boundaries given for the geographical area. Then, if a fee of 1200 hrv (\approx 120 €) has been paid, the application is examined by an Examination Institute and, in case of favourable decision, is published in the official journal of the State Department of Intellectual Property (SDIP). After a period of 2 months of objection procedure and in case of no objections, the good is finally registered as a GI in the official Register of the SDIP,

The whole procedure is described in the following scheme:

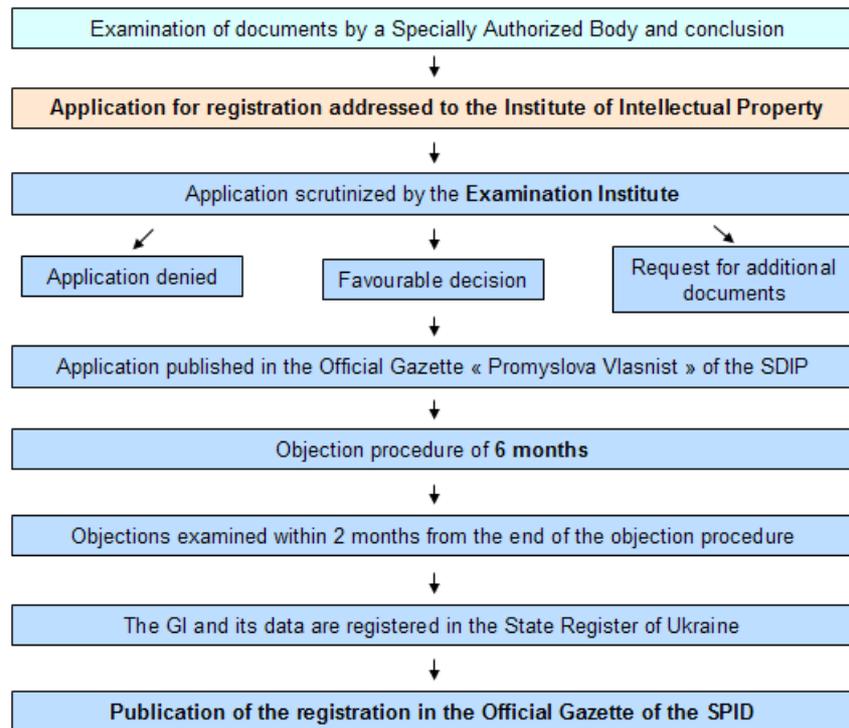


Figure 9. Scheme of the Ukrainian procedure to register a GI good

This procedure does not take into account that the establishment of a code of practice is a decisive step in the registration of a GI. The building of the code of practice has a huge influence on the development of the GI as it leads to define rules and standards that producers and processors will have to comply with if they want to use the GI. The existing procedure takes into account the specific characteristics of the product, its link with its place of origin but is not clear enough concerning the need to define the production and process methods. If those last points are not clearly written, it will be impossible to assess the conformity of the GI product and thus it would be hard to build trust among consumers.

For the moment, 10 products have been officially registered since 2007. The products and dates of registration are sum up in the following table:

Date of registration	Geographical indication	Product
15.03.2007	Myrgorods'ka	Mineral water
15.03.2007	Sonyachna Dolyna	Dessert wine
15.03.2007	Skhidnyts'ka	Mineral water
25.02.2008	Essentuki	Mineral water
25.02.2008	Slavianovskaya	Mineral water
25.02.2008	Nahutskaya	Sparkling wine
10.09.2009	Mens'ka Ostrech	Mineral water
10.09.2009	Poliana Kvasova	Mineral water
10.09.2009	Novy Svit	wine
12.10.2009	Tsarychans'ka	Mineral water

Tableau 2. Registered GIs in Ukraine

It is important to notice that none of those products have any mark or label mentioning their registration as a GI. The first explanation is that this kind of labelling is not compulsory regarding the legislation. Secondly producers and processors have no interest to do so because most of them already have a trademark. And finally, this protection is unknown and not recognised by consumers, so producers and processors get no value added through such protection. In deed, the registration offered by the government for the moment only represents for producers and processors a way to protect their products for other competitors and they use GIs as a simple trademark. The collective aspect of the process is completely forgotten as producers and processors only want to maximize their own benefit. Only big wineries are currently interested to register their products, to protect the name of the place of production and prevent other wine producer of the same place to use it. For example in the village of Shabo, near Odessa, a wine producer wants to be the first one to register his products with the name Shabo.

5. Guarantee system

Little is done in this field, especially concerning the control of the respect of the products specifications. In fact, because there is no real code of practice related to the GI, there is no system of verification, internal or external, to check if producers and processors comply with the requirements of the GI specifications. The only way for producers and processors to avoid unfair competition is to go to court which is very expensive and time costly. Moreover, as there is no label or marketing strategy, there is thus no way to inform consumers about this

protection. The traceability is also not tackled, so there is no way to ensure consumers that the product clearly originates from the GI delimited area.

The only controls that exist are related to food safety standards which are product-focused and based on testing samples and compulsory certification (IFC, 2009). Those standards are regulated by the Sanitary Norms of Quality of Raw Food Materials and Food Products (SANPIN regulations) and by the 15 000 product state standards administered by the State Committee for Technical regulations and Consumer Policy.

This topic won't be detailed because it is not the purpose of this study, but it is important to highlight some points that are limiting factors to the development of GIs. In deed there are redundant inspections and controls because of inefficient organizational structure of the food safety regulatory system and because of lack of coordination among controlling agencies (IFC, 2009). This makes more difficult the creation of a public guarantee system for GIs. And in these conditions, it is hard to impose more controls for producers and processors. They were a bit reluctant to another public inspection and were not ready to pay for a third-party certification. The creation of internal controls or of a participatory guarantee system could be a solution.

6. Compliance with EU regulation on GIs

Ukraine and the European Union are currently negotiating to create a free trade zone. In this framework, the State Department of Intellectual Property (SDIP), in charge of law making regarding intellectual property rights, worked on the GIs issue and represents the interest of Ukraine regarding the settlement of agreements on the protection and mutual recognition of GIs between both entities. This mutual recognition is a delicate topic in Ukraine because, according to the EU list of requirements, thousands of EU protected designations of origin are used in Ukraine. The best examples, and also the more controversial ones, are the use of Cognac (*коњак*), Champagne (*шампан or Советское шампанское*) or Madère (*мадера*) on Ukrainian wine bottles. It will be a huge economic loss if Ukrainian producers would have to withdraw those names of their products. According to the Ukrainian economic magazine 'business' (бизнес n°15, 12.04.10), the EU was mentioning the possibility to use those geographical indications for Ukrainian traditional products with more than 10 years of history and presenting specific and unique features linked to their place of origin.

If this Association Agenda is successful and leads to the signature of the EU-Ukraine Association Agreement, a free trade area would be created and Ukrainian producers, already fulfilling the EU requirements concerning their GI products, will have a considerable commercial advantage to sell their products on new markets.

To conclude, we can say that the Ukrainian legislation on GIs is not able for the moment to efficiently support the development of GIs. The Law on the Protection of Rights to Indication of Origin of Goods was only used for the moment as a trademark law. Only big companies registered their products but without even signalling it on their product. This can be explained by the fact that there is a clear lack of information on GIs available for consumers, producers and processors. Moreover, the Ukrainian law on GIs is lacking a guarantee system to ensure consumers about the origin and qualities of the product; the protection offered for producers and consumers is thus very low. The absence of certification is linked to the fact that there is no requirement for a code of practice which should be the reference document to check the conformity of the product. As a consequence, this law needs to be reviewed to enable a better protection of GI products and the development of GIs in Ukraine. To enable the use of GIs in support of rural development, this law should focus more on a collective approach. Local actors, especially farmers and small-holders, should be responsible for the application and for the management of the GI. If so, it means that they built before a common view for the product and that they have a collective organisation to manage the GI and promote the product. This point is really important for the whole territory to benefit from the GI.

To sum up :

- Ukrainian law on GIs created in 2001 and only 10 products registered
- There is no guarantee system and no need for applicants to write a code of practice
- A single person can apply which is contradictory with the collective approach of GIs
- This law is supposed to be reviewed within the framework of the creation of a free trade zone between Ukraine and the EU.

- GI POTENTIAL OF CASE STUDY PRODUCTS-

The first step while inventorying origin food products is to simply have a look to products sold in common sales outlets like supermarkets and open air markets. I used this simple and empirical method when I arrived in Ukraine to get a first impression of the importance of traditional products and origin food products in everyday consumption. While making a ‘store check’ in supermarkets and open air markets of the capital, I noticed several products with geographical labelling, especially for mineral waters and wines, but also for conserved vegetables or milk products. At first sight I thought it would be easy to find some potential GI products but when I looked deeper, I realised that most of those products had no specific link with their place of origin. In deed, they were labelled with the name of their place of production only because the plant was situated there. I then understood that it would be harder to find origin food products and that surveys would be really necessary to achieve my objectives. Consequently, the results of Heifer’s surveys were determinant for the following steps of my study. I will focus in this part on the results of the case studies.

The 2 products that presented the highest “originality score” were first the red onion of Yalta in the region of Crimea and in second position the Bryndza of Rakhiv, also called Rakhivska Bryndza, in the Transcarpathian region (Zakarpattia oblast). This third part will briefly present the socio-economic context of the two regions in which they are produced, then it will describe the characteristics of the products and why they are potential GI products and finally it will highlight the position of producers regarding a GI protection.

1. Yalta Red Onion

1.1. Crimea, a culturally rich region

Situated in the south of Ukraine, Crimea is an autonomic region which has its own constitution and government but which is still under Ukrainian laws. The territory is surrounded by the Black sea and, with its 500 km of beaches and its Mediterranean climate, Crimea is a popular touristic destination for Ukrainian and Russian people. The Crimean Mountains and the rich historical and culinary culture are two major attractions that make of tourism one of the 3 principal activities of the region.



Figure 10. Map of the position of Crimea in Ukraine (Source: Wikipedia)

Crimea is famous for its rich history as many folks lived there throughout the ages. There are still some vestiges of the Tauric tribes, the ancient Greek, the Byzantine Empire and of the Tatars which were living there till their deportation by Staline after the Second World War. As a consequence, the Tatar culture is still highly present in Crimea and especially their gastronomy and handcraft which represent an important aspect of the touristic appeal of Crimea.

Nevertheless, the economy of Crimea is also based on industry and especially on the food industry: 60% of goods produced for consumption are coming from the food industry. The economy was previously based on the mining and chemical industries because there are in Crimea more than 250 deposits from 27 different minerals. But this sector declined since 1990 and now only represents 2% of the revenues of the Ukrainian mineral industry. Agriculture was as well a dynamic sector of Crimea but it suffered the recession after 1990 as 265 000 ha of agricultural land stopped to be cultivated from 1990 until 2000.

Crimea is one of the poorest regions of Ukraine as it is attested by the average income of its population: 2250 hriv / month, 2.5% less than the national average income. This has important social consequences: the population falls by 5% each year (SSCU) and the unemployment rate is still growing.

To face those difficulties, the Crimean government is emphasising the development of tourism, which already represents 30% of the GDP of Crimea, and is thus focusing on the economic development of coastal urbanised areas.

However, with 37.3% of its population living in rural areas (SSCU, 2001), Crimea can still be considered as a rural region (16 towns and 957 villages). This population is not really taken into account in the priorities of the Crimean development.

Considering the natural and cultural resources of Crimea, and its potential for tourism, the development of GIs could be a solution to foster rural development.

1.2. The sweet red onion of Yalta

The red onion of Yalta has long been considered one of the favourite souvenirs of southern Crimea. This legendary vegetable originates from the beginning of the 19th century, the result of a cross between the purple variety from the Portuguese island of Madeira and the sweet variety found in Spain.

Product description

Yalta red onion is recognisable by its dark red, purplish colour but also by its round flattened shape and its large size, more than 8 cm of diameter. It has a distinctive taste, unique to its variety, and is well known to have a very sweet flavour. Contrarily to common onions, it is characterized by a low level of aromatic oils, by the looseness of its layers and by a white flesh tinged with red. Those characteristics highly depend on the location of the production, the soil, the climate and the cultural techniques. It also has the particularity not to make you cry.



Area of production



This onion is produced in the Crimean Mountains in Yalta municipality. It was originally produced in the villages of Opolzneve, Holuba Zatoka and Beketove near Simeyitz, at the west of Yalta. It can also be grown at the east of Yalta, next to Alushta.

Traditionally, those onions are grown on coastal lands, above 50 meters high, with sand-rich or clay loam that does not restrict the development of onions.

They also require a humid environment. Those physical characteristics of the area of production affect the taste of the onion and especially its sweetness which is its principal appeal. Consequently, this onion is strictly linked to its place of origin, as it cannot be grown identically outside the area of Yalta.

Because of the growing reputation of the red onion, some producers started to produce it in larger fields in the northern steppes of Crimea, which are characterised by heavy clay soils with sodium salts. Those soils have a different composition than the original area of production and it has consequences on the taste of the onions. Even if the shape and colour are similar, the onions become bitter and those bitter onions harm the reputation of sweet red onions of Yalta.



Method of production

The seeds are first planted during winter time in seed trays. Then the small shoots are transplanted to the ground during May. In-row distance is between 5 and 10 cm and from 10 to 20 cm between rows. The onions are irrigated twice a day with mountain river water, first early in the morning and then after sunset. To allow the onions to grow, producers also hoe around them. All the steps of production are realised manually. After harvesting (3 months after planting), bulbs are placed on the ground, covered with their own foliage and left for 8 to 15 days to dry. Then they are tied in bundles of 5-8 kg and hanged during another 15 days in a shadow place.



This method of production is typical from this onion and has been shared for 2 centuries by local people. Those techniques have been transmitted for ages from father to son, that's why local people are even not able to remember why they do so.

Consumption and marketing

This onion was cultivated and consumed by rural people in villages around Yalta for decades. It is part of the summer diet and is eaten in salad or in typical Tatar dishes like *Cheburek*.

Thanks to the development of tourism in Crimea, Yalta red onion is bought by tourists as a souvenir. You can buy them along the road from Sebastopol to Yalta. There are also sold in markets in those 2 cities. The onions produced in the steppe zone are generally sold in supermarkets for a lower price: 10 hrv / kg instead of 25 hvr /kg for typical Yalta red onions sold by local small-holders.



Threats

The 6 producers I met were actually local small-holders which were producing less than 10 tons of onions per year on their few hectares of land. They are still producing in the original area but they have more and more difficulties to sell their products at a fair price because of the cheap onions produced in the North. Furthermore, those red onions from the steppe are bitter even if the external aspect is similar to real Yalta red onion. This can be harmful for the reputation of the product and can one more penalise small-holders: this was highlighted by 5 producers. On top of that, local communities are facing contamination of their original onions by hybrids from the northern steppes. The existence of Yalta onion is clearly threatened by those onions from the steppes. To protect their original seeds, producers are making sure that no hybrid onion is grown within a radius of 7km. But this protection only concerns the genetic resource and do not address the problem of competition on the market.

Those 6 small-holders are also involved in rural tourism activities from which they were getting more money and spending less time in comparison with the cultivation of Yalta onions. As the production of those onions requires hard handwork and is less and less profitable, the 6 of them want to decrease their production in the following year, and even one couple will surely stop selling them in the near future.

1.3. Which GI potential for Yalta red onion?

Link between people, place and product

The red onion is strongly linked to its place of origin because it only reveals its true sweet taste in the mountainous villages of Yalta area and thus presents a high territoriality. The techniques of production are specific of the red onion, especially with the irrigation with mountain river water. Moreover this know-how has been shared for more than 2 centuries by

local people who traditionally produced this onion in villages for their own consumption. Therefore the typicity of the production process and the product as well as the communality and the traditionality are relevant. Regarding the information that were collected, maybe the traditionality aspect of Yalta red onions could be discussed because any proof of evidence could be found to show that this particular onion was a traditional product of the Tatar people which were the inhabitant of Crimea till 1946.

Nevertheless, this product present a strong link with its place of origin and with the people living there which could make it eligible for a GI protection, as it already exists for the red onion of Tropea in Italy (*Cipolla Rossa di Tropea*, Protected Geographical Indication).

Motivation of producers

The 6 producers interviewed were all really worried about the production of false Yalta onions in the northern steppes of Crimea. This threat comes to reinforce the GI potential of the red onion of Yalta. In deed, the pressure of competitors is another factor of success of the development of a GI product. The threat of loosing the typical product stimulates the need for protection and enhances the social cohesion of the group (Barjolle & Sylvander, 2002). This threat for their product clearly influenced their position regarding GIs. When asked about their willing to register their product as a GI, 4 producers on 6 answered that they would be interested, even if they do not have available financial resources for the moment. Their main reason was the protection that GIs could confer to their product: preservation of the original seed and product sold at a fair price on the market. One producer did not see the need because according him consumers would not change their consumption habits and would not pay more for a better quality product. The last person interviewed was not at all interested because she wanted to stop its production in the near future.

Involvement of local institutions

None of the producers is part of a farmers' union or has any link with public authorities. They eventually can be helped by close neighbours who share their experience. As 4 of them were also offering green tourism accommodation, they were in contact with the association for the assistance of the rural and green tourism of Crimea, which has broaden its activities and has taken the name of Slow Food Crimea. Slow food Crimea is now recognised by the government of Crimea and can get some financial support for projects related to tourism. The ministry of economics supported for example a program for the development of small business in the tourism field to promote the historical and cultural heritage of Crimea. This is a positive point for the development of GIs in Crimea because public authorities show a

willing to protect the cultural capital of the region, which includes traditional food products. However, it is important to notice that the Crimean government supports few projects. Most of them are supported by international funds and grants. For example the first project on rural tourism in Crimea was funded by a French association. And this is also the case for the union of landowners and farmers of Crimea whose project on marketing agri-food products is funded by USAID. Public authorities have not the financial capacity to support too many initiatives and so focus on those related with tourism, which is the main axis of development of Crimea. Regarding the potential of GIs to make a region more attractive, especially for tourism, the government of Crimea could be interested and support such a system. The main obstacle is the lack of financial capacities to enforce a guarantee system and to promote GIs in the region.

Furthermore, the absence of collective organisation between onion producers represents a major obstacle to the development of a GI for Yalta red onion. As mentioned in the previous chapter, a group of producers is essential to convert a weakness into a strength and to develop an efficient strategy to promote their products. This is especially true in the case of Yalta red onion producers, which are small-holders that have to face more modernized producers. A collective organisation would confer them the possibility to share, to exchange and to build a coherent strategy to protect and sell their product. It is also an essential step for the development of a GI, as producers have to write a common code of practice concerning their product. The difficulty here is to manage to identify and gather all the producers of Yalta red onions which are mainly unprofessional small-holders. Furthermore, after the communism period, cooperatives and farmers unions are still starting to appear, and some producers are still reluctant to be part of such organisations.

Potential benefit for rural areas?

A protection of Yalta red onion by a GI would clearly help to preserve the original seeds and the true taste of the onion. A GI label would be a way for consumers to recognise the Yalta sweet onion and to differentiate it from the one from the steppes. For the moment, the best way for small-holders to attest from the quality and origin of the product is to show their dirty hands! And if consumers can recognise the quality of the true onion and are willing to pay for this quality, it would support small holders in getting a fair price for their product.

Moreover, Yalta red onion is a production completely adapted to the Crimean ecosystem and it grows where no other culture is growing. It is now part of the landscape and help to prevent the erosion. As it produced in a sustainable way, it helps to reproduce the natural resources of

the area. It would be really harmful for Yalta region if this culture would disappear. A GI protection could clearly prevent this to happen.

Yalta red onion is also the most famous food product from Crimea, hence the fact that a lot of tourists take some back home as a souvenir. Then, many people who are accommodated in green tourism places are very fond of those onions and happy to find on their table everyday. The red onion of Yalta clearly represents an element of the attractiveness of Crimea and its protection could generate positive externalities for the region. The reputation of the red onion could be enhanced through the GI protection and thus benefit to rural small-holders. The product could attract tourists in the area of production and so help rural small-holders to develop rural tourism. Actually, tourism is for the moment concentrated on the coast and rural areas have still difficulties to attract tourists.

The spill-over effect would not only concern the green tourism sector as other Crimean products could benefit from the enhanced reputation of Yalta red onion. Several other products are also typical from Crimea and they could be developed if the interest for traditional and typical food products of Crimea is raised. For example, only one family farm is producing traditional pork products from Crimean pigs and also one family farm is producing various indigenous fruit varieties such as traditional Crimean pears and apples and indigenous Crimean grapes (Taifi, Husaine...).

For this to happen, there is a clear need for producers to organise themselves. They need some technical support for this organisation and to understand the principle of GI protection and its functioning. A financial support is also required, by public authorities or an external organisation.

To sum up:

- Yalta red onion has a high GI potential
- The threat of losing the original seeds is a good argument in favour of a registration
- Interest of producers for registration but lack of organisation and of information
- Potential positive impact on rural areas (spill-over effect)
- Need for technical and financial support

2. Rakhivska Bryndza

2.1. Zakarpattia oblast, in the heart of Carpathian Mountains

Zakarpattia oblast is situated in the Carpathian Mountains, in the western part of Ukraine, and it shares its borders with Slovakia, Hungary, Poland and Romania.



Figure 11. Map of the position of Zakarpattia in Ukraine (Source: Wikipedia)

Zakarpattia is the youngest region in Ukraine and is also specific by its heterogeneous population: Ukrainians are the main population (78.4%), followed by Hungarians, Russians, Romanians, Slovaks, Gipsies...for a total of 30 nationalities.

The Carpathian Mountains cover 80% of the territory and represent the major economic resource of the region because it attracts a lot of tourists who come in winter to ski and in summer to hike and enjoy the nature. Actually, the Carpathian ecosystem presents the largest biodiversity in the European continent: one thousand species of high vascular plants, 64 species of mammals, 173 species of birds, 9 reptile species, 13 species of amphibian, 23 fish species, 10 000 species of invertebrates are protected in the reserve². Since 1968, the Ukrainian government has preserved the mountain landscape with the creation of a Carpathian reserve. In 1992, the Carpathian Biosphere Reserve, which covers 2.5% of the territory, became part of the World Network of Biosphere Reserves of UNESCO. 64 species of plants and 72 species of animals from the biosphere are registered into the Red Data Book of Ukraine and of the International Union for Conservation of the Nature (IUCN), and are also protected by the European Red List. As the Carpathian Mountains stretches an arc from Czech Republic to Romania through Poland, Slovakia and Ukraine, an international partnership called the Carpathian Ecoregion Initiative was created in 1999 to collectively

² <http://cbr.nature.org.ua>, official Ukrainian website of the Carpathian Biosphere reserve

protect the Carpathian Mountains and support local economies of rural communities and their culture for a sustainable development.

Those special features influence the peculiarity of the social and economic development. Apart from tourism, the economy of the region is also based on forestry, timber industry, food industry and the development of trans-border collaboration. Concerning the latest, Zakarpattia has a special economic statute due to 2 Ukrainian laws on the creation of a free economic zone with special conditions for domestic and foreign investments. This favourable environment for the development of many small and medium businesses makes of Zakarpattia an economically dynamic region. As a consequence, the population in the oblast is increasing and this also concerns the rural population which represents 63.3% of the total (SSCU). Zakarpattia is thus one of the most rural regions of Ukraine.

2.2. Rakhivska Bryndza

Bryndza is a sheep/cow milk cheese made in the Carpathian Mountains, principally in Romania, Slovakia, Poland and Ukraine. The word ‘*bryndza*’ originally comes from the Romanian word ‘*brânză*’ which means cheese in Romanian. There are written mentions of bryndza in Slovakia from the late 15th century but it began to spread to neighbouring regions from the next century and especially to Ukraine. This cheese is a typical product of the Hutsul people, an ethnic group of Ukrainian highlanders who have inhabited the Ukrainian Carpathian Mountains since the 15th century. It is traditionally conserved for winter time in glass pots.

Product description



Rakhivska Bryndza is a soft rennin cheese made exclusively from raw sheep milk. The milk comes from Carpathian Mountain Sheep, a Ukrainian breed resulting from the cross between Cigaja and Zackel breeds. The cheese is approximately produced from May to September. Rakhivska Bryndza has a white colour with a salty or slightly salty taste. Its texture is creamy-crumbly, with a fat content around 45%.

Area of production

This cheese is produced in Rakhiv Rayon, in the oblast of Zakarpattia.



Method of production

Ewes are led in the '*polonyna*' (high pasture, above 1500 meters of altitude) during spring and summer. They are milked twice a day and the milk is filtered through a filter called '*Chytyna*' made of gauze, local herbs and spruce branches. Then whey, coming from the stomach of a calf which was only fed with milk, is added to the milk collected in a wood basin for it to coagulate and to turn into curd. The curd is gathered and separated from the whey. The cheese curd is removed and is put to drip in a large piece of gauze. It undergoes fermentation for 5 days and is then broken into small chunks to be smashed and mixed with butter and salt.



Structure of production and processing

During the Soviet period, 53 000 Carpathian Mountain sheep were bred in 8 collective farms but after the ruins there were only 15 000 sheep left. Due to the effort of local actors to save the livestock, there are now around 25 producers of Rakhivska Bryndza for a total of 40 000 Carpathian Mountain Sheep (23 000 ewes in lactation) which produce 200 tons of Rakhivska Bryndza per year. Those producers are generally not the owners of all the ewes milked in the *polonyna* as many of them are given for this period by small-holders who get some cheese and milk in exchange.

An association of sheep producers was created to help producers to commercialise their products, to accompany new producers and to represent their interests when interacting with local authorities.

In 2006 a cheese plant was opened with the help of the American NGO USAID and with local government funding. 6 persons work punctually there, from May to September, in order to cut, mix and packed Rakhivska Bryndza.

Consumption and Marketing

This cheese is a typical product of the Hutsul people, an ethnic group of Ukrainian highlanders who have inhabited the Ukrainian Carpathian Mountains since the 15th century. It is traditionally conserved for winter time in glass pots. The Rakhivska Bryndza is consumed in a dish called '*Kulesha*', mixed with smashed corn and *salo* (pork fat).



Thanks to the Rakhivska Bryndza Festival which takes place every year in September in Rakhiv, this cheese is more and more popular, especially among tourists. This festival was created 11 years ago by a local actor willing to preserve this traditional product and to develop sheep breeding in the area. As the reputation and the demand for the cheese was growing, he initiated, with the association of sheep breeders of Rakhiv, the project of construction of the processing plant. The bryndza is now packed in plastic boxes and clearly labelled, which makes it easier for tourists to recognise and transport it.

All the Rakhivska Bryndza is sold on open-air markets, directly on the producers' place or during the festival. Producers can not even satisfy the growing demand, which allows a correct price for the product (around 40 hrv / kg).

2.3. Which GI potential for Rakhivska Bryndza?

Link between people, place and product

The bryndza of Rakhiv presents a strong traditionality and communality. It is a traditional product of the Hutsul people and the technique of production is shared among all the producers. This cheese is typical in the sense that it has a specific taste and texture, different from other cheeses and especially different from other bryndza cheeses. This is due to the fact that only raw sheep milk from Carpathian Mountain sheep is used. Other bryndza cheeses can be made from cow milk also and with different sheep breed like the Polish mountain Sheep for the PDO product '*Bryndza Podhalanska*'. The typical taste of Rakhivska Bryndza also comes from the unique vegetation of the high pasture of the Carpathian Mountains, which influences the quality of the milk. Rakhivska Bryndza is thus linked to its place of origin. The territoriality aspect of the cheese can probably be the most disputable point as there is no clear evidence of the influence of the raw material on the taste of the final product and because the method of production is not totally specific from the area. Nevertheless, because the feeding of the sheep includes endemic plant species and because the milk is filtered with local herbs

and wood branches, we can assume that Rakhivska Bryndza has a link with its area of production, even if this link is not very strong.

Finally, Rakhivska Bryndza is highly linked to the people living in Rakhiv rayon as it is a traditional product. We can add that this link, and thus the communality, is reinforced by the willing of local people to conserve this product and to develop its production. The typicity and territoriality of the product are important enough to make of Rakhivska Bryndza an eligible product for a GI protection. In deed, the polish *Bryndza Podhalanska* obtained a PDO based on similar characteristics.

Motivation of producers

The 4 producers interviewed were all really satisfied with their production and selling opportunities. They all could sell their cheese for a good price, especially with the help of the Bryndza festival in Rakhiv attended by 7000 people last year. During one of my interview, 4 persons in 45 minutes came directly to the producer's place to buy some brynzda but the producer had already sold its weekly production in a few days. This clearly shows that the demand for the product is high and thus producers do not see the need to change things. When asked about their willing to register their product as a GI, 2 of them were not interested and 2 wanted to know more about this registration. In reality, at the moment their concern is more about how to give value to the sheep leather skins rather than to promote or protect the cheese. The president of the festival and the one of the sheep association are also looking for opportunities to give value to the wool which is not much transformed: some producers make blankets but most of the wool is given or thrown away. At the same time they would like to increase the reputation of their product to allow new producers to settle there. Those 2 actors were much more interested by a possibility to protect and promote their product through a GI protection.

Involvement of local institutions

The 4 producers are part of the association of sheep producers of Rakhiv which is really active and want to help them to develop their production. This association represents the interest of sheep producers, particularly in front of the local government. Because they are organised, sheep producers are more considered by local authorities who are more willing to help them. They have good contacts with the Carpathian Agency of regional development which supported them financially for the construction of the processing plant. However, it is important to notice that the sheep producers association is not relying on the Carpathian Agency to develop projects. As the association has no internal financial capacity, they prefer

to get grants from international funding. So even if the local government shows interest and supports local projects, it is still not considered as the competent institution to support local development. In reality, the main stakeholders in the local development are local people who invest time and efforts to preserve their traditions and their environment.

Potential benefit for rural areas?

A GI protection of Rakhivska Bryndza could help to achieve the goal of the presidents of the festival and the sheep producers association to preserve and develop the traditional sheep activities. If they want to develop the production they will have to promote and sell the product outside the area of production. As there are many Bryndza cheeses sold in the Carpathian region, a GI protection would help to differentiate the product and especially to certify its origin. Producers in the area would benefit from such promotion and the high demand for the product would attract new producers. This would be possible only if consumers are ready to pay more for certified quality products.

On the other hand, producers do not feel the need to register their product because it is very successful in the area of production and they don't have any problem to sell it. Moreover, there is no other bryndza cheese sold in the area so they have no competitors and can't get a fair price for their product. The new processing plant enabled them to get a nicely packed product with a better label: now the indication 'Rakhivska Bryndza' appears on the product and makes it recognisable by consumers. Unfortunately, this packaging is not yet used by all producers. The collective reputation of the product could be enhanced if all producers were using this package and label. Furthermore, producers are not able to pay for certification and are not yet able to comply with strict sanitary requirements (lack of equipment).

In this case, a GI protection doesn't seem to be the best option for the development of the territory, at least in the next future. Producers show no interest and the main local stakeholders have other priorities for the moment. Moreover, this certification seems too expensive regarding the financial capacity of producers and their association, and regarding the potential benefit that they could get from it.

To sum up :

- Rakhivska Bryndza has a good potential for registration
- The product has a good reputation in the region and is becoming really popular
- Producers do not see the interest for a registration

3. Conclusion

Finally, through those two cases there were first glimpses of the potential development of GIs in Ukraine in support of rural development. The case studies underline the importance of the local context in the possibility to register a GI. Even if the two products have some common characteristics, the organisation of their producers is different and this is a determinant in the potential development of GIs and its potential benefit for the area. Yalta red onion and Rakhivska Bryndza are highly linked to their territory and they are part of the local culture and traditions. They are both produced by small-holders which share common knowledge about the method of production. Both areas of production are places of important interest and are thus very touristic. Furthermore, the two products have a good reputation and are sold easily to local people or tourists. However, producers in each area are not similarly organised and it has had consequences on the development of their respective products. Producers of Rakhivska Bryndza are gathered in the sheep producer association of Rakhiv, whereas those of red onions are not all organised. Producers in Rakhiv were thus more able to develop and promote their product. The collective organisation enabled them to get regional and international funds, and they are now recognised and supported by local authorities. They were able to build their own strategy for their product and were successful. They consequently do not need any protection or tool of promotion currently. That is why the GI registration does not represent a point of interest, including the fact that there are no competitors and that they do not have enough information about GIs. On the contrary, producers of Yalta red onions have no collective organisation and thus are less able to face competition. In their case, the development of a GI would be interesting, mainly for two reasons: first a GI would protect the product and its traditional way of production while at the same time helping producers to organise themselves and as such to build a collective strategy for the development of the product.

Like producers of Yalta red onion, a lot of small producers of traditional food products in Ukraine are not organised and have difficulties to develop and promote their products. The development of GIs could be a way to encourage them to organise. The results of Heifer's producer survey have shown that only 22% of interviewed producers are part of a collective organization. 74% of producers and processors interviewed want to develop their traditional production and 49% of them are ready to register their product as a GI. Finally it is also important to underline that the success of GIs relies also on consumers' awareness and willingness to pay more for such products.

1. Limits of this study

The initial objective for this study was to interview at least 20 producers in total for the two case studies. In practice, this number was impossible to reach and only half of those producers were interviewed. As the topic of GIs was really new in Ukraine and also for Heifer, there was no database or no way to easily contact producers. It was even more difficult because of the linguistic gap. Key persons, who were collaborators of Heifer or members of Slow Food, were responsible for contacting those producers and organizing the meetings. As people in Ukraine are not familiar with the concept of research in general, it was difficult to schedule all of the interviews as planned. As a result only a few people were interviewed. Nevertheless, it can still give a relatively good first overview of the potential development of GIs in Ukraine. A deeper analysis would be required to know more about the point of view of the different stakeholders of each area on GIs and especially to get the opinion of local governments. This was also a weak point in this study, as local public authorities can play a decisive role in the development of a GI. It would have been interesting to have an insight of the local governance and of the tools and resources that local authorities have to foster rural development. Indeed, a good public-private partnership is one of the key issues involved in enhancing rural local development (Wiskerke, 2002).

It was also planned to meet the Ukrainian Institute of Industrial Property which is in charge of GI registrations. The purpose was to clarify the legislation and to ask them about their perspective concerning the development of GIs in Ukraine. However, the person responsible for this topic refused to meet in person and only accepted to answer questions by email, which she did not end up doing.

Even if the language gap was mentioned above, it is important to insist on the fact that the inability to fluently express oneself in Russian and Ukrainian was a limiting factor. A lot of help for the translation was necessary, especially on the field, but it took a lot of time and it was sometimes hard to get comprehensive information.

There was not enough time to talk with producers about other alternatives for their products. For example, the development of a collective label in Zakarpattia was quoted by a representative of the NGO Green dossier as a potential opportunity for local stakeholders to label and market traditional food products and services in the region.

Last but not least, it is important to underline that the success of a GI also relies on a good economic remuneration of the product. To be sure that the sales of the product will generate sufficient income for producers and also sufficient benefit to support the management costs of the GI, it is essential to assess the market potential of the GI product (FAO, 2008). This topic was not broached at all in this study which focuses on the legal framework and GI products and producers. Nonetheless, some results of the consumer survey realized by Heifer will be presented in order to get a brief overview of potential market opportunities.

2. Attitude of consumers toward OFP

As a result of the Soviet period, the food production in Ukraine is highly uniformed. All basic generic products such as bread or milk had to comply with very strict state standards and there was no place for specificities. Those state standards are still in force and many people still trust them, considering them as a guarantee of quality. As a consequence, traditional regional products, with high specificities and not under any state standard, are not yet seen as food products with very high quality. Indeed, Heifer's consumer survey has shown that 23% of consumers do not know of any OFP in their area and 72% think that there are very few of them in their area. Taking into consideration the richness of the Ukrainian cuisine and the importance of traditions in the country, Heifer suggested that many consumers were in reality not at all aware of the notions of OFP or GIs. In fact, many people only eat products that come from their own garden or from the garden of relatives who live in rural areas. They also produced their own milk products and meat. As a result, the notion of quality is more related to the idea of home produced and home made rather than to traditionality or origin. The typicity of a product appears to be more important for consumers as 31% of respondents consider that the most important criteria influencing purchase is the original taste of the product. To the same question 29% of respondents answered that the high quality of a product is the most important factor influencing their purchase. This is encouraging the developments of GIs, as GI products are supposed to be high quality products with a very high typicity.

Concerning labeling, one third of the consumers interviewed do not pay attention at all to labels or names of the product. However, 60% of the respondents admit that getting full information about the product on the package, which means its peculiarities, ingredients, recipe and place of production, would positively influence their purchase. In that sense, GIs could be a good opportunity because they permit the creation of a relation of trust with consumers and inform them about the origin of the product and its specificities.

Furthermore, considering the absence of such a label in supermarkets and the increasing number of food retailers, GIs could rapidly develop in the next future. The presence of the retail sector is growing every year with an annual average growth rate of 25% in 2007, and as much as 35% for Kyiv and Odessa. The annual share of super and hypermarkets in Ukraine is increasing 10% annually (Balanyuk A., 2008). The emergence of the retail sector will probably be followed by an increasing need for consumers to get information about the products they buy and thus labels will become more and more important (Valceschini E., 2003). Indeed, because of the extension of food supply chains induced by the retail sector, consumers have to rely on new sources of information to make their purchasing choices (Watts et al., 2005). To provide credible and pertinent information about food products through labels would probably become in the future an important issue. It could be a great opportunity for the development of GIs, considering the importance of typicity and high quality for consumers.

However, considering the currently low buying power of Ukrainian consumers, they will probably not have any willingness to pay more for such GI products. This means that the development of GIs is completely uncertain at this moment. This question needs to be more deeply studied through the realisation of a more specific marketing study. Maybe some less expensive alternatives to GIs could be found to help to develop and promote OFPs. An example of an alternative could be collective regional branding.

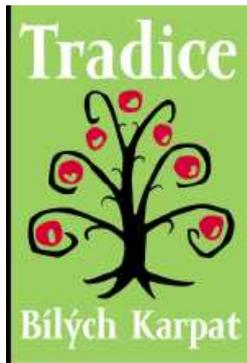
3. Regional branding as an alternative to GIs? The example of the regional mark Tradice Bilych Karpat

As seen in the previous case studies, small producers in Ukraine are still not well organized and they especially lack a defined marketing strategy. They sell their products mainly to local consumers and tourists and in the best case they have a simple label indicating the name of their product. As noticed by Marescotti (2003), those local actors are usually not interested by a GI registration because the costs involved by the certification and the adaptation to the product specifications are too high in comparison with the direct benefit.

When costs outweigh benefits, a collective marketing strategy through a regional brand can be a good opportunity for those small-holders to get higher incomes and better access to markets (Renting, 2008) and also can be an opportunity for an integrated regional development. Indeed, regional branding stimulates the regional economy by creating added value for the regional products and services (Hegger, 2007).

The idea is to market different products and services of a region with a collective regional brand. Small-holders, farmers, processors, rural entrepreneurs and local public institutions can thus benefit from this collective action. The regional brand is usually governed by an association which gathers different stakeholders of the region.

While talking with the Ukrainian NGO 'Green Dossier' about the Carpathian region, they evoked the wish from Carpathian actors to develop such a collective brand, based on the example of the Czech Carpathian brand called *Tradice Bílých Karpat* (TBK).



TBK association is a Czech NGO created in 1998 which administrates the label TBK and promotes the White Carpathian region. This NGO is formed by farmers and representatives of different NGOs protecting nature or promoting organic agriculture, and also by representatives of farming extension services and local authorities. The label TBK is used for agricultural products as well as non-farming activities. The first product labelled was a cider. Eleven actors are currently using the regional label to market their products. The label can also be used by Slovak actors in the other side of the Carpathian Mountains. TBK is the first cross-border label in Central and Eastern Europe (Kučerová E., Lošťák M. & Zagata L., 2007). Through this label, they created an assortment of goods, products and services that all have the same regional connotation and collectively promote each other as well as the identity of the region.

Based on this initiative, Green Dossier would like to build, with the help of different actors of the Carpathian region involved, a specific label for the Ukrainian Carpathian region. The aim is to increase the visibility of Carpathian food products, goods and services to attract more people and resources in the region for an integrated regional development. The Carpathian Mountains are already well known to be a preserved and natural area; it will thus be a real advantage for food products to get a logo related to this area, which will vehicle this environmentally friendly image. To support this initiative, they want to create an association which will be in charge of managing the label, defining eligibility criteria and controlling its use. The users would have to pay a small annual fee, but this is still a point of discussion because they do not want to exclude any actor because of this fee, especially small-holders.

One key of success of such initiative resides in the degree of connection that people have with their region. The more people have a strong sense of belonging, the more they will participate

and put efforts into promote their region. The notions of cooperation and common sense of identity are also important. Such regional branding involves different actors such as entrepreneurs, associations and government representatives who have to work together for the benefit of the region. Their cooperation is essential for the success of the initiative (Messely et al., 2010).

Another important point to underline is the vital role of public institutions in establishing and developing such marketing initiatives (Wiskerke, 2002). Public institutions, especially at a local level, can support the initiatives with financial and human resources, can provide education and training to build capacity and can also provide technical help.

4. To strengthen local governance for successful collective actions

In Ukraine, local governments have little power and no resources, both human and financial, and this is a limiting factor for the development of collective actions such as GIs. Ukraine has 3 levels of local governance: *oblast*, *rayon* and town/village or city district, with elected representative bodies that are independent of each other. In cities and towns, local self-government bodies are elected by the people and have corresponding executive bodies. However, local governments of *rayon* and *oblast* do not have any executive power because the executive branch is represented by state administrations, which means that at those levels the central executive power takes and implements decisions. Moreover, *rayon* and city administrations are subordinate to *oblast* state administrations, which in turn are subordinate to the central government. Notably, *Oblast* state administrations are appointed by the central executive. On top of that, the public administration system and the state finance system in Ukraine are, in practice, still highly centralized. This is a result of the Soviet period when regional development was based on the planned and centralized allocation of production facilities with a concomitant supply of labour and inputs. There was long-term state planning for workforce allocation and settlement and it ignored the interests of individual local communities, including natural resource usage and environmental protection, not to mention the preservation of cultural traditions. This rigid system of planning, distribution, and control did not leave any space for initiatives or changes at the local level. That is why Ukraine does not have sufficient social, economic and regulatory basis for the development of local governance and local economies (Hnat V. et al., 2005).

Actually, there is no clear definition of which bodies provide what services and which arm of local government, the state administration or the local *rada* (council) fulfils which functions.

This situation makes local government much less effective and sometimes regarded as useless. In fact, many small towns and villages do not have enough technical or financial capacity to function and are considered unviable as political units (USAID, 2007).

This is really problematic for the development of rural areas because many actors prefer to work individually or with international organisations rather than with local or national authorities. This problem slows the emergence and development of new activities because local actors are not supported by public institutions, especially at a local level. This would be clearly problematic for the development of GIs. In this process local actors need to be supported during the collective construction of the code of practice. Local public authorities should be able to provide information as well as advice to help with the organisation and of course to be the link between the central government and local people. For the moment this is not completely achieved because people are still somewhat reluctant to trust public institutions.

Furthermore, the problem of centralisation in Ukraine also concerns the GI system. The responsibilities related to the protection and promotion of GIs are still mainly concentrated on the State Department for Industrial Property. As a consequence there is almost no consideration for agricultural and rural development issues as well as for market issues. The role of the national institutions regarding GIs and the role of local governments should be re-defined to enable the development of GIs and its support and promotion at all levels.

- CONCLUSION -

The registration and protection of geographical indications for food product can lead to positive externalities for rural areas. The more the link between the product, its place of origin and the people living there is strong, the more this protection will have positive impacts on rural development. Based on the use of local resources, they permit local communities to create value added through the local production of traditional high quality food products. The GI is a tool through which the reputation of origin food products can be built and protected to enable producers to get a fair price for their products.

The purpose of this study was to assess the potential development of GIs in Ukraine to support rural areas. As there is already an existing legal framework in Ukraine regarding the protection of GIs, the main questions were: does the legal framework enable the efficient development of GIs? Are there origin food products in rural areas that could have the potential for a GI registration? Do those products present a strong link with the place of origin to foster rural development?

The actual legislation on GIs in Ukraine is on many points similar to the EU regulation on PDO and PGI. However, some insufficiencies restrict the correct use of GIs, like the absence of a requirement for a code of practice and for a guarantee system, as well as the complete unavailability of a label and of GI promotion. Those elements are essential to enable producers to efficiently protect and promote their products. Since 2001, when the law was enacted, there are only 10 products registered which are mainly mineral waters. This clearly shows the need to complete and refine the GI legal framework.

Thanks to consumer and producer surveys distributed in 10 regions of Ukraine, many origin food products were highlighted. From those products, two were selected for a case study because they have shown the stronger link with the area of production. Yalta red onions and Rakhivska Bryndza present some similarities in terms of territoriality, traditionality, typicity, and communality, but they have different contexts of development and different organisation of producers which has a consequent influence on the potential development of GIs in these rural areas. Both products have a good GI potential but only the producers of Yalta red onions are interested by a GI protection. A GI protection could actually preserve the original seeds of Yalta red onions and thus support small-holders in rural areas around Yalta. On the other hand, small-scale producers of Rakhivska Bryndza, which are organised in a sheep producer association, are not at all interested because their product is popular and they face no

competition with other cheeses as their product is clearly labelled. Those two examples show that there are potential GI products in Ukraine but for the moment their ability to foster rural development can not be certain, especially concerning the fact that small-holders have no possibility for the moment to invest in such an expensive system.

Nevertheless, considering the possibility of development of a free trade zone between the EU and Ukraine, the development of GIs could be a good opportunity to promote Ukrainian food products on the EU market. Actually, an EU information notice from June 2010 states that, in the framework of the negotiations for this free trade zone, the GIs registered under the Ukrainian Law on the Protection of Rights to Indication of Origin of Goods will be also recognised and protected as such in the European Union after the objection procedure. The communication mentions two wines, *Soniachna Dolyna* and *Novyj Svit*, which were registered respectively in 2007 and 2009. This clearly opens new perspectives for the development of GIs in Ukraine.

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- LIST OF ABBREVIATIONS -

AO	Appellation of origin
ARIS	Agricultural and Rural Investment Strategy
CAE	Collective Agricultural Enterprise
DOLPHINS	Development of Origin Labelled Products for Humanity, Innovation and Sustainability
EAAE	European Association of Agricultural Economists
FAO	United Nations Food and Agricultural Organisation
GDP	Gross Domestic Product
GI	Geographical Indication
GIO	Geographical indication of origin
IFC	International Finance Corporation
IUCN	International Union for Conservation of the Nature
OFP	Origin Food Products
OLP	Origin Labelled Product
PDO	Protected Denomination of Origin
PGI	Protected Geographical Indication
SANPIN	Sanitary Norms of Quality of Raw Food Materials and Food Products
SDIP	State Department of Intellectual Property
SSCU	State Statistics Committee of Ukraine
TBK	Tradice Bílých Karpat
UAH	Hrivnia, Ukrainian currency
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development

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- ANNEX A: QUESTIONNAIRE FOR CONSUMERS -

The AIM of this survey is:

- ⇒ identification of consumer demand for origin-linked products manufactured in certain area (region/oblast);
- ⇒ assessment of citizens' awareness on availability of special labeling («geographical indication labeling») directly or indirectly specifying geographic origin of product, which have specific qualities, reputation or other characteristics related to a geographical location;
- ⇒ identification of obstacles for the development of markets for these products.

Dear Sir/ Madam!

My name is _____. I represent the International Charitable Foundation «Heifer Project International». We are conducting a market research of food products with 'geographical indications' in Ukraine. We encourage the citizens of Ukraine and our guests to consume more Ukrainian products. It is the main objective of our research.

Geographical indication of origin shows through labeling what area (village, town, oblast, raion) certain good comes from. The origin can be described in words or with a special mark /label. One of the examples is Myrhorodska water. This product differs from others due to its specific quality, taste, reputation. Furthermore, this product differs from others as the area where it originates from, has special natural conditions, historical and cultural traditions, which can be found nowhere else. Almost every region has its own traditional food products/ dishes such as Kherson tomatoes, Poltava halushki, Truskavets water, Volyn matskyke, etc.

In this connection we ask you to answer several questions.

Your answers are very important for us; they will help us develop proper policy recommending for national authorities.

You do not need to give us your name and home address. All information is anonymous and will be used only in a summarized form.

Section 1. Inventory of origin-linked Products

1.1 In your opinion, are there any food products in the area (oblast, district) where you live, which are produced nowhere else, or if such products are produced somewhere else, they substantially differ from similar products in other regions of the country due to their specific quality, packaging, recipe, form, etc.

- We do not have such products*
- I do not know anything about such products*
- Yes, there are such products, but only a few*
- Yes, there are many such products*

1.2 If “yes”, could you, please, name several food products/ dishes, which are most popular (the most famous) in your area? Do you know who produces them?

<i>Nº</i>	<i>Food product/ Dish</i>	<i>Nº</i>	<i>Peroducer (name, adres - as you remeber)</i>
1		1	
2		2	
3		3	
4		4	
5		5	
6		6	
7		7	

1.3 Why does the product/dish, which you ranked first, differs from other products of its category?

- This product is associated only with this area*
- It is very popular*
- It is a historical pride of our region*
- I like it very much*

1.4 Would you buy the product/ dish, which you ranked first _____ (name it), if it is produced in some region?

- I will always buy only a product produced in our area*
- I will buy product produced in our area, only if it price not substantially hire than price of products from other regions*
- I will always buy cheaper product*
- I do not care about where it is produced*
- I always buy good of well-known trademarks with proven reputation*
- I do nut trust local products*

1.5 If the product/ dish, which you ranked first _____ (name it), it popular, then why?

- It has very high quality*
- It has specific taste*
- It has medicinal properties*
- It has original packaging*
- It is difficult to miss with some other product, as its appearance is very specific*

<input type="checkbox"/>	<i>It is produced with using original local materials/ products</i>
<input type="checkbox"/>	<i>It is original local breed/ variety</i>
<input type="checkbox"/>	<i>It is produced based on original local recipe</i>

1.6 Have you seen the name of your area (oblast/district/village on labels of food products/ names of dishes, which are sold in stores/catering facilities?)

- I constantly see these names on labels*
- It happens seldom*
- I do not pay any attention to names*
- I never saw any such name*

1.7 Please, name at least three such food products/ dishes

1	
2	
3	
4	
5	

1.8 If Do you want that the information on the product – its characteristics/ origin of raw materials, recipe/ technology and place of production – to be on the label ?

<input type="checkbox"/>	<i>I buy products only with such markings</i>
<input type="checkbox"/>	<i>Yes, it will positively influence buy purchasing decision</i>
<input type="checkbox"/>	<i>It is not important for me</i>
<input type="checkbox"/>	<i>The price is the most important factor for me</i>
<input type="checkbox"/>	<i>I do not trust such markings</i>

1.9 Do you know that labeling with geographical indication is regulated by the legislation

<input type="checkbox"/>	<i>Yes, I know about the international legislation</i>
<input type="checkbox"/>	<i>Yes, I'm aware of the Law of Ukraine On Protection of Rights for Geographical Origin of Products”</i>
<input type="checkbox"/>	<i>I do not know anything about this</i>
<input type="checkbox"/>	<i>I want to know more about this</i>
<input type="checkbox"/>	<i>I do not have any information and do not know where to get it</i>
<input type="checkbox"/>	<i>It is produced with using original local materials/ products</i>
<input type="checkbox"/>	<i>It is not interesting for me</i>

	<i>I do not see any sense in it</i>
	<i>Other</i> _____

1.10. If you know that geographic indication is regulated by the law, then where did you get this information?

	<i>From an article in a newspaper</i>
	<i>From TV program</i>
	<i>From Internet</i>
	<i>From colleagues, friends</i>
	<i>At the specialized thematic workshop</i>
	<i>From agricultural extension service</i>
	<i>Do not remember</i>
	<i>Other</i> _____

Section 2. Consumer awareness and interest

2.1 How do you assess the popularity (rate of consumption) of the product/ dish, which you ranked first _____ (name it)?

<i>Food product/dish</i>			
<i>Popular only in our area and neighboring areas</i>			
<i>Popular around all Ukraine</i>			
<i>Popular not only in Ukraine, but also abroad</i>			

2.2 How do you think why your friends, colleagues, relatives might like the product/ dish, which you ranked first _____ (name it)?

<i>Food product/dish</i>			
<i>Popular only in our area and neighboring areas</i>			
<i>Popular around all Ukraine</i>			
<i>Popular not only in Ukraine, but also abroad</i>			

2.3 If the product /dish, which you ranked first _____ (name it), is not popular among consumers in other regions, what are the reasons?

2.4 If the product /dish, which you ranked first _____(name it), in your opinion is very popular among consumers in other regions, what are the reasons?

<i>Food product/dish</i>		
<i>Producers have invested a lot into advertising</i>		
<i>It is affordable</i>		
<i>Its quality is high</i>		
<i>It is famous due to its medicinal qualities</i>		
<i>Consumers of other regions are used to it historically</i>		

2.5 How often and on what occasions do you buy the product /dish, which you ranked first _____(name it)?

<i>Food product/dish</i>		
<i>For everyday consumption</i>		
<i>Sometimes if I (my family) want something unusual / exotic</i>		
<i>I never buy it</i>		
<i>It is famous due to its medicinal qualities</i>		
<i>Special occasion (celebration, important event, for traditional ceremonies)</i>		

2.6 Is it important for you to buy original products, which is not forged by other producers?

<input type="checkbox"/>	<i>It is very important for me</i>
<input type="checkbox"/>	<i>I do not pay any attention to this</i>
<input type="checkbox"/>	<i>I always buy the cheapest product</i>

2.7. What can be done to increase the popularity of the products of your area among consumers of other areas?

<input type="checkbox"/>	<i>There should be state financial support</i>
<input type="checkbox"/>	<i>Producers should spent more money for product advertising</i>
<input type="checkbox"/>	<i>Authorities should ensure local products advertising</i>
<input type="checkbox"/>	<i>Producers should unite into public organizations</i>
<input type="checkbox"/>	<i>Rural “green” tourism should be developed</i>
<input type="checkbox"/>	<i>Nothing should be done, everything is OK</i>
<input type="checkbox"/>	<i>Agricultural extension services should provide producers with more information</i>

Section 3. Demographics

3.1 Age of respondent

<input type="checkbox"/>				
Up to 20	20-40	40-50	50-60	Older than 60

3.2 Place of residence

<input type="checkbox"/>	<i>Oblast center</i>
<input type="checkbox"/>	<i>District center</i>
<input type="checkbox"/>	<i>Other town</i>
<input type="checkbox"/>	<i>Village, settlement</i>
<input type="checkbox"/>	<i>Other</i> _____

3.3 Your main activity?

<input type="checkbox"/>	<i>Farmer</i>
<input type="checkbox"/>	<i>Worker (plant, factory, vehicle service, etc.)</i>
<input type="checkbox"/>	<i>Engineer</i>
<input type="checkbox"/>	<i>Governmental employee</i>
<input type="checkbox"/>	<i>Pensioner</i>
<input type="checkbox"/>	<i>Student</i>
<input type="checkbox"/>	<i>Military men</i>
<input type="checkbox"/>	<i>Scientist, teacher</i>
<input type="checkbox"/>	<i>Trade sector, catering</i>
<input type="checkbox"/>	<i>Private entrepreneur</i>
<input type="checkbox"/>	<i>Unemployed</i>
<input type="checkbox"/>	<i>Other</i> _____

Thank you for participation in our research.

- ANNEX B: QUESTIONNAIRE FOR PRODUCERS -

Dear Sirs!

My name is _____. I represent the International Charitable Foundation «Heifer Project International». We are conducting a market research of food products with ‘geographical indications’ and organic product market in Ukraine. We encourage the citizens of Ukraine and our guests to consume more Ukrainian products. It is the main objective of our research.

Geographical indications or geographical indication labeling is any indication specifying product origin (village, town, oblast and region). It may be indicated in a written form explaining that product was manufactured in a certain town or village or it may be a special sign. For example, “Myrgorodska” mineral water. Such product is distinguished from other products by its quality, characteristics and reputation. And more. Such product is also distinguished due to location of its manufacturing which has special natural conditions, historical, cultural traditions unique for this specific region. Almost every region has unique products or dishes. For example, Poltava “galushki” (dumplings), Volyn’ matsyke, Chicken Kyiv.

While interviewing consumers we identified that you are producing such product and in this connection we ask you to answer several questions.

Your answers are very important for us; they will help us develop proper policy recommending for national authorities

You do not need to give us your name, home address, telephone unless you want provide this information. All information is anonymous and will be used only in a summarized form.

At the same time we are planning publication of a book about traditional Ukrainian products in future and would be happy to include information about your product in this book.

Section 1 «Product and location of its origin»

1.1 While talking about local traditional products, consumers most often named _____ (specify product name), which you produce? Why in your opinion your product is unique, specific?

	This product is associated only with this area
	It is very popular
	It is a historical (cultural) pride of our region
	I just like it very much
	It has high quality
	It has original taste qualities

<input type="checkbox"/>	It has medicinal qualities
<input type="checkbox"/>	It has special packaging
<input type="checkbox"/>	It cannot be mixed up with any other product due to its interesting appearance
<input type="checkbox"/>	It is made of original local products
<input type="checkbox"/>	It is an original local variety/ breed
<input type="checkbox"/>	It is produced based on original local recipe

1.2 What is your production volume per year?

1.3 What are the borders of the territory on which your product is sold?

<input type="checkbox"/>	Exported to other countries
<input type="checkbox"/>	Sold all over Ukraine
<input type="checkbox"/>	Sold only in our oblast
<input type="checkbox"/>	Sold only in our district
<input type="checkbox"/>	It may be bought only in our town (village)

1.4 What specific local resources do shape your product specific character?

<input type="checkbox"/>	Cultural traditions, including recipe, production technology, etc.
<input type="checkbox"/>	Climatic conditions
<input type="checkbox"/>	Soil
<input type="checkbox"/>	Water quality
<input type="checkbox"/>	Animal breed
<input type="checkbox"/>	Crop variety

1.5 Do you put your region (oblast/district/village) name on labels of your products/ dishes sold in stores/catering?

<input type="checkbox"/>	Yes, I put it already
<input type="checkbox"/>	I am going to do it in the future
<input type="checkbox"/>	I do not need it
<input type="checkbox"/>	I have not thought about this

1.6 Can you indicate precisely what is your product origin?

	Region
	Oblast
	District
	Village
	Other

1.7 If your product is made of local raw material only, what specific qualities does it acquire?

	Place of raw material origin does not play any role in product manufacturing
	Product is made of local raw material which influences its:
	Taste qualities
	Medical qualities
	Shelf life term
	Other

1.8 Do you know any historical, cultural traditions related to product which you manufacture? In particular, as regards to its use, production/storage/consumption.

Product/dish			
No			
Yes, please, provide brief description			

1.9 How do you assess your product popularity _____ (put a name)?

Product/dish			
Very popular, but in our area only			
Popular in other areas and neighboring regions			
Popular all over Ukraine			
Popular not only in Ukraine, but also abroad			

1.10 Why in your opinion consumers give preference to a product _____ (name it again) which you produce?

Product/dish			
--------------	--	--	--

There is no preference			
Due to product quality			
It is a famous trademark			
It is our traditional product			
This product is manufactured in our area			
Other (please specify)			

1.11 What is the reason that product you manufacture is not in big demand among consumers in other regions?

Product/dish			
Consumers have little information about this product			
It has peculiar taste and cannot be consumed regularly			
It is too expensive			
It is not available as it is produced in small quantities			
Consumers have doubts as to its quality			
It may be used only for medical purposes			
Other (please specify)			

1.12 What is the reason that product you manufacture _____ (put a name again) is in your opinion very popular among consumers in other regions?

Product/dish			
Producers spent a lot of money for product advertising			
It has a reasonable price			
It has high quality			
It has medicinal qualities			
Historically consumers in other regions are accustomed to it			
Other (please specify)			

1.13 What should be done for increasing popularity of products manufactured in your area among consumers?

	There should be state financial support
	Producers should spent more money for product advertising

	Authorities should ensure local products advertising
	Producers should unite into public organizations/clusters
	Rural tourism should be developed
	Nothing should be done, everything is OK
	Agricultural extension services should provide more information to producers

1.14 Are you ready to develop production of your traditional local product, other local traditional products?

	Yes, it seems to be a promising business
	No, I do not see any perspective in it
	I am quite satisfied with what I have today

1.15 Please, specify availability of traditional/special elements of your production technology?

	Raw material peculiarities
	Peculiarities of raw material procurement
	Recipe
	Technological processes
	Storage peculiarities
	Use/consumption peculiarities
	Varieties, breeds
	Other

1.16 Is there any reference to your product in publications, books, legends, fairy tales? Is there any confirmation of such facts?

	I have a number of such documents
	There is a reference but I was not collecting such information
	I am going to collect such documents, but it requires a lot of time and funds
	I do not see any sense in it
	I do not know

1.17 Who (which categories) are (may become) your product main consumers? Provide ranking: put the most important on the first place.

1	Foreign tourists	
2	Tourists from other regions of Ukraine	

3	Local population	<input type="checkbox"/>
4	Other countries	<input type="checkbox"/>
5	Other regions of Ukraine	<input type="checkbox"/>

1.18 Is the area you are from attractive for tourism?

<input type="checkbox"/>	Yes, there are many historical and architectural monuments
<input type="checkbox"/>	Yes, it has wonderful nature
<input type="checkbox"/>	Yes, but not many people know about this area
<input type="checkbox"/>	No, area itself is attractive, but infrastructure is underdeveloped (no roads, hotels, water, gas...)
<input type="checkbox"/>	No, there are no sights which might be attractive for tourists

1.19 Does your product somehow influence development of its place of origin and in what aspects?

<input type="checkbox"/>	Biodiversity preservation
<input type="checkbox"/>	Tourism development
<input type="checkbox"/>	Increase of local population employment
<input type="checkbox"/>	Other social impact (specify _____)

Section 2. Product on market

2.1 Is your product also produced by other producers?

<input type="checkbox"/>	There are many other producers in the country
<input type="checkbox"/>	There are many other producers in our region
<input type="checkbox"/>	There are not many other producers even in our region
<input type="checkbox"/>	I am the only producer of this product
<input type="checkbox"/>	It is difficult to answer

2.2 Is your product trade name generic (it is used (may be used) by any producer (for example, «Zhygulivske» beer is manufactured by many producers) or you are the only owner of this trade name?)

<input type="checkbox"/>	It is a generic name
<input type="checkbox"/>	It is a name of only our product
<input type="checkbox"/>	It is difficult to answer

2.3 Is there a problem of your product copying by other producers?

<input type="checkbox"/>	Yes, it decreases my profit
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	No, this product quantity is limited on market
	It is not copied by anybody
	It is difficult to answer

2.4 What is price range for your product comparing to other producers?

	It is approximately the same
	My product is more expensive
	My product is cheaper
	There is nothing to compare to
	It is difficult to answer

2.6 What is the reason that your product is more expensive or cheaper comparing to other producers prices?

2.7 Is there any union or association of your product producers lobbying your interests?

	Yes
	No
	I do not know any
	There is an intention to create such union/association

2.8 Do you manufacture any other (except the one above mentioned) local traditional products?

- There are no other products
- Yes, I manufacture other products _____ (specify number), in particular:

№	Products, dish
1	
2	
3	
4	
5	
6	
7	

Section 3. Producers awareness

3.1 Do you know that «geographical indication labeling» put on product is regulated by legislation?

<input type="checkbox"/>	Yes, I am aware of international legislation
<input type="checkbox"/>	Yes, I am aware of the Law of Ukraine «On protection of rights to commodity origin specification»
<input type="checkbox"/>	I know nothing about it
<input type="checkbox"/>	I would like to know more
<input type="checkbox"/>	I do not have any information and do not know where to receive such information
<input type="checkbox"/>	I am not interested in this
<input type="checkbox"/>	I do not see any sense in this
<input type="checkbox"/>	Other _____

3.2 If you know that use of a name of place of origin is regulated by legislation, what is the source of your information?

<input type="checkbox"/>	From newspaper publication
<input type="checkbox"/>	I watched a TV program
<input type="checkbox"/>	From Internet
<input type="checkbox"/>	I received information from my colleagues, friends
<input type="checkbox"/>	I received information at special seminar
<input type="checkbox"/>	It was explained by agricultural extension service specialists
<input type="checkbox"/>	I do not remember
<input type="checkbox"/>	Other _____

3.3 Are you ready to register your product geographical indication and label it in compliance with legislation requirements?

<input type="checkbox"/>	Yes, I am absolutely ready to invest the money as my profit will be increased
<input type="checkbox"/>	Yes, but I do not have available resources for it now
<input type="checkbox"/>	Yes, but I do not know how to do it
<input type="checkbox"/>	No, as people more often eat standard food
<input type="checkbox"/>	No, as demand for such product is decreasing
<input type="checkbox"/>	No, as there are other more perspective areas of activity, where I would make investment in

	It is difficult to answer
	Other

3.4 Is it difficult for you to adhere to comply with registration requirements (laws, regulation, rules, standards – sanitary, veterinary, technological, etc.) when manufacturing, storing and marketing your product

	There are no problems as regards compliance with Ukrainian legislation requirements
	Procedures should be simplified
	We may ensure compliance with all requirements but it involves additional expenses
	Other

3.5 Could you mention, except your product, at least several most popular local traditional products of other producers manufactured only in your region (oblast, district, village)?

№	Product, dish			Producer (name, address, at least approximately)	
1					
2					
3					
4					
5					
6					
7					

Information about a respondent and his/her organization

Organization name _____

Address _____

Contact telephone number _____

Electronic address _____

Website _____

Enterprise/producer type

<input type="checkbox"/>	Farming enterprise
<input type="checkbox"/>	Small household plot
<input type="checkbox"/>	Ltd. company
<input type="checkbox"/>	Joint-stock company
<input type="checkbox"/>	Other

Place of your organization main activity

<input type="checkbox"/>	Oblast center
<input type="checkbox"/>	District center
<input type="checkbox"/>	Other town
<input type="checkbox"/>	Village, settlement
<input type="checkbox"/>	Other _____

How many people are employed in your organization?

<input type="checkbox"/>	Up to 5
<input type="checkbox"/>	Up to 20
<input type="checkbox"/>	Up to 50
<input type="checkbox"/>	Up to 100
<input type="checkbox"/>	More than 100

How many new jobs are you planning to create if you will be developing this business?

<input type="checkbox"/>	Up to 5
<input type="checkbox"/>	Up to 20
<input type="checkbox"/>	Up to 50
<input type="checkbox"/>	Up to 100
<input type="checkbox"/>	More than 100

Position in organization and age _____

- ANNEX C: QUESTIONNAIRE FOR CASE STUDY -

1. Product characteristics

- **Can you describe your product:** ingredients, taste, shape, colour...

- **What is the method of production?**

- **Where did you get it from?**

- **Why in your opinion is your product specific, unique?**

2. Where do you sell your product?

3. Promotion and labelling

- **How are you promoting your product on the market? Do you use labels? If so, which ones?**

4. Expectations and perspectives for the future

- **What are your expectations for the future in terms of production? To develop your activity, sell more products, produce new products, register your product as a GI, etc?**

- **Do you think you will reach your expectations?**

- If no, why? Which obstacles do you think you will face?
- If yes, which resources will you mobilised? (material, financial, human...)

- Do you know any other producer? Are you collaborating with them (exchange of equipment, ideas...)?

- Who are the people you are working with? Do you have any support from external organisations?