Linking people, places and products. A guide for promoting quality linked to geographical origin and sustainable geographical

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

Second edition

SINER-GI

QUALITY&ORIGIN

FAO FIAT PANIS

LINKING PEOPLE, PLACES AND PRODUCTS

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

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

Second edition

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

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

The Food Quality and Standard Service of FAO is grateful to the ministry of agriculture and fisheries of France for its contribution to the trust fund project on specific quality (2007-2010) that supported the development of knowledge and analysis of member countries' experience in the field of quality linked to geographical origin and that permitted the publication of this guide.

Strengthening International Research on Geographical Indications (SINER-GI) is a research project and network supported by the European Community (priority 8.1: Policy-oriented research) from May 2005 to July 2008, coordinated by Bertil Sylander up to 2007 and by Gilles Allaire from 2007 up to the termination of the project. The objective of the SINER-GI project is to build and share a coherent worldwide scientific basis regarding economic, legal, institutional and socio-cultural conditions of success for geographical indications. This scientific work is to give effective support for sound policies. SINER-GI builds on a worldwide network of contributions from many researchers and associated researchers and case studies. The SINER-GI consortium gratefully acknowledges the financial contribution of the European Community under the Sixth Framework Programme for Research, Technological Development and Demonstration Activities, for the Specific Targeted Research Project SINER-GI SSPE-CT-2005- 006522.
Website: www.origin-food.org

Content

Foreword

According to the 1996 World Food Summit, "food security exists when all people at all times have physical and economic access to safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life". Within this broad definition, the quality and specific attributes of food, diversity and local access are all matters to be taken into account. In various parts of the world, generations of people have built up their local identity, with know-how, recognized typical food products and a specific landscape that reflects the interaction between natural resources and production systems. Today, this link among a product, a place and the inhabitants not only represents a heritage to be preserved, but also has a market value in its own right, as consumers become increasingly interested in quality linked to geographical origin, traditions and typicity.

In view of the positive impact such links can have on rural development and the preservation of biodiversity, FAO recently expanded the scope of its activities in the field of specific quality to encompass quality linked to geographical origin. An informal Interdepartmental Working Group on Voluntary Norms for Specific-Quality Products was set up to oversee and coordinate the development of this new sphere of activity. Several seminars have been organized in recent years in various parts of the world – the Mediterranean basin (2007), Latin America (2007), southwestern Europe (2008) and Asia (2009) – to raise awareness regarding not only the importance of origin-linked quality, but also requirements in terms of legislative framework, certification systems and support activities. Participants in these seminars recommended that FAO should develop guidelines to assist government officials and stakeholders in the development of sustainable systems in this connection.

FAO is thus pleased to present this guide, which is the fruit of close collaboration among its experts, members of the interdepartmental working group and the network of experts belonging to the European Union-funded SINER-GI Project. This collaboration provided access to a whole range of information on products of origin-linked quality, current processes and projects, experience in implementing such schemes and best practices in this regard.

It is our hope that this guide, combined with the case studies carried out in various regions of the world, will assist stakeholders, particularly small farmers and producers in developing countries, in their efforts to preserve and promote their products of origin-linked quality, taking advantage of consumer interest in such products in order to improve their livelihoods and promote sustainable agriculture and rural development.

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Pictures Credit

Allaire, G.: *Goethe wine* p.143 (case study 6).
Alvadaro F.: *Woman* on the cover page; *Feria* p.118
Arfini, F.: *Chontaleno cheese* p.32 (case study 7).
Belletti, G.: *Pico Duarte coffee* p.15 (case study 2); p.34 (case study 9)/ *Pork fat of Colonnata* p.142 (first picture in case study 5).
Bernardoni, P.: *Livno cheese* p.25 (case study 6).
Biagini, L.: *Pork fat of Colonnata* p.67 (case study 5); p.142 (case study 5, second picture).
Blanco, M.: *Cheese Turrialba* p.58 (case study 2); p.109 (case study 4).
Cerdan C.: *Pampa Gaucho meat* p.42 (case study 11).
CGIC/StudioVision: *Comté* p.99 (case study 1).
Consorzio del Formaggio Parmigiano-Reggiano: p.122 (case study 8).
Damary, P.: *Argan Oil* p.56 (box 3); p.84.
Durand, C.: *Salt of Amed* p.13 (case study 1).
Fournier, S.: *Gari* p.34 (case study 8).
González Jiménez, E.: *Cocoa Chuao* p.4.
GRET/CEDAC: *Palm sugar* p.51; p.100 (first photo in case study 2).
Kpohomou C.: *Mamou Chili* p.43 (case study 12).
Leclercq M./CIRAD: *Rooibos* p.65 (case study 4); p.128 (case study 1).
Marescotti, A.: *Cows* on the cover page and p.12 (box 1)/ *Pico Duarte coffee* p.15 / *Cows Maremmana* p.20 / *Cherry of Lari* p.85 (case study 9); p.132 (case study 2).
Mawardi, S.: *Coffee Kintamani Bali* p.54 (case study 1); p.75 (case study 8).
Migration et Développement: *Saffron* p.6-7 (first and second picture in case study 1); p.15; p.144 (case study 7).
Pérez Centeno, M.: *Baby goat of Neuquen* p.5; p.16 (case study 3); p.23; p.46 (case study 14); p.85 (case study 9).
Poméon, T.: *Cotija cheese* p.41 (case study 10); p.109 (case study 5); p.152 (case study 1).
Quingaísa, E.: *Cocoa Arriba* p.22; p.45 (case study 13); p.85 (case study 9).
Thévenod-Mottet E.: *Vacherin Mont d'Or* p.30.
Ts. Enkh-Amgalan: *Uvs Sea Buckthorn* p.13 (case study 1).
Vandecandelaere, E.: *Man with the cheese*, *crocus flower* and *olives* on the cover page/ *Limon of Pica* p.4; p.119 (case study 11); p.163 (case study 3)/ *Asiatic market* p.5 (first picture)/*Saffron* p.7 (third and fourth pictures in case study 1); p.43 (box 6)/ *Pummelo* p.21 (case study 4)/ *Maiz Blanco* p.24 (case study 5)/ *Olive* p.83/ *Palm Sugar* p.100 (second picture in case study 2)/ *Ham* p.116 (case study 9).
Wang G.: *Jinhua pig* p.85 (case study 9).

LIST OF ACRONYMS AND ABBREVIATIONS

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

Introduction

Linking places, local stakeholders and their products

Strengthening the ties among local stakeholders, places and agricultural and food products is a major step towards sustainable rural development. These relations are based on local capacities to create value within a global market, while remaining anchored in a specific place. Origin-linked products have specific quality attributes that are inseparably linked to the places where they are produced and that build up a reputation over time, associated with a geographical indication (GI) that identifies them. These differentiated products can thus meet a specific and remunerative demand. Consumers are increasingly concerned with the specific attributes of agricultural and food products, particularly in terms of their culture, identity and means of sustainable production. Moreover, such products can contribute to biodiversity preservation, cultural heritage protection, sociocultural development and rural poverty reduction.

The identity of GI products as differentiated origin-linked products reflects the unique combination of local natural resources (climate, soil, local animal breeds and plant species, traditional equipment etc.) and cultural assets (traditions, know-how and skills, often handed down from generation to generation) in a given territory, thus establishing specific links among the product, local stakeholders and the territory.

Over time, the attitude of the various stakeholders within the production area (farmers, processors, local consumers, public bodies, NGOs etc.) and their interaction with other factors outside the zone build up the identity of the product in relation to the territory and a specific group of people. This process involves various actors, who coordinate and harmonize their production and trading practices.

Geographical indications for sustainable development

An origin-linked product can become the pivotal point of a specific-quality virtuous circle within a territorial approach, meaning that its promotion as a GI product can have positive effects that are reinforced over time, thus allowing preservation of the agrifood system and related social networks, which in turn contributes to economic, sociocultural and environmental sustainability:

- economic sustainability should bring about improvements in producers' incomes and quality of life, and make the entire rural economy more dynamic;
- sociocultural sustainability is based on local stakeholders' assuming ownership of the process, taking part in decisions and actions regarding GI products and benefiting from a fair distribution of the gains; their identity and their pride in their work and culture are also boosted, through local knowledge and traditions;
- environmental sustainability means that any actions should help in preserving – or, indeed, improving – local natural resources, particularly biodiversity, landscape, soil and water, for future generations.

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

The importance of establishing rules for the use of geographical indications

The main threats to development of the origin-linked quality virtuous circle are external pressures and the lack of coordination among local stakeholders. Market globalization and new technologies may endanger the specific features of traditional farming systems and processing techniques. In addition, the reputation and value of a GI product may attract imitators and free-riders, either inside or outside the recognized production area. Misleading practices mainly involve use of the product name and, in some cases, some of its specific features.

For all these reasons, it is strongly recommended that a set of rules be established at the local level in order to prevent loss of the product specific quality, but also to avoid misappropriation of the name, thus fostering consumer confidence. This process includes the development of a code of practice (CoP) to define the product in relation to its origin and the establishment of a local organization to ensure not only coordination among local stakeholders but also product conformity.

The GI can then be recognized by public authorities and protected as an intellectual property as provided for in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (WTO) (1994). Producers may decide to apply for GI recognition and registration, according to the legal and institutional framework of the country. As such, the use of a GI requires formal identification of authorized users, which can be achieved only through a concerted approach.

The importance of value chains in managing geographical indications

For any origin-linked product, implementation of a GI process for sustainable optimization, based on specific local resources and a set of rules laid down in a code of practice, requires the establishment of a system for management of the GI through an organization suited to local conditions and capable of managing a GI strategy encompassing the whole value chain. Obtaining legal protection is not an end in itself, but a possible step in the quality virtuous circle, which has the overall aim of creating a profitable and sustainable system for all local stakeholders and the whole zone. A GI value chain organization is vital for management of the GI through the marketing, traceability and conformity of the product, a high degree of empowerment of producers and processors, and, lastly, the capacity to incorporate a certain number of technical or management innovations for sustainable development of the system

The origin-linked quality virtuous circle: a methodology for development

The local implementation of a GI process thus requires a whole range of activities and conditions. The origin-linked quality virtuous circle can be used as a methodology to support local stakeholders in their management of the various activities involved in the GI system and optimization of the potential of the GI for sustainable development. The quality circle proposed in this guide is composed of various steps: identification of local resources, qualification of the product as a GI (setting of rules), remuneration (management of the GI system) and reproduction of local resources to boost sustainability. Public actors can play a major role all the way around the circle by providing an adequate institutional framework and encouraging the potential positive effects of origin-linked products on rural development.

The origin-linked quality virtuous circle

Objectives of the guide

The objectives of this guide are:

1. to explain what origin-linked quality and the GI concept are;
2. to raise awareness regarding the potential of origin-linked products for rural development and conditions for sustainability;
3. to facilitate implementation of GI processes at local level by providing tools and a concrete methodology.

Based on multidisciplinary research and empirical evidence from all over the world, this guide is intended for practitioners, rural development specialists from the public or private sectors, representatives of value chains, policy makers, rural community leaders and trainers. It is intended more particularly for those involved in the development of agricultural and food systems who have an interest in promoting and preserving local food products and resources (traditions, know-how and natural resources) within a perspective of rural development. The role of these facilitators is of paramount importance in helping local stakeholders to become aware of the potential of origin-linked products, organize themselves and carry out collective actions, understand the importance of appropriate rules and pilot the GI system towards economic, sociocultural and environmental sustainability.

This practical guide avoids prescriptive or normative solutions, instead offering an approach that provides step-by-step answers to the main questions facing development actors seeking to identify, define and protect products of origin-linked quality through the adoption of various measures allowing their sustainable development.

Structure of the guide

After a general description of the origin-linked quality virtuous circle, four parts of the guide describe specific phases in the circle, while the fifth discusses related public policies:

- description of the origin-linked quality virtuous circle;
- identification: awareness-raising among stakeholders and assessment of potential (Part 1);
- qualification: establishment of rules and a code of practice (Part 2);
- remuneration: marketing aspects and organization (Part 3);
- reproduction of local resources: ensuring sustainability (Part 4);
- the role of public policies in the overall process (Part 5).

Each chapter describes concepts and provides concrete examples from case studies from all over the world, together with some practical exercises. Recommendations or models are also provided. At the close of each chapter, a self-assessment form is provided so that readers can carefully think over the issues involved in their particular situation.

At the end of the guide, a detailed glossary provides definitions of the main concepts and technical terms.

The different steps of the origin-linked quality virtuous circle

Certain food and agricultural products have a specific quality linked to their production origin that can make them famous as a result of characteristics linked to their local natural and human environment. This specific quality provides a product with the potential to play a role in a sustainable development process, inasmuch as local stakeholders can turn latent local resources into active assets, preserving and enhancing them, so that they receive society's recognition and are better remunerated in markets.

This part of the guide describes the various stages in the methodology to be adopted for sustainable development based on the origin-linked quality virtuous circle.

Origin-linked products are those that can be differentiated as a result of their local identity or typicity. Their identification as GI products is justified by the particular local context in which they originate and that gives them a specific nature, quality or reputation in consumers' eyes. Their anchoring in their production area allows a quality virtuous circle to be established, inasmuch as promotion of their origin-linked quality can generate positive economic, social and environmental effects, which can then be reinforced over time thanks to sustainable reproduction of the local resources involved. This virtuous circle corresponds to a value creation and preservation process with four main stages (see Figure 1), starting when local stakeholders gain awareness of the potential of the product and agree to launch a collective process. Added value is a result of consumers' and market recognition of the product, and may if necessary be reinforced by official recognition and legal protection of the GI. The sustainability of this production and promotion system for the origin-linked product will depend both on remuneration from the market and on sustainable reproduction of local resources.

Figure 1: The origin-linked quality virtuous circle

The main stages in the origin-linked quality virtuous circle are:

1. Identification: growing local awareness and appreciation of the potential of the product.
2. Product qualification: establishment of rules for value creation and the preservation of local resources.
3. Product remuneration linked to its marketing and to management of the local system.
4 Reproduction of local resources, boosting the sustainability of the system.
5 Public policies providing an institutional framework and possible support for the various stages in the circle.

Throughout this process, the role of both local economic actors (those involved in production and marketing) and external actors (government authorities, NGOs, research and development centres etc.) is vital. The institutional framework (public policies and regulations) also plays an important role in enhancing and preserving origin-linked quality.

1. Identification (Part 1)

The first step in the activation process is clear identification of the origin-linked product and the local resources needed for its production. This process relies to a large extent on local producers' becoming aware of the potential of specific local resources, for this constitutes the basis of collective action to obtain recognition for the value of the product. Identification of the reputation, the specific resources involved and their link to the specific quality of the product may also require scientific studies and analysis, Pica lemons (Chile): identifying the specific characteristics of the product directly in the field either of resources (soil analysis, history of the product etc.) or of the product and its reputation (tasting, consumer surveys etc.). At this stage, external support can be important in terms of specific technical and scientific contributions.

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

2. Qualification (Part 2)

The qualification phase is the process by which society (consumers, citizens, official bodies, other stakeholders in the value chain etc.) is put in a position to recognize the value attached to the origin-linked product. Qualification involves not only a clear, unanimous description on the part of producers, defining the characteristics of the production zone, the production process and the qualities of the product, but also the use of appropriate tools to identify, develop and protect these characteristics. In this perspective, attribution of a GI label plays a vital role in signalling the link among the product, its geographical area and its specific quality, making the origin-linked product a "GI product". Qualification requires local producers to draw up a code of practice (CoP) containing the criteria and requirements that allow the specific quality to be achieved. Local producers must therefore join together to establish these rules and implement them in such a way as to guarantee the defined quality. This process is critical both in order to guarantee that consumers receive the expected quality and also in order to ensure the reproduction (preservation and improvement) of local resources.

Cocoa Chuao (Venezuela): women dryingcocoa beans in the traditional way in front of the village church; the particular type of flooring gives special drying conditions

3. Remuneration (Part 3)

Remuneration: a local markets in Asia.

The remuneration phase corresponds to the mechanisms by which society pays producers for the services associated with the origin-linked product, in other words the specific attributes of intrinsic quality, preservation and promotion of natural or cultural resources etc. Remuneration of the GI product has to cover the cost of production, which is often higher than that of more industrialized or imported products, in order to ensure a certain level of profitability, and hence of sustainability. One major remuneration mechanism is the market (in terms both of access and of higher prices). Marketing of the GI product requires a collective strategy to manage the collective asset – the reputation of the product – for the creation of added value. A collective structure to manage the GI production and marketing system is therefore important. Remuneration for specific local resources may also be obtained through non- market mechanisms, inasmuch as market mechanisms cannot fully reward certain values of a product, such as the total value of a local resource (a traditional breed or local variety, a particular land management system, preservation of a landscape etc.). If this is the case, it may be necessary to reward these values through government intervention (for example financial support or technical assistance) (see also Part 5).

4. Reproduction of local resources (Part 4)

Chivito criollo del Norte Neuquino (baby goat, Argentina): preservation of the product and the resources mean that young people do not have to leave the mountains.

Reproduction of the system means that resources are preserved, renewed and enhanced all around the circle in order to ensure long-term sustainability of the system producing the origin-linked product, thus guaranteeing the very existence of the product. The reproduction phase therefore depends first of all on assessment of implementation of the previous stages (identification, qualification and remuneration) and their impact on the zone in economic, social and environmental terms. Moreover, the reproduction of local resources, including the increased reputation of the origin-linked product and its particular zone, may have positive effects on other local economic and social activities. For this stage, it is therefore useful to adopt a territorial strategy.

On the other hand, the reproduction of specific local resources is not automatic even if production becomes more lucrative, because it depends largely on the attitude of local stakeholders and their manner of managing economic relations and local resources. Reproduction requires fair distribution rules throughout the value chain, both between

producers and those involved in marketing and also within the production system itself. The reproduction phase for local resources must also make sure that the environment, landscape, culture, traditions and social fabric are not adversely affected by the associated economic activity.

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

Public actors (national, regional and local government, other authorities and institutions representing the public interest) can play a major role in the enhancement of origin-linked products in order to increase their positive contribution to sustainable rural development. First, they can provide a legal and institutional framework allowing the recognition, regulation and protection of collective property rights over GIs. Moreover, supportive public policies can provide favourable conditions for a better development of origin-linked products, increasing their positive impact on economic, social and environmental aspects during the various phases of the quality virtuous circle.

Case Study

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

Saffron of Taliouine is produced in Morocco's Anti-Atlas Mountains. Local stakeholders and facilitators identified promotion and preservation of this origin-linked product as tools for rural development. The methodology adopted was that of the origin-linked virtuous circle.

1. Identification

Soil analysis by INRA research center.

Saffron of Taliouine enjoys a specific quality and an excellent reputation. Local awareness was promoted by the Moroccan-French NGO Migrations&Development, which developed various types of collaboration to support the identification, qualification and remuneration phases (FAO, the Souss Massa Dra Regional Council, the National Agricultural Research Centre, the Slow Food Organization etc.). The identification phase highlighted the specific origin- linked quality of the saffron:

- it is of high quality and has a specific flavour confirmed by laboratory tests, and its link to its geographical location is reported as far back as the ninth century;
- local natural resources play an important role in its specific quality; for example, the volcanic soil filters rainwater and also the water coming from the Siroua mountains;
- traditional practices are important both for cultivation (crop rotation, natural fertilizer etc.) and preparation, with women and young people playing a major role;
- know-how is intimately linked to the Berber culture and localization; traditional villages (*douars*) retain a strong community tradition.

Case Study

2. Qualification

Identification of the product potential (soil analysis, composition analysis, sense and taste analysis, market studies etc.) meant that an enhancement and marketing project could be designed. The enhancement concerned all the production stages: cultivation, harvesting, storage and packaging. In order to upgrade their saffron, producers first sought organic and fair-trade certification, while awaiting recognition as a GI product. GI registration will allow enhancement and protection of the specific quality resulting from its link with the particular zone. Formulation of the GI code of practice is a vital part of the project.

Type of packaging is part of the product definition.

3. Remuneration

The development of collective action is based on highly effective village associations, which facilitate the creation of producers' associations and cooperatives, and provide better conditions for marketing. The market study led to identification and establishment of trade links with European fair trade companies, while also improving local marketing (traditional fairs, tourism etc.). Collective promotion (communication) is boosted locally thanks particularly to the annual Taliouine Saffron Festival, and internationally thanks to famous chefs.

A renowned French chef participating in field visits in November 2007, recognized and promoted the qualities of the product in his restaurant .

4. Reproduction of local resources

The project takes economic, social and environmental sustainability into account, especially through definition of the product and the production process. The first impact of the project has been assessed in order to improve both the code of practice and marketing of the GI product (for example through analysis of the markets to be targeted and the sustainable farming practices to be observed and included in the code of practice).

The first Saffron festival in Taliouine, November 2007

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


Local specific resources
Identification
1
Product
2
Qualification
Society
3
Remuneration
Market
4
Reproduction
Local stakeholders
Public policies
5

Identification: awareness and potentials

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

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

1.1 The links between products, people and places

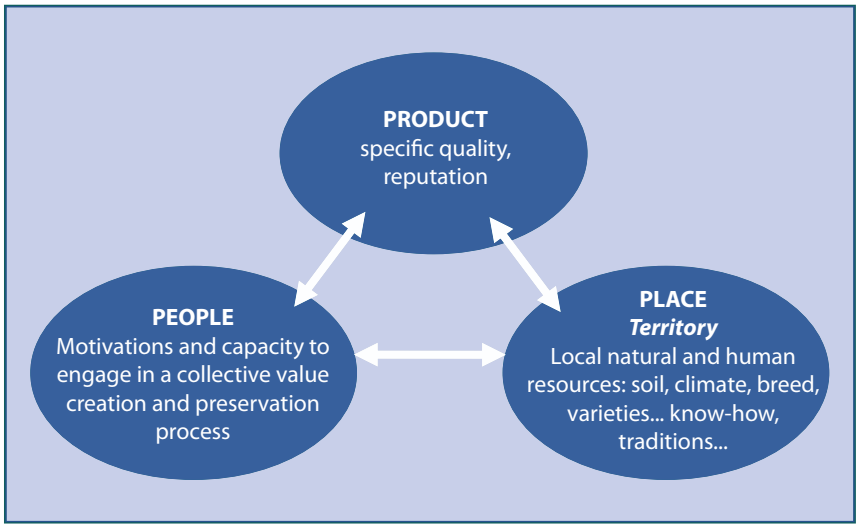
Introduction

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

The possibility of activating the origin-linked quality virtuous circle depends on the presence of three main pre-requisites:

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

Figure 2: Interaction between people, product and place



1.1 The product: specific quality and reputation

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

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

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

Regarding the differentiation in the market, the typicity is an important feature to consider,meaning the product is not only specific; it is also unique, by its combination of natural and human production factors, anchored to the territory. Such products cannot therefore be reproduced elsewhere. The degree of specificity and anchorage of the local resources is a measurement of typicity.

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

Therefore, the name of the product plays an important role in consumer recognition of the specific quality product, by referring to geographical names and symbols, which are unmistakably linked to geographical places and their people.

BOX 1: TERROIR AND TYPICITY

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

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

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

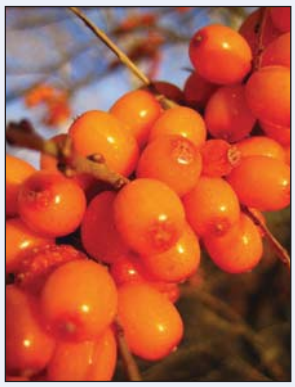
The place and the local resources

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

Case Study

Case Study 1: Identification of specific quality and reputation

UVS SEA BUCKTHORN (Mongolia)



Sea Buckthorn (hippophae rhamnoides L) is a highly nutritious and versatile berry, containing a lot of vitamins, in particular vitamin C and other mineral substances, which is traditionally processed as juice and oil in Mongolia. Uvs is the name of the province home to wild Sea Buckthorn in Mongolia and where Sea Buckthorn was first domesticated in the 1940s. The natural environment of Uvs is unique, composed of great lake basins (salty lakes) and cold water rivers, with a very harsh climate. In order to withstand this harsh and cold climate, Sea Buckthorn develops a rich oil content that allows vitamins and mineral substances to be kept in the fruit for a long period. In addition to these specific climatic conditions, the muddy soil rich in iodine and fed by permafrost water also contributes to the creation of the unique quality of Uvs Sea Buckthorn. These specific characteristics are recognized by consumers locally but also internationally, especially in Japan and Korea, where it is used as a raw material for organic juices and cosmetic products. The growing demand for Sea Buckthorn products originating from the Uvs district led some local producers to seek protection of Sea Buckthorn as a GI.

Source: Ts. Enkh-Amgalan, 2009.

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

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

Source: Durand C., 2009.

and relates to the interaction between its people and the environment. The term *terroir* represents the capacity of this territory to confer, over time, specificity and typicity to the product. Natural resources are often linked to human intervention, as the physical environment is also shaped by human choices and adjustments made to adapt production methods to the environment on the basis of a cultural heritage and local know-how. In this sense, the product belongs to the local community that created, adapted, preserved and passed on the specific environment, the local resources, the techniques and the culture required to reproduce it.

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

The *terroir* and its different components, the traditions and know- how, are the outcome of actions taken by many people from the territory over a long period. This means that the product is tied to a local community and has a heritage dimension. Consequently, a product, its name and its reputation in the market, cannot be the property of a single person, nor of a single private actor. On the contrary, the local community acquires a collective right to the product and is entitled to ensure that the product is made according to the rules defined by the community itself.

Heritage and know-how
Genetic resources of specific plant varieties or breeds, for example, are the result of an intentional selection made by farmers over many years. Specific agronomic, breeding techniques and raw material processing, have been locally developed, taking into account the specificities of the local environment and materials.
This knowledge is often "context-specific" and "non-formalized" (non-written). It is shared within the local community, passed on through practices and usage, and it has adapted to the local changing environment and within organizations through a learning-by-doing process.

People: the collective dimension and potential for action

As a result of its heritage dimension, the product specificity and reputation belong to the local people who share a collective right to benefit from it. Therefore, a collective approach is required to engage the quality virtuous circle in order to promote and preserve the origin-linked product and local resources. The potential for engaging the value creation process depends on the will, motivation and capacity of the local community, and especially of the local production system, to coordinate their actions and promote the product collectively.

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

Case Study

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

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

Source: Belletti G. et al, 2007

the territory may have an interest in the promotion of the origin-linked product (See chapter 1.4).

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

The selection of green coffee in the Dominican Republic

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

Case Study

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

Chivito Criollo del Norte Neuquino is a local goat breed from Patagonia in Argentina, produced exclusively on natural mountain pasture. The breeding is based on the knowledge of local people who practice transhumance.
The National Institute of Research and Extension in Agronomy (INTA) started in 2001 a participative programme with the producers to identify, conserve and improve the breed. This programme led to an in depth identification of the breed and its genetic make-up through a specific methodology for animal genetics and in relation with the local environment and know- how (www.fao.org/ag/againfo/programmes/en/genetics/map.html).
The programme was an opportunity to reveal the importance and specificity of the natural and cultural resources giving the meat its specific quality linked to geographical origin, thus the potential for developing a GI product. Based on the identification outcomes, the producers supported by INTA and other local actors then engaged the qualification phase to set up the rules for GI use.

Source: Pérez Centeno, M. 2007

PRACTICE

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

Answer the following questions

Product

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

Place and specific resources

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

People

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

List in the tables

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

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

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

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

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

Introduction

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

Rural and sustainable development

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

The contribution can also be considered in terms of sustainable development, a concept that emerged from the need to promote development that "meets the needs of the present without compromising the ability of future generations to meet their own needs". Promotion and preservation of origin-linked products can serve as a tool to address the three complementary pillars of sustainability: economic, environmental and social, intrinsically associated in the case of an origin-linked product. The contribution of origin-linked products to rural and sustainable development is particularly relevant for fragile or remote areas, where unusual constraints and less competitive production conditions can be turned into assets by adding value. As a result of their special ecological significance, specific

Possible benefits by engaging a value creation and preservation process

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

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

natural resources are often less productive than conventional ones in terms of physical and economic productivity, and the production system cannot be competitive in terms of volumes or prices but can differentiate its products through specific and high value characteristics. This is the case for many specific breeds raised on local pastures. They may produce less milk than other breeds, but the milk yields distinctive cheeses produced according to local artisanal recipes.

The economic pillar: adding value and benefits from organization

Accessing markets

Origin-linked products have the potential to create added value through market recognition, provide access to new niche markets for differentiated products, or prevent products from disappearing because of competition. This can contribute to ensuring a decent income for local producers if the higher added value is fairly redistributed among producers.

A higher selling price is often one of the first aims of supporting a strategy for an origin-linked product, but increased economic value also means better access to new or

BOX 2: PREMIUM PRICE FROM DIFFERENTIATION

Comparison of prices between origin-differentiated and non-differentiated roasted coffees on international markets August-December 2006 (US dollars/pound).

Source: Teuber R, 2007.

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

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

Maintaining a traditional production system in remote place

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

Case Study

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

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

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

Source: Tongdee, S.C. 2007.

Benefiting from the local organization

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

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

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

The environmental pillar: sustainable use of resources and biodiversity

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

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

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

The social pillar

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

As a consequence, the social dimension has many aspects:

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

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

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

Case Study

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

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

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

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

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

Food and livelihood. Maize is an essential component of the Andean food and many varieties are produced.If Valley tourism attractiveness is an asset for local marketing, much is at stake for producers if tourist activities put pressure on agricultural lands. Raising awareness of the value of this traditional production not only for producers but also for tourism and local food availability should enhance reaching a balance between economic activities (tourism and agricultural production).

Source: Rivera Campos and Riveros Serrato, 2007

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

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

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

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

Case Study

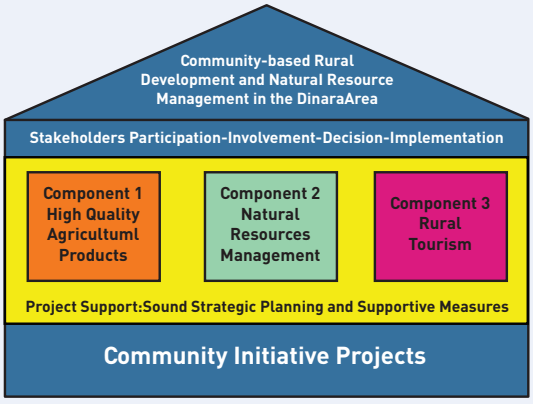
Case study 6: Origin-linked production for promoting the sustainable development of a fragile area LIVNO CHEESE (Bosnia Herzegovina)

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

Spring floods in Livanjsko Polje

The Livno cheese

Overall concept



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

PRACTICE

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

Answer the following questions

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

List in the table

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

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

1.3 Geographical Indications, local regulation and protection

Introduction

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

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

- improve coherence between different producers;
- avoid unfair practices and misleading consumers regarding the use of GIs.

What is a Geographical Indication (GI)?

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

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

A GI encompasses four main elements:

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

A GI is a place or country name that identifies a product to which quality, reputation or other characteristics are attributable. A GI signals to consumers that the goods have special characteristics as a result of their geographical origin. Therefore, a GI is more than an Indication of source or provenance; it is a reference to a quality. As opposed to a "Made in" label that does not refer to a certain quality.

Examples of labelling with geographical indications

There are many types of identifiers that may constitute a GI:

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

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

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

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

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

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

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

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

Nonconformity to the local rules

The value attached to the GI can attract imitators, usurpers and free riders who may misuse the GI designation and harm the GI's value. Such competitors may try to benefit from the reputation of a GI without meeting the expectations concerning the geographical origin and/or the quality of the product. They may endanger the reputation

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

The ancient Romans introduced olive trees to the region of Nyons (France). Nyons olive oil has been famous for about 2000 years. Throughout the twentieth century, it benefited from a price premium. During the 1970s, local producers and traders started to perceive a threat; a number of large traders began selling under the name of "Nyons olive oil", an olive oil which was in fact imported in bulk from abroad and only bottled in Nyons. This threat of imitation and misuse of the name stimulated local suppliers and processors to define and defend their common interests. In this case, the existence of a local cooperative facilitated the process. Nyons olive oil was defined as extracted exclusively from the "Tanche" olive- a local variety established long ago and particularly well adapted to the strong winds and risks of frost prevailing in this production area. The geographical area was defined accordingly. Nyons olive oil later became the first protected GI product in France, apart from wine and cheese. This pioneering experience paved the way for other GIs on diverse agri-food products.

Source: Pecqueur, B. 2001

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

The production of imitation GI products and GI misuse may arise from producers within or outside the territory. If the range of production processes and inherent characteristics are very broad, difficulties can arise in attempting to preserve the specific quality of the product and its related reputation.

Case Study

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

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

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

Source: Arfini, F. et al, 2007

A designation encompassing different products

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

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

The need to establish local rules to use the Geographical Indication

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

- clearly identify the product and define its production and processing practices shared by stakeholders using the GI;
- avoid unfair production and commercial practices, preventing abuse or damage to the GI reputation through the making and selling products with different and/or lower quality characteristics while benefiting from the reputation of the quality sign;
- guarantee quality assurance of the product and of the geographical origin, fostering consumer confidence;
- guide the behaviour of local producers and support coordination and cohesion to create, preserve or improve the GI product's reputation and name value.

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

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

Enforcement of the local rules, social mechanisms and legal protection

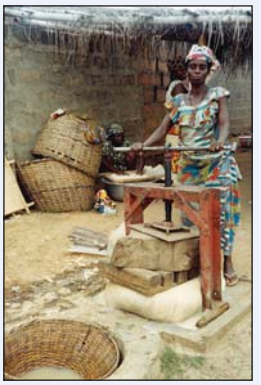
The regulation of GIs, first and foremost, is based on a system of self-enforcement by producers. GIs can also be enforced through informal mechanisms, such as mutually agreed upon social controls and unwritten rules of practice and standards (See case study 8). Self-regulation and enforcement alone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

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

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

Case Study

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



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

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

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

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

Case Study

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

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

Source: Belletti, G. et al. 2007.

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

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

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

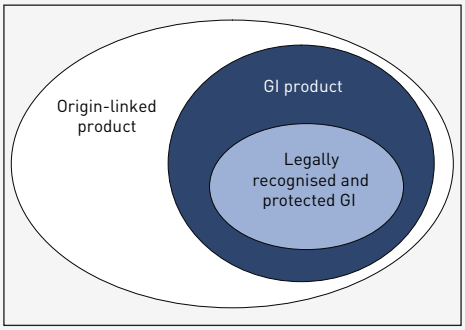
"Appellation of origin" represents a more restrictive category of GIs, defined in the Lisbon agreement of 1958, as geographical designations of products whose quality and characteristics are due exclusively or essentially to the geographical environment, including both natural and human resources.

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

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

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

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



Source: SINER-GI reports WP1 WP2

PRACTICE

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

Answer the following questions

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

List in the table

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

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

1.4 Sharing a common approach

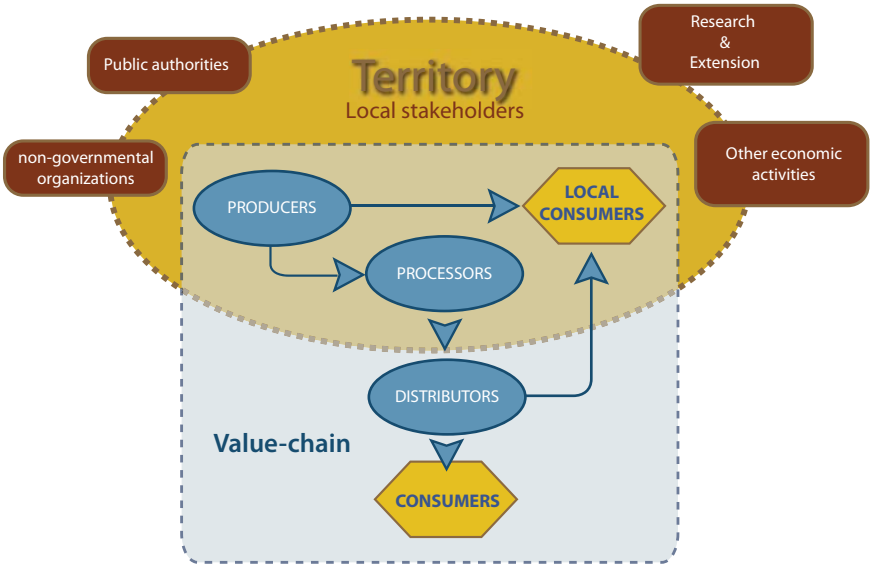
Introduction

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

The need for collective action

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

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



Inhabitants, scientists, development practitioners and public actors may also possess relevant information and vision for the preservation and promotion of local resources. This is a shared knowledge and it can be viewed as a collective expertise. It is also a distributed knowledge, which means that the skills of various actors are necessary to fulfil the whole process. In fact, no single actor is able to master all the dimensions and steps of the elaboration process.

Market recognition obtained by GI products reflects the collective capacity to define and efficiently manage the combination of natural and human factors. Beyond the definition of the product and its specific quality, the collective strategy may reinforce the reputation used as a strategic tool for marketing and/or rural development. In this view, collective rules should not be considered as a constraint but as a condition for efficiency.

Different categories of stakeholders can be involved:

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

Setting up a collective action includes different aspects:

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

Mobilizing local stakeholders

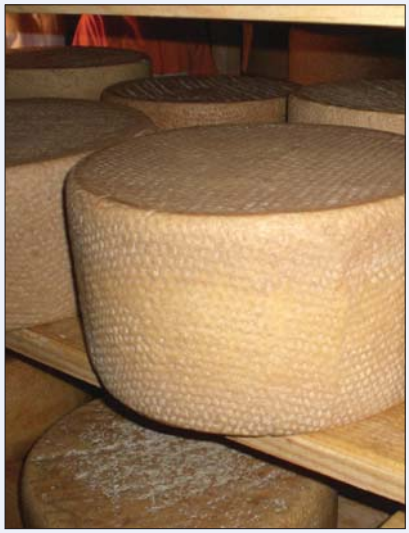
Mobilization of the local actors concerned by the impacts of the origin-linked quality circle on the territory (value chain actors and local community) is a fundamental step, and requires raising awareness on the potential for rural development and the role of the local actors. This mobilization implies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

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

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

Case Study

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



The Cotija cheese is produced by a small community of farmers with their own distinctive history and culture linked to cattle farming who are scattered throughout in the Jalmich region the mountainous region in Mexico.
Two Mexican researchers became aware of the value of this product and its risk of disappearance as a result of the ongoing rural exodus. They raised awareness within the local community and together with the local leader of Cotija town, they facilitated the collective actions necessary to promote and preserve the cheese through maintaining producer income and local activity. As a result, the Regional Association of Producers of Cotija cheese (ARPQC) was created in 2001 with 93 producers in order to exchange information and cooperate in the process of identification and qualification of the product.
To face the problem of isolation and lack of time and resources, meetings and workshops were organized with representatives of 25 geographical groups of five to ten families, half of which were part of a cooperative established to implement the common process of qualification and develop product marketing. Then a Civil Association «Prosierra de Jalmich» was created in 2003, involving a wider range of stakeholders (producers, researchers, local leaders, other professionals as well as regional and national public institutions), in order to develop a territorial strategy, apply for official recognition of the specific quality and reputation of the product and promote it.

Source: Poméon, T. 2007.

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

1.4

Involving external actors

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

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

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

Case Study

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

The "*Carne do Pampa Gaúcho da Campanha Meridional*" is a meat produced on the large Pampa meadows that has been recognized for a long time by Brazilian people for its specific quality. It has been protected as a GI since December 2006 by the Brazilian National Institute of Industrial Property (INPI). This was possible thanks to a project established in 2004, through a partnership between private and governmental organizations and with the leadership of farmers from the Pampean region. The objective of the project was to differentiate their product and improve its quality in order to compete in national and international markets. The code of practice refers to strategic resources that confer its specificity to the Pampa Gaúcho meat: a privileged ecosystem; a European cattle genetic base; a meat production process based on raising animals outdoors on extensive native grasslands; animal welfare standards at slaughter; tacit knowledge of producers; and culture and tradition of the people, the Gaúcho. During the implementation of the GI, a favoured partnership was set up with a specialized butcher in Porto Alegre, who initially was the unique retailer of the bovine meat from the Pampa Gaucho Meridional GI. This butcher owns a specialized shop renowned for its high quality meat from British cattle bred in the Rio Grande do Sul State. His clients are connoisseurs who look for quality and who accept and can afford higher prices. This butcher recognized the quality of the "Pampa Gaucho da Campanha Meridional" meat and accepted to promote the GI's meat in his shop. In doing so, he supported the development of the GI and provided the product market access.

Source: Cerdan C. et al, 2007

Food operators

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

BOX 6: EXAMPLES OF SUPPORT FROM CHEFS AND RESTAURANTS

Chefs and owners of restaurants can collaborate to promote the product and the territory.
For example, in the case of the Saffron of Taliouine (See box 1 page 7), French chefs collaborated to raise awareness of the local community and the the product's value by promoting it in their restaurants.
Another example is related to the black pig from the Gascogne region in the southwest of France: it is a very peculiar specialty product, which almost disappeared because of a decline in local pig breeds biodiversity. The renewal of this product, was made possible because of an efficient supportive network; a group of chefs, and participated in advertising the product.

Tasting of saffron cuisine with French Chefs celebrities and personalities, who organized during Saffron Festival in Taliouine 2008.

Consumers and consumer associations

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

Case Study

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

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

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

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

BOX 7: CONSUMER SUPPORT: EXAMPLE OF SLOW FOOD

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

Slow Food Foundation for Biodiversity

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

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

Source: www.slowfoodfoundation.org

Public and non-governmental bodies

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

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

BOX 8: EXAMPLES OF WINE ROUTES

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

Source: Vandecandelaere, E., 2004.

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

Case Study

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

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

Source: Quindaisa, E. et al 2007.

The scientific and development support

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

BOX 9: EXAMPLES OF GI RELATED RESEARCH PROJECTS

In South Africa, a project managed by ARC (Agricultural Research Council) and the North Western Cape Department of Agriculture (South Africa) helped to define the GI approach for Rooibos and Honeybush (See case study 1 in chapter 4.1). They brought in new partners, such as the environmental NGO Cape Conservation. In Tuscany, Italy, a research project was conducted by the University of Pisa and Florence to study and preserve the native cherry-tree varieties of Lari (name of a small village) (See case study 2 in chapter 4.1). The research was carried out with the involvement of local farmers, who participated in the research activities by exchanging knowledge with scientists, planting the specific local cherry-trees with their technical assistance and learning from the results of the study.

Other local economic activities

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

Case Study

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

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

In the case of Chivito Criollo del Norte Neuquino, the national extension agency INTA supported the launching of a virtuous quality circle with the identification of the local breed (See case study 3 in chapter 1.1) in order to build a sustainable economic activity in the remote areas of Neuquen in Patagonia, Argentina. They informed local stakeholders of the importance of promoting and preserving local resources. Various public institutions have participated in the process by facilitating meetings to present and discuss the strategy for protection and recognition of the specific product. A GI process began with the involvement of numerous producers, motivated by the sustainable perspective. Breeders and dealers discussed in workshops different ways of preserving the traditional production system and how to promote the product in the market. An "ad hoc" committee elaborated the specific rules (code of practice) while 150 producers out of 990 participated in developing the request for protection by government authorities. A GI association was created in 2006, the "Asociación del Consejo Regulador de la Denominación de Origen Chivito Criollo del Norte Neuquino" which applied for a GI. It was established that only farmers and dealers could be active members of the association although others could participate as Honorary members. A regulating council for the development of the GI product was elected, consisting of producers and marketing intermediaries. An advisory council was created, integrating public institutions such as INTA, representatives of the Ministry of Agriculture and the municipality of Chos Malal.

Source: Pérez Centeno, M. 2007.

PRACTICE

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

Answer the following questions

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

List in the table

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

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


Local specific resources
Identification
1
Product
2
Qualification
Society
3
Remuneration
Market
4
Reproduction
Local stakeholders
Public policies
5

2

Qualification: setting rules for GI products

In the particular case of geographical indication (GI) schemes, it is the local producers and processors themselves who define the rules for using the GI, through the code of practice (CoP). Even if the quality virtuous circle may need external support to launch the process or identify potentials, the qualification phase requires the active involvement of the value chain actors as they are most knowledgeable about what constitutes the specific quality of their product. Indeed, they can be considered the legitimate owners of the inherited production and processing know-how required for developing the contents of the CoP.

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

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

2.1 The code of practice

Introduction

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

A document defining the specific quality linked to geographical origin

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

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

The aim of the CoP is then to provide rules for applying the specific quality to the GI producers located in a delimited area. Therefore, it must describe the specific characteristics of the GI product which are attributable to its geographical origin, justifying the link between the product and the territory (the same product cannot be elaborated in other territories). It must explain how a given quality (the specific attributes that make the product different from others of the same category), a reputation (history of the product, past reputation, current reputation) or other characteristics (for instance know-how) are linked to the origin.

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

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

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

- the basis for guaranteeing the specific quality of the product;
- concrete and easily understood by all concerned and;
- shared among all the concerned producers.

BOX 1: THE MAIN CONTENT OF THE CODE OF PRACTICE

Description of the product
The main physical, chemical, microbiological or organoleptic characteristics of the product, focusing on features that can be easily monitored.

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

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

Demonstration of the specific quality linked to geographical origin
Focus on the elements justifying the link between the specific quality and the resources in the geographical area (natural and human).

Definition of the production area
Description of the delimited production area. When needed, a distinction is made between the production area of the raw materials and the production area for processing and conditioning.

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

Control plan - verification system (within the CoP or associated to)
Description of how the controls will be used and when needed, the certification system.

Importance of measurable requirements

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

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

The CoP should include two types of requirements:

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

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

The Control Plan is the document which defines how the rules established in the CoP must be checked in order to guarantee product conformity. It identifies control points and verification means (See chapter 2.4).

It is important to remember that:

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

Importance of mediation

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

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

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

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

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

Case Study

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

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

The main contents of the CoP for the Coffee of Kintamani Bali are:

Name: "Kopi Arabika Kintamani Bali".

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

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

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

2.2 Definition of the specific quality of the product

Introduction

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

Description of the product

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

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

The description of the product includes, as relevant:

- raw materials;
- physical characteristics (shape, appearance, etc.) and presentations (fresh, preserved, etc.);
- chemical (additives, etc.);
- microbiological (use of ferments, presence of germs, etc.);
- organoleptic (flavour, texture, colour, sensory profile, aromas, taste, etc.).

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

- production processes, techniques and technical criteria;
- for animal products: species, breeding practices, age at slaughter, etc.;
- for vegetal products: varieties, harvesting, storage, etc.

First step: inventory of resources and practices

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

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

Some key elements for the specific quality of the products can be for example:

For meat products

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

For vegetal products:

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

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

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

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

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

In 2008, AMIGHA (Moroccan Association for the geographical identification of Argan oil), supported by ITERG (the Industrial technical centre for enterprises working in the industry for fatty substances), established and trained the first jury tasting for Argan oil in order to describe and monitor its specificity.

The organoleptic reference and sensory specifications of the Argan oil were elaborated using a specific vocabulary established for the description of Argan oil.

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

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

Second step: defining the rules

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

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

BOX 4: SETTING UP A SUBCATEGORY - EXAMPLE OF GRUYERE

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

Case Study

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

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

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

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

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

Source: Blanco, M. 2007.

PRACTICE

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

Answer the following questions

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

List in the table

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

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

2.3 The delimitation of the production area

Introduction

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

What defines the territory?

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

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

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

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

Reputation and history

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

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

History also contributes to reinforce the linkage of a product to a territory, thus defining the local identity and justifying it for external recognition.

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

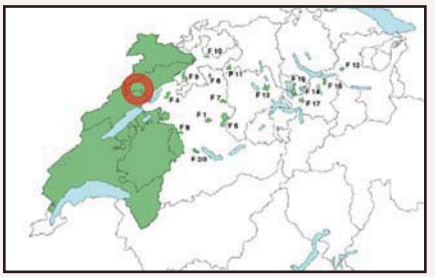
The historical elements are not only useful to support the protection of the product's reputation, they also allow for the evolution of the production and the product itself to be seen with a long-term perspective. This is particularly important in order to meet consumer expectations, which evolve generally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

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

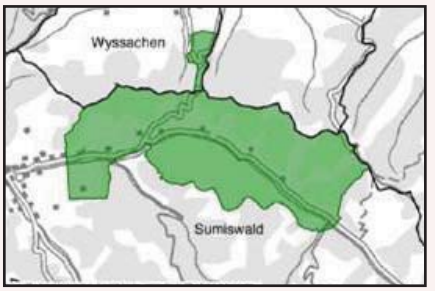
Case Study

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

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



Geographical area of Gruyère PDO



Detail of the satellite area F7

Source: SINER-GI reports, 2006.

The GI name and the territory

The product can be identified by geographic names and symbols that incorporate geographical areas (e.g. Champagne, Parmigiano-Reggiano, Queso Chontaleño, Colombian coffee, etc.) or other words and symbols, which are not geographic names but which unmistakably refer to geographical places and their people (e.g. Pico Duarte coffee, Tequila, Feta cheese, Cacao Arriba, etc.). "Is the product known through a geographical identifier?"

If so, this identifier will help in identifying the delimitation: it is useful to ask knowledgeable local people and external experts to draw the boundaries of the area. However, different sources can produce different maps. The application process for the GI must take into account a comparison of the possible delimitation areas and must include a deliberation procedure to reach a common boundary for the delimitated area.

In some cases, different names may be used for the same GI product, for example, a name referencing a village, a city or the mountain area within the GI territory. Producers will have to decide what is the "right" name. The right "name" is one which refers to the product's reputation or renown.

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

A GI's name doesn't have to correspond exactly to the name of the geographical area. A GI area can be larger than the boundaries of the extension of the name, and the contrary is also true. For example, the reputed name corresponds to a city located in the production area, but this area is larger than the limits of the city itself.
Example: Bordeaux wines in France or Parma ham in Italy.

The name can be larger than the effective area of production. For example, the GI product could be associated with the name of the country, even if the area of production is only a part of that country.
Example: Coffee of Colombia refers to the name of the country and corresponds to different production places (terroir) within the national territory.

The choice of the name should carefully consider the reputation associated to it. In some cases, the renown linked to a place or city known for tourism located in the production area can become an interesting beneficial opportunity.
Examples: The Kintamani coffee is associated with the name Bali, internationally renowned (see case study 1 in chapter 2.1).

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

Criteria and methods to define the boundaries

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

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

Table 2: Criteria for delimitation

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

Adapted from Berard *et al,* 2001.

Case Study

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

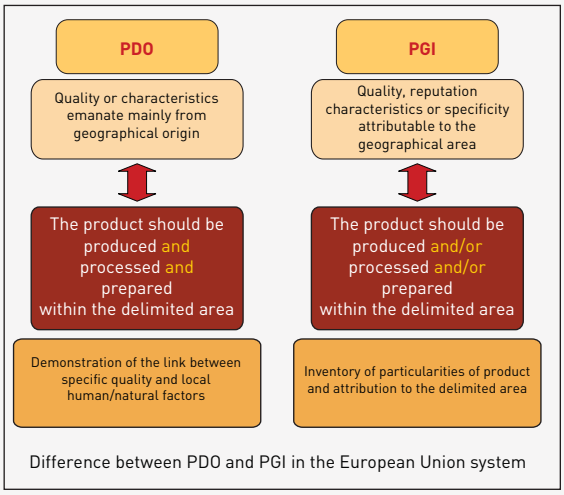
Roobois (*Aspalathus linearis*, from the acacia family despite its common reference as tea) are mainly traditionally produced in mountainous territories.Increasing the altitude improves the product's quality as a result of the higher mineral presence in the soil and the lower temperatures. The Rooibos producing area in South Africa is roughly associated with the specific area of "Fynbos biome", close to Cape Town, where Rooibos (aspalathus linearis) is an endemic species. The Rooibos is expanding to the southwest with major growth taking place in the Sandveld area, which is a low-lying area and generally produces the lowest grades, depending on the climatic conditions. When the South African Rooibos Council met to set up a delimitation proposal for a Rooibos GI, it considered both the current area of the production and the ecological system, taking into account the following criteria:

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

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

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

As a result of the definitions of the Appellation of Origin (Lisbon agreement) and Geographical Indications (TRIPs), the differences between both can be related to the intensity of the link between the product and its territory: In the case of GIs, *"The given quality, reputation or other characteristics [..] is essentially attributable to the geographical origin". As for appellations of origin, "the quality and characteristics are due exclusively or essentially to the geographical environment, including natural and human factors".*



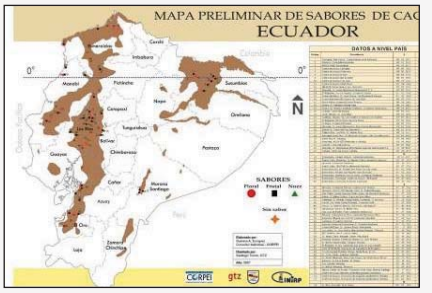
Difference between PDO and PGI in the European Union system

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

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

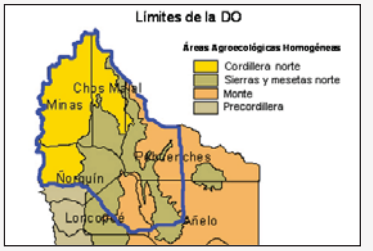
BOX 7: EXAMPLES OF DELIMITATION IN RELATION WITH TERROIR PLOTS AND ADMINISTRATIVE BOUNDARIES

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



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

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



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

BOX 8: METHOD AND CONTENTS OF A GI DELIMITATION REPORT

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

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

Case Study

Case study 5: How the CoP justifies the link between product and geographical area
LARDO DI COLONNATA (pork fat) (Italy)

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

The link is established by virtue of the following factors:

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

Continue next page

Case Study

- Climate: The village of Colonnata is located in the Apuan Alps at an average altitude of 550 metres above sea level. The climate is characterized by high precipitation and low temperature variation. Strong currents of wet air from the Tyrrhenian slope, after crossing the short coastal plain, immediately condense as they are forced upward by the mountain chain, creating high levels of precipitation, increasingly frequent and intense the further one moves over the marble- bearing spurs. One of the main consequences is the high average atmospheric humidity caused by the frequency and volume of rainfall, reaching maximum levels during between September and January and April and June. These factors are even more evident in the workrooms/cellars, whose location and structure help maintain ideal climatic conditions, permitting the product's highly appreciated organoleptic characteristics to be reproduced. The link with quarrying has also exerted a considerable influence, since Colonnata's workers have always needed an energy-rich diet.
- Human factors: An important role is played by the skills that have developed over time within an activity that in Colonnata has grown into a true independent profession rather than just a special branch of the trade of the pork butcher. These skills include, for example, the ability to select and prepare the raw material, to monitor the "salamora" or brine and reconstitute it when required and to exploit the humidity and poor ventilation of local cellars.
- Reputation: The reputation of Lardo di Colonnata no longer needs to be proven. The product is known and appreciated everywhere, as the increasingly frequent attempts to imitate the product and misuse its name show.

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

PRACTICE

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

Answer the following questions

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

List in the table

1) Relevant criteria to delimitate geographical area.
2) Related problems to solve.

The statements provided in the table are only examples.

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

2.4 Setting up the local guarantee system

Introduction

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

A guarantee system for geographical indications

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

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

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

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

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

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

The importance of guarantees for consumers

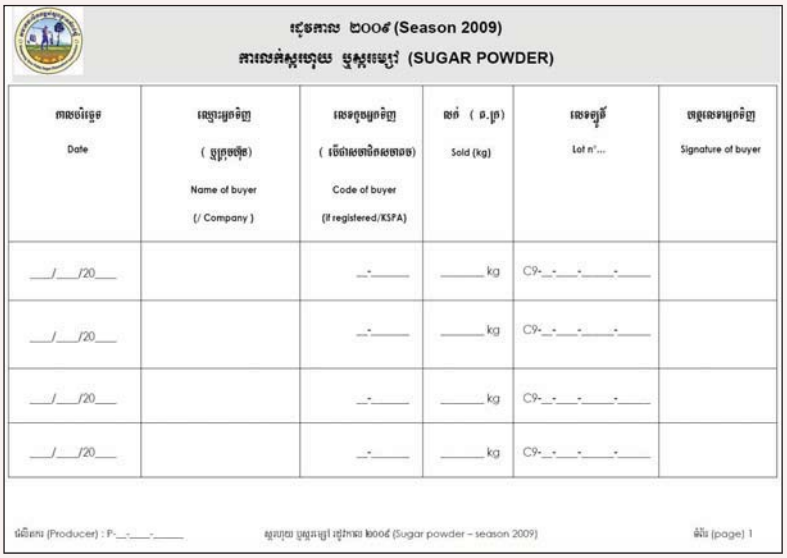
Consumers are increasingly careful about what they buy, especially food, with regard to both the product's quality (ingredients, taste, texture, etc.) and to the production process: Are they ethical? Do they preserve the environment and traditions? Are they typical of their area of origin? Who are the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

- the origin, method of elaboration and specificity of the products;
- clear and informative identification labelling;
- traceability: who is producing what.

Case Study

Case Study 6: Traceability at the producer level: implementation of simple tools - KAMPOMG SPEU PALM SUGAR (Cambodia)

Traceability can be ensured with quite simple tools, like those developed for matter accountability for Kampong Speu Palm Sugar of Cambodia (See case study 2 in chapter 3.1).
Producers have to record their production and sales (per category of product) in a form provided by the GI association. Each record is also signed by the (registered) buyers in producer books. A certificate of delivery is also created and signed by both producer and buyer and kept by the buyer to justify the source of supply. These records are the first step of the traceability system.



ជុំចូលការ ២០០៩ (Season 2009)

ការលក់ស្ករស្បៅ ឬស្ករម្សៅ (SUGAR POWDER)

ការបង់ប្រាក់ Date	ឈ្មោះអ្នកទិញ (ឬក្រុមហ៊ុន) Name of buyer (/ Company)	លេខកូដអ្នកទិញ (ចំពោះសមាជិកសមាគម) Code of buyer (If registered/KSPA)	ចំនួន (ក.ក្រ) Sold (kg)	លេខឡូត៍ Lot n°...	ហត្ថលេខាអ្នកទិញ Signature of buyer
__/__/20__		__-_____	_____ kg	C9-__-__-____-____	
__/__/20__		__-_____	_____ kg	C9-__-__-____-____	
__/__/20__		__-_____	_____ kg	C9-__-__-____-____	
__/__/20__		__-_____	_____ kg	C9-__-__-____-____	

ជំនាន់ (Producer) : P-__-___-_____ ស្ករស្បៅ ឬស្ករម្សៅ រដូវការ ២០០៩ (Sugar powder – season 2009) ទំព័រ (page) 1

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

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

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

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

Case Study

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

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

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

Source: Gallego Gómez, J. C. 2007

Publication of the application in the EU, Official Journal of the European Union, 2006, extract:
Traceability of the product is carried out in the following stages:

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

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

BOX 9: THE DIFFERENT VERIFICATION SYSTEMS

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

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

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

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

Role of producer organizations in the guarantee system

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

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

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

- to define the guarantee system, especially the control plan, by identifying the control points and sanctions related to each requirement of the CoP;

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

Case Study

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

In order to ensure the credibility of the Geographical Indication "Coffee of Kintamani Bali", a comprehensive control and traceability plan has been carefully set up during the qualification phase (See case study 1 in chapter 2.1).
Through the GI organization (CGIP - Community for Geographical Indication Protection), representatives of all types of local stakeholders have been involved in the elaboration of the internal control plan, in order to define a strong but feasible control system. This control plan aims to ensure the fulfilment of the CoP, in particular the origin (traceability), the quality and the specificity of the product. Fulfilment of the CoP is dependent upon three levels of internal control: an auto-control by coffee farmers; a control by the producer group and; a control by the CGIP.
For example, the control of plantations is forecasted in the following way:

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

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

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

Setting up the control plan

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

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

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

The control plan is comprised of:

- the critical point(s) to be controlled for each requirement (what);
- the method used (visual, document analysis, etc.) (how) and the moment (when);
- the document that attests to the controls (especially for auto control and traceability);
- the related sanctions depending on the seriousness of non compliance (see box 10) and;
- the frequency of controls and the coverage (all producers, sampling) (see examples in tables 3 and 4 and in Practice).

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

When designing the control system of a GI product, it is important to consider the existing control schemes (public or private) on the product, and look for possible synergies, especially those that can reduce costs.

BOX 10: EXAMPLES OF SANCTIONS FOR NOT MEETING REQUIREMENTS

Generally, there are several categories of more or less serious sanctions. The sanctions may be economic (fines, prohibition to use the collective name, product declassification) or social (exclusion from the group).
The scale of penalties and sanctions is progressive and applied according to the seriousness of the elements of non-compliance identified.
For example:
The non-compliance does not impact on the product's quality:

1. remark
2. warning

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

3. rejection of the lot

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

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

Managing the costs

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

- Direct costs: inspection methods, chemical analyses, etc;
- Indirect costs: time necessary to complete documents, time to attend to inspection, etc.

Efficient coordination can reduce certification costs, in particular:

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

The collective organization might decide to share the costs among the different actors of the supply chain, or to provide a mutual fund for smaller producers, generally due to a financial contribution based on production volume. The biggest producers often agree to contribute more than their share of costs when they perceive benefits from having a large number of GI users and from the image of the smaller and mostly artisan producers.

Example of tool: public database

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

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

Table 3: Example of control plan for a GI vegetal product (Kampot Pepper, Cambodia)

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

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

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

See case study 1 in chapter 3.1.

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

Source: AOC Comté, INAO Website

PRACTICE

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

Answer the following questions

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

List in the table

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

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

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

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

Introduction

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

The code of practice and sustainability

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

Biodiversity preservation

The specificity of certain GIs relies on the use of native plant varieties and breeds frequently threatened with extinction (See case study 9). In addition, traditional production techniques frequently contribute to the preservation of traditional landscape features, as well as preventing land and soil degradation.

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

Preventing overexploitation

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

Preservation of culture and traditions

By mentioning traditional practices, specific know-how and historical elements in the CoP, while defining product characteristics, the process and the link to the Geographical Origin, the GI scheme contributes to preserving both human and cultural assets. The CoP can help to reinforce local identity, raise the self-esteem of local people and prevent outward migration, thus contributing to the preservation of a treasured way of life.

Socioeconomic effects

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

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

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

Territorial impact

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

Case Study

Case study 9: Products based on biodiversity resources

CHIVITO CRIOLLO DEL NORTE NEUQUINO (Argentina)

The local breed "Neuquen Criollo Goat" has been identified and described (phenotype, genotype, productivity and the production system) and is part of the FAO inventory on biological diversity. The CoP mentions both the breed and the importance of nomadic grazing, together with the kid age and the slaughter seasons, as giving the meat its special flavour. In return, this allows preserving the composition and diversity of the grazing land and the characteristics of the breed. (Case Study 3 in chapter 1.1)

Source: Pérez Centeno, M. 2007.

CACAO ARRIBA (Ecuador)

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

Source: Quingaisa, E. et al. 2007.

CHERRY OF LARI (Italy)

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

Source: Marescotti A, 2003.

JINHUA HAM (China)

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

Source: Wang G, 2009.

Setting the rules for sustainability

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

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

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

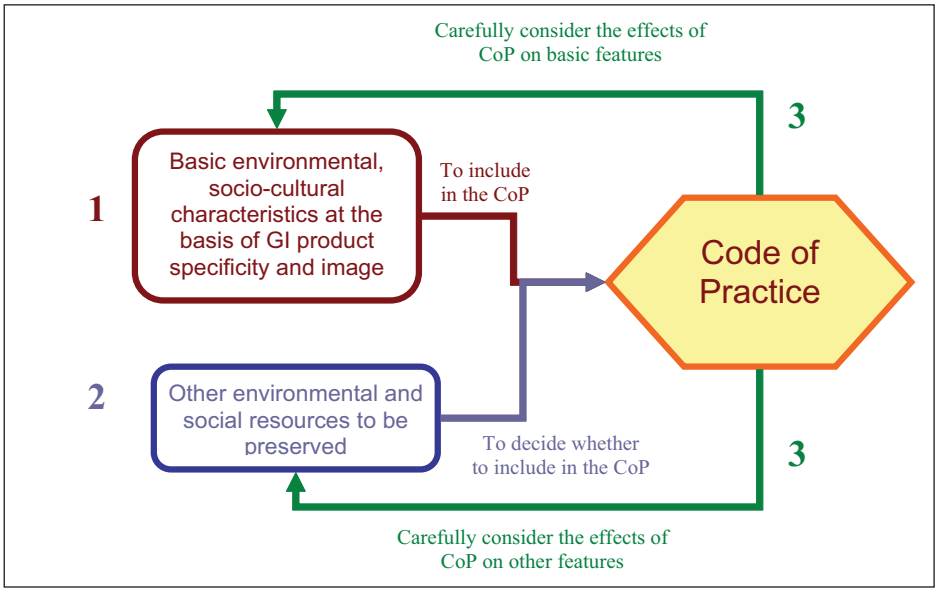


Table 5: Examples of criteria for social and environmental sustainability

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

PRACTICE

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

Answer the following questions

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

List in the tables

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

Table: Environmental aspects of production

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

Table: Social aspects of production

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

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

Introduction

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

Actors involved in the GI system often have different visions about the product, its relevant characteristics, its production process and even the geographical boundaries delimiting the legitimate production area. Conflicts often arise regarding the key stages of production determining the specific quality and distinctiveness of the product. For example, the interest of farmers who produce the raw material tend to agree with the interests of processors and traders when building the quality of the product, but can compete for benefits during the value creation process and from the GI.

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

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

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

From this review of possible conflicts that could arise when setting up GI rules, two aspects emerge that may manage or prevent those risks:

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

Establishing and creating a GI code of practice requires time. It is also a learning process. It is useful to build and share a common vision that strengthens the group of people who should assume future responsibility for the GI.

Even though the codification of GI rules may be a long-term process, it is important to emphasize that each step in the consolidation of the project will provide efficiency improvements.

Table 6: Example of problems and solutions

PROBLEMS	RISKS	POSSIBLE SOLUTIONS
Too many rules in the code of practice	- Rules not applicable - Rules not controllable - Dilute the identity of GI into a lot of irrelevant characteristics	- Focus on a limited number of enforceable rules which are key to the identity of the GI product
Rules defined only by a limited number of actors	- Rules not well adapted - Rules not accepted/applied - High level of exclusion	- Establish the rules through a widespread consultation and deliberation process among producers and processors - Give responsibility to local stakeholders (Ex. GI group) - Define formal deliberation and decision-making rules within the GI group
Rules that are too strict	- Lack of flexibility and of adaptation - Lack of capacity to face challenges (global warming, evolution of demand, etc.) - High level of exclusion - High costs of compliance	- Establish a mechanism to discuss and decide on adaptations of rules and on geographical delimitation
Confusion between generic rules and specific rules	- Rules are too general to maintain specificity/ unicity	- Focus GI rules onoperations that are key to the identity of the GI product
Difficulty for some traditional GI products to comply with generic requirements (food safety in particular)	- GI products may be jeopardized by generic rules if enacted regardless of traditional processes	- Well defined processes should ensure food meets food safety requirements while allowing for preservation of traditional processes
Difficulty to explain the link between the product characteristics and the geographical and human environment	- Over-valuation of analytical measurements - Checking only what is measurable - Difficulty to define and measure criteria	- Reach the right balance between technical, cultural, historical and organoleptic criteria - Combine several types of assessment methods: some measurements and documentary evidence, visual assessments
Internal heterogeneity	- Risk eliminating some variants of the product when codifying the practices	- Choose one or several variants of the product (the most frequent? the most controllable? the most authentic according to local actors?) - Let the producers decide - Expertise reports can be added
Unbalanced power distribution along the value chain	- Risk that strategic decisions are taken only by preeminent actor	- Take into account the power relations in the production area - Include more than one trader in the GI group - Adopt democratic decision rules inside GI group (secret votes, majority decision, etc.)
Exclusion of local operators	- A rule can be interpreted as favouring some players and excluding others	- Avoid excessively strict rules - Ensure democratic decision-making about the GI rules definition and enforcement - Lower the costs of control
Conflicts in setting up the GI rules or delimiting the production area	- Risk 1: High standards + small volumes + scaling up in value but with increased costs OR - Risk 2: Low standards + small differentiation + scaling up in volume but with risk of loss of price premium and product identity	- Set up a representative GI body and provide enough support to take balanced decisions - Carefully analyse the market to strike the right balance (price, volume) and avoid extremes
Conflicts in organizing controls and verification capacity to implement	- Internal control can be unpopular - In some countries, the state has low (human/ technical/ financial) capacity	- Third party verification with government supervision - Organize controls through farmer groups, not individually - External controls can be carried out by buyers

PRACTICE

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

Answer the questions

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

List in the table

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

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


Local specific resources
Identification
1
Product
2
Qualification
Society
3
Remuneration
Market
4
Reproduction
Local stakeholders
Public policies
5

Remuneration: marketing a GI product

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

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

However, marketing of GI products represents a challenge: Marketing must be considered from the point of view of the GI organization (collective marketing), as well as from the point of view of its members (individual marketing). Importantly, marketing carried out needs to be integrated between these two levels. Further quality aspects, territory, social and cultural issues as well as other related economic sectors, such as tourism, also need to be considered in the marketing of GI products. Chapter 3.1 considers the need to provide an organized foundation for the GI system and the GI organization; the importance of appropriate agreements, rules, roles and responsibilities, as well as a structure that governs such an organization. Chapter 3.2 focuses on strategic marketing and marketing planning, while chapter 3.3 focuses on the operational side of the marketing activity.

3.1 Building an organization to manage the geographical indication system

Introduction

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

Importance of a GI organization

Setting-up collective rules for GIs strengthens the links between local stakeholders, especially when marketing their product. This common interest creates interdependence, and thus become the foundation for collective actions.

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

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

Roles and activities of a GI organization

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

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

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

RULES AND CONTROLS

- Set up the local rules (CoP) and adapt them over time.
- Manage an internal control system and reduce the cost of external certification through economies of scale and management of relations with the external certifier.
- Facilitate conflict resolution and arbitrate in case of disputes over the CoP. A legitimate and objective representative commission can decide if practicesare compatible or not with the CoP.

PRODUCTION

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

MARKETING

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

COORDINATION, REPRESENTATIVITY and SUSTAINABILITY

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

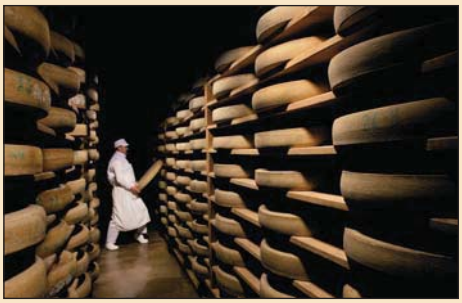
The organization structure

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

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

Case Study

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



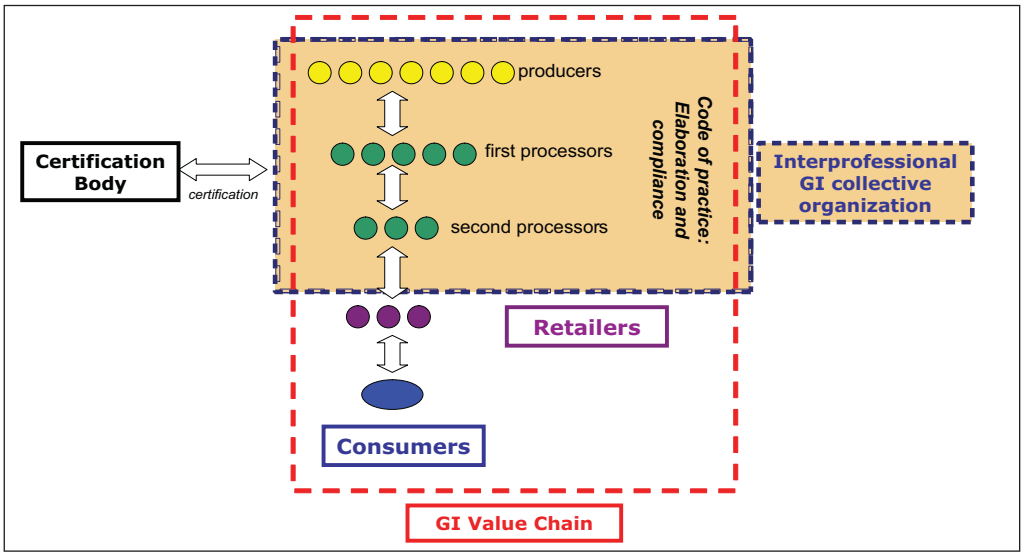
Created in 1963, the Inter-professional Gruyère and Comté Committee (CIGC) is both the representative of the actors within the supply chain and their intermediary with economic, administrative, political and academic partners. It commercially promotes Comté Cheese, defends the interests of the professional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

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

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

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

Figure 1: Example of a GI inter professional organization.



Case Study

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

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

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

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

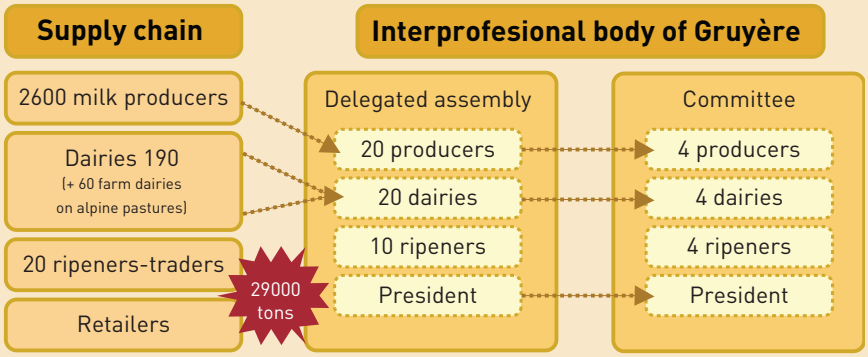
- Representativeness in the management board of all categories of firms involved in the GI value chain and of all types of actors within each category (for example artisan and industrial processors, small-scale and large-scale farmers). If a category is insufficiently represented, it might not respect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

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

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

Case Study

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



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

Source: SINER-GI. 2006

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

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

Generally speaking, entering the GI organization means that, while retaining autonomy, the stakeholder contributes to and implements a GI collective strategy by coordinating with other GI stakeholders. In terms of marketing, this means that after assessing the advantages and disadvantages of marketing the product with a GI, the stakeholder decides to combine a collective marketing strategy with his own strategy.

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

Disadvantages	advantages
• Firm marketing plan dependent to some extent on the collective marketing plan (strategic and operational). • Some degree of interdependence with other firms using the GI Membership fees for the GI organization. • Possible internal costs for adaptation to formal rules as stated in the GI code of practice. • Certification costs, both paid and not paid, depending on the guarantee system.	• Prevent fraud and usurpation by enforcement of the GI code of practice. • Opportunity to enter new market segments and market places. • More visibility of the GI product on the market and increase of sales. • Services offered by the collective organization and at lower cost through economies of scale (see box 1). • Increase of product reputation and value. • Increase in reputation of the firm as a whole (benefits on selling other products of the firm).

PRACTICE

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

Answer the following questions

Composition of the GI organization

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

Statute of the GI organization

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

List in the table

1) What are the main tasks of the GI organization?
2) What are the responsibilities and related obligations?
3) What are the specific human and financial resources needed by the collective organization?

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

3.2 Actions for strategic marketing

Introduction

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

Strategic and operational marketing

Marketing encompasses all the tasks that are needed to sell. It is usually written down in terms of a marketing plan. The plan aims is to reach consumers according to market opportunities, taking into account the potential and limitations of the GI product, the production organization and individual producers involved.

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

The operational side of the plan looks at implementing the strategy and addresses such questions as: How to sell? And when to sell? (This is commonly referred to as the marketing mix (see chapter 3.3). The operational plan simply means organizing the marketing strategy to sell the GI product. For example, will the product be directly sold to consumers via on farm visits, or to wholesalers, exporters and retailers and promoted at food fairs? This part of the plan is primarily about who will do what in terms of making the marketing strategy become real and who will be responsible.

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

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

Some GI products are being established in Tunisia. Strategic and operational marketing are being developed in order to assess potential markets and possible commercial partnerships:

- The Pomegranate of Gabès is produced in the oasis of Gabès on the coast and enjoys a good reputation, especially in Gulf countries to which they are exported. In order to assess the European export market potential, a commercial partnership with a local exporter led to selling a limited volume of pomegranates in a wholesale market in Rungis (France) with a specific reference to its origin-linked quality. This experience permitted testing of wholesalers' interest, established relationships with traders and checked the guarantee system's efficiency.
- The Black sheep of Thibar is a specific local species historically produced in the region of Beja. In order to assess the feasibility of promoting and selling the origin-linked product on local markets through large-scale distributors and the receptivity of local consumers, the producer association (represented by its president) and a retailer negotiated a specific commercial contract. This included an improved selling price and specific information on the local breed and origin-linked quality within the supermarket.

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

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

Developing a strategic marketing plan

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

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

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

Market analysis

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

The necessary market data and information can be collected using different tools: formal interviews with buyers, formal surveys of consumers (for example a questionnaire used to interview consumers in a marketplace, case study 4), media or website information. GI organizations are usually at an advantage in market analysis as they have more resources to commit to their market analysis. Members of the GI organization can contribute their market knowledge and their network of social contacts. Internal GI records and accounting system can also be another important source of market information. Moreover, the GI organization can commission an expert or a specialized agency in marketing research and carry out an in-depth market study.

Members of the GI organization can also carry out market analysis. Informal and formal talks with rural traders, wholesalers, retailers and transporters can provide a wealth of market information. Small-scale producers can also carry out consumer surveys with simple questionnaires and organize tasting panels where consumers are asked to sample the GI product and provide their impressions.

Case Study

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

In 2006, different studies were undertaken to define the specific quality linked to geographical origin for the Turrialba cheese (interviewing farmers and dairy processors; chemical, physical, microbiological and sensorial analysis of the cheese) and to identify the market potential and consumer demand. The survey on consumer perceptions was conducted with 201 interviews in some shopping areas in order to help define the preferred characteristics of the cheese, its reputation, consumer characteristics and their willingness to pay. The methodology used an open-ended questionnaire to enable consumers to express fully their views on the cheese, visual identification, etc.

The results of the survey provided the following:

- confirmed the image of tradition for the cheese, with specific flavour and texture;
- identified the preferred places of purchase for consumers and;
- consumer awareness and proof of a longstanding reputation: For example 81.6 percent of consumers polled agree on "Queso Turrialba", among different types of white cheese, as very distinct and recognizable.

On this basis, producers defined the marketing plan, in particular the different market channels to be used according to consumer type and location:

- distant urban centres via middlemen;
- shops in the local villages and in nearby cities via local sellers and;
- direct selling to consumers during fairs (in particular the annual event organized by producers in Turrialba) and selling on farm, in relation to the development of tourism and the "route of the Turrialba cheese"

Source: Blanco, M. 2007.

Another common "tool" used for market analysis and assessment is SWOT, (Strengths, Weaknesses, Opportunities and Threats). A SWOT analysis allows the identification and description of the current situation involving a GI product and its organization. It focuses on: Strengths and weaknesses of the GI product as well as the capacity of the GI organization and its members to face those challenges: Opportunities, such as consumer willingness to pay higher prices for GI products: Threats, such as competition: Box 3 below provides a sample SWOT analysis.

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

STRENGTHS	WEAKNESSES
1. High quality standard of the cheese. 2. Reputation of the Consortium label both nationally and internationally. 3. Protection from imitation through PDO recognition and Consortium measures. 4. Product differentiation in terms of presentation and packaging (vacuum packed pieces, snacks and grated cheese). 5. Presence of cooperatives for processing stages. 6. Contribution to rural development	1. Fragmentation in the production stage (500 dairies and 5 000 farms). 2. Few processors carrying out the ripening phase. 3. Rigidity of dairies producing only one product. 4. Failure of horizontal and vertical integration strategies for controlling excess supply. 5. Failure in communicating quality differences established by the Consortium to consumers 6. Lack of own-brand strategies by producers / wholesalers.
OPPORTUNITIES	**THREATS**
1. High willingness of consumers to pay. 2. Increasing international popularity of Mediterranean diet and Italian cuisine. 3. Potential international property right protection of specialty products in the current WTO round. 4. Increasing efficiency of the EU legislation in avoiding fraudulent imitation both on the Italian and international markets. 5. Increasing consumer awareness of PDO recognition and PDO product characteristics. 6. Increasing consumer interest in new products (vacuum packed pieces, snacks and grated)	1. Increasing concentration and bargaining power of modern retailers. 2. Development of private labels at the expense of producer' brands. 3. Persistence of international economic crisis and drop in the consumption of high price products. 4. Increase in food consumption away from home and related substitution with cheaper ready. 5. Better chain organization of competitors in the cheese sector.

Market segmentation: dividing a market into categories

Market segmentation derives from market analysis. It is a process of dividing a particular market into different consumer categories. Each category (or segment) corresponds to a significant group of consumers with homogeneous characteristics in terms of need and behavior associated with relevant criteria for the concerned product. For example, a market can be segmented by age, localization, activity, purchasing power or other factors. The rationale for segmenting markets is that producers, depending on the product characteristics, can identify the most suitable segment(s) for marketing opportunities. In reality, it is difficult to offer a product that addresses the demands of all consumers, irrespective of their location, behavior and purchasing power, while facing the consequent competition from all other producers of the same product category.

Case Study

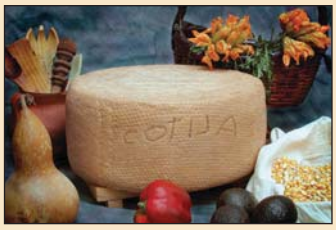
Case study 5: Segmentation and targeting COLOMBIAN COFFEE (Colombia)

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

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

Source: Gallego Gómez, J. C. 2007.

COTIJA CHEESE (Mexico)



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

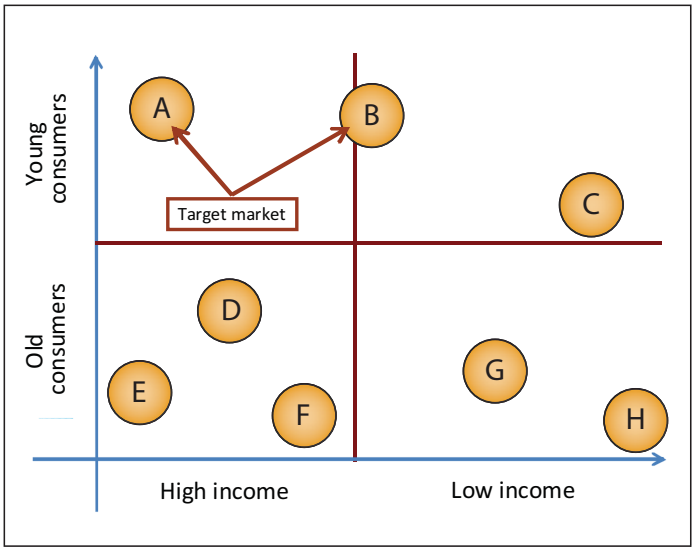
- Local market: this includes local consumers and consumers who live outside but close to the GI production area. In general, Cotija cheese is well known to rural consumers around the production area and they can recognize the authentic taste.
- Urban consumers: this includes consumers living in urban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

Source: Poméon, T. 2007.

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

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

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



Targeting: prioritizing

This phase consists of evaluating the various segments identified in the previous stage and selecting the most relevant on which to concentrate marketing efforts at one time. Typically, segments are evaluated based on their: accessibility (Can the GI product access the segment without any major constraints and threats?); reachability (Does the GI product address the segment's expectations with a comparative advantage compared to other products?); profitability (Does the segment have the ability to pay and is it large enough to make it profitable to market the GI product to it?) and feasibility (Can effective marketing programs be designed for attracting and serving the segment and is the segment responsive?).

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

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

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

Positioning: getting consumers to understand the product

Positioning refers to the consumer perception of the product value relative to concurrent ones. Consumers, depending on their particular characteristics, will classify products in their minds, according to a number of factors; for example, taste, aroma, texture, packaging, labels or emblems. Most commonly, consumers will rank products from best to worst, from cheapest to expensive, etc.

The role of positioning consists of providing an image, an "understanding" of what the GI product is all about so it can benefit from a privileged place in the mind of consumers. Thus the positioning strategy depends on the characteristics and expectations of each target segment.

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

One essential element for positioning is to associate the GI product with specific values relevant for each consumer segment; for example, tradition, taste, environmental responsibility, social equity, fair distribution of revenues, and so on. In this regard, a logo or labeling referring to the specific quality of a certain GI (common to all products coming from the firms using such a GI) gives the consumer the possibility to recognize and position the related values (terroir, origin, etc.) of the products and prefer them; thus the importance of a collective organization to develop such a strategy (See box 4).

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

BOX 4: EXAMPLES OF LOGOS FOR VARIOUS GI PRODUCTS

BOX 5: EXAMPLES OF GI PRODUCT CATEGORY LOGOS

Another positioning choice regards the role played by the logo or brand of individual producers. (see chapter 3.3). In some situations producers take advantage and give more emphasis to the firm brand (when the internal concurrence is strong and there is a need for differentiation, or when quality levels inside the GI system are very differentiated). In other situations, producers prefer to give more emphasis to the GI and collective logo.

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

PRACTICE

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

Answer the following questions

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

List in the tables

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

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

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

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

3.3 The marketing mix (operational marketing)

Introduction

Once the strategic marketing plan is defined, stakeholders, individually and within the GI organization, have to make it operational by taking into account the GI Code of Practice. The marketing mix provides tools for decision-making during implementation of the marketing plan, taking into account such things as the optimal price, the market channel(s), the communication actions and costs.

What is marketing mix?

The marketing mix consists of establishing the means to achieve the operational objectives in each market selected by the GI organization and its members, by combining four operating factors: Product, Price, Place, and Promotion (conceptual framework of the "4Ps").

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

Figure 2: The marketing mix components

Product

In addition to the specific characteristics described in the CoP, other product characteristics can be considered in marketing the GI product. The marketing mix helps to assess important assets, especially in relation with the three following categories:

1.The *attributes* of the product

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

2.The *brand* of the producing firms

On labeling, in addition to the GI and product designation, usually can be found: the collective logo associated with the GI, managed by the GI organization: it allows consumers to identify easily the GI product and when it is referred to a verification/ certification system, it guarantees product conformity and the level of quality.

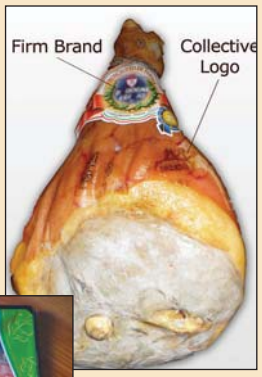
A firm brand: It allows consumers to recognize the specific firm producing the GI product. This brand may be associated with a specific quality-price ratio.

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

Case Study

Case study 9: New attributes for longer conservation and types of logos
PARMA HAM PDO (Italy)

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



Source: Giacomini C. et al (2008)

3. *Packaging* and *labelling*

The packaging and labeling contributes to value creation. Packaging can increase the level of services provided with the product. In particular, it can preserve intrinsic qualities of the product, protect it while in transport, or be used as an appealing "advertisement" for consumers. Labeling provides important information about product characteristics (composition, nutritional facts, description of how to use the product), about specificity related to the GI. In terms of quality and origin, when the GI logo is affixed to the product, the label guarantees the existence of a verification/certification system (see examples box 4 and 5 in chapter 3.2). Information can also be given that reinforces the image of the GI attributes; for example information, on the specificity of the production process and on natural resources used in it, the know-how, the link with the culture of the production area, etc. A label can also suggest possible utilization of the product in culinary preparations by "non-expert" consumers; for example, providing traditional recipes, suggestions for conservation, and so on. This can facilitate usage by consumers and increase opportunities to buy and consume the product.

By means of an appropriate design of the brand and proper packaging and labeling it is possible to create several product lines originating from the same GI product in order to address the consumer's needs for a more choices, especially in terms of "services" included with the product.

Price

Price is a direct determinant of profits (or losses) in relation to sales. Price also determines, to some degree, the type of customer and competition the organization will attract. An error in pricing the GI product may limit the benefits from GI activities.

Case Study

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

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

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

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

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

Source: www.parmigiano-reggiano.it

Costs for producing and marketing the GI product will put a "floor" on the price that can be charged. Under this floor, prices charged will result in a loss, as money received will be below the cost of producing and marketing the GI product. Consumer demand will attach a "ceiling" to the price. If the price is above what consumers are willing to pay for a quality level, they will see the product as too expensive and look for something similar that is less expensive.

Pricing the GI product correctly is not easy. It is necessary to take into account the pricing objectives of members of the organization, price competition and consumer preferences in order to place the product price between its price floor and price ceiling.

In order to attract consumers, the best relationship between price and quality level in comparison to other products of the same category should be proposed. Thus, it is important to clearly evidence the specific attributes of the GI product in order to differentiate to the greatest extent possible the product from the consumer point of view and provide a justification for the consumer to pay a higher price.

Place

The choice of the place is complex, and concerns the selection of the distribution channel(s), the geographical location to sell the product and through whom the GI product will be sold (for example a wholesaler, a retailer, an exporter, etc.).

Normally, distant markets offer a potential (in particular in developed countries) because consumers value and are willing to pay higher for products perceived as "niche" and "gourmand". But increasing the physical distance between production and consumption areas also increases costs and cultural differences.

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

- traditional distribution and local direct selling;
- large-scale distribution;
- innovative distribution.

Feria plays an important role in promoting the products

Traditional distribution and local direct selling

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

Case Study

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

Selection of the limon of pica for restaurant and hotels markets

At the Pica Oasis in Atacama, Chile, in the driest desert of the world, a special kind of lemon tree is grown. The fruit of the lemon tree is well-known for its unique scent and its high juice content, and it is a prized product for use in spirits such as Pisco Sour. A group of local producers have sought to obtain a Designation of Origin for the Lemon of Pica in order to protect its valuable reputation and encourage production, as well as to seek out new markets for the product. In 2007, during the process of obtaining a Denomination of Origin, producers explored a new marketing channel, direct sales in Santiago de Chile, in order to reach high-value niche markets with better prices: restaurants, hotels, bars, etc. Each week, the cooperative of producers organized through its Marketing Unit the lemon selection, packaging and transport to bars and restaurants of the capital. This channel allowed them to obtain much better prices, 50 percent more than on markets handled by intermediaries and in which they compete with similar but imported products from Bolivia and Peru.

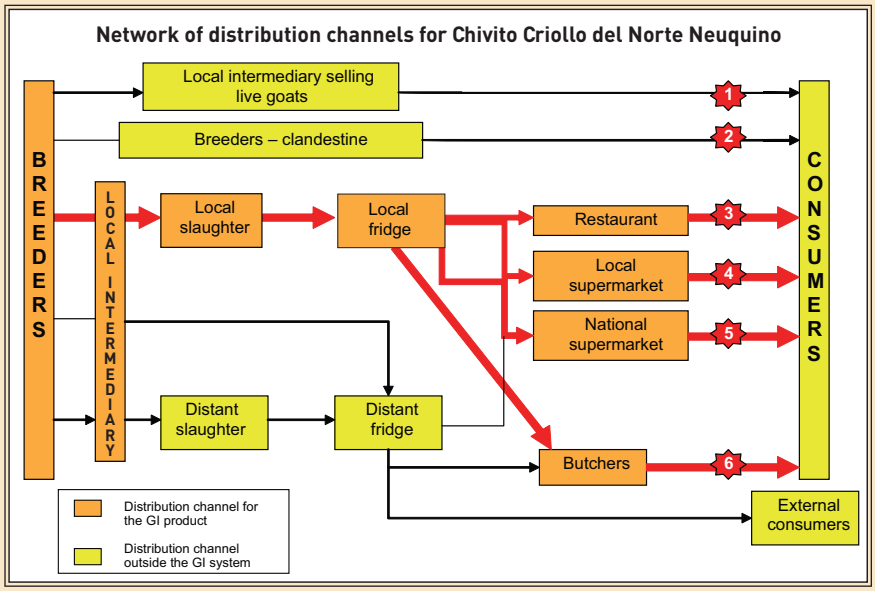
Local market benefiting from tourism

Source: Vandecandelaere, E. 2007.

Case Study

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

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



Source: Pérez Centeno, M. 2007.

Large-Scale Distribution

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

Innovative distribution

Innovative distribution is rapidly growing and includes such things as e-commerce, trade fairs, agritourism markets, fair-trade purchasing groups, community-supported agriculture, etc. It is becoming more and more important these days to address social expectations for closer relationships between producers and consumers and lessened environmental impacts as a result of production and marketing practices. Innovative distribution is an important new possibility for GI producers. A key issue for the GI system is the ability to create and maintain stable relationships with the networks involved in sustainable trade, so that they can provide technical assistance and a stable price.

Promotion

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

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

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

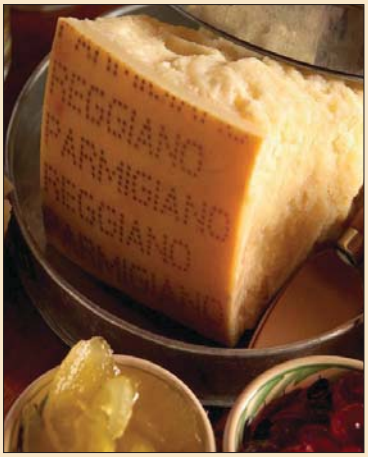
The implementation of a promotion plan should answer the four questions related to the marketing plan:

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

The more collective the resources, the more effective the promotion campaign for the collective reputation will be. Public institutions, if allowed could also offer some funding in order to promote specific GI products.

Case Study

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



COOKING AND SERVING ADVICE FOR CONSUMERS

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

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

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

PARTNERS OF ITALIAN FOOTBALL TEAM

RECIPES ON LINE

Source: Arfini et al (2006)
www.parmigiano-reggiano.it

PRACTICE

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

Answer the following questions

Product

- What are the main attributes and characteristics of your product?
- What are the main innovations and techniques with respect to the past in the production process?
- Does your product present some additional characteristics compared to the minimum standard level as defined in the CoP?
- Is the association of the firm brand with the collective GI logo useful?
- Is the association of the companies brand with the collective brand useful?
- Which are the main product innovations that may increase the level of service to consumers?
- Is the packaging suitable for marketing your product in related channels?
- Is the labelling appropriate and giving all the information consumers need?
- Which logo can help increase the level of information to consumers with respect to GI quality?

Price

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

Place

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

Promotion / Communication

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

List in the table:

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

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


Local specific resources
Identification
1
Product
Qualification
2
Society
Remuneration
3
Market
Reproduction
4
Local stakeholders
Public policies
5

4

Reproduction for sustainable GIs

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

For this reason, it is important to evaluate carefully the impacts of GI implementation on local resources, beginning with the setting up of the CoP and over time to account for the evolution of impacts during the reproduction phase. This should allow for enhancing positive effects and avoiding negative economic, social and environmental outcomes. It may then be important to reinforce or extend the collective strategy and/ or to consider possible changes to the rules themselves to be able to bring about benefits to the entire territory.

Within the reproduction phase it is therefore favourable to assess the impact of the GI system and to develop it within a sustainable development perspective (chapter 4.1). Various reasons and events may justify the need to make the rules evolve at some point in the process (chapter 4.2). One strategy to increase sustainability is to extend the benefits outside the GI production system to all the territory: Local stakeholders may use the reputation of the GI product to attract people in the GI territory and sell other products and services (chapter 4.3).

4.1 Key factors for sustainability

Introduction

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

Reproduction of local resources and sustainability

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

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

Regarding the social and cultural components, reproduction means promoting traditions and the cultural heritage, reinforcing the sense of local identity and self-esteem within the local population and fighting against factors contributing to rural exodus: poverty, lack of information and access to markets.

The impacts of GI products on the local economy, society, culture and environment, vary greatly according to the characteristics of the production system and the modalities of the GI process. The intensity (how much?) and direction (positive vs negative) of the impacts strongly depend on the rules and actions that local and non-local actors undertake on behalf of the GI product (see case study 1).

Being aware of possible negative impacts

The potential of a GI product to encourage sustainable development as part of the quality virtuous circle should not minimize the possibility that the product can generate negative effects if the tool is used improperly. Awareness of this fact is important in order to prevent or minimize negative externalities.

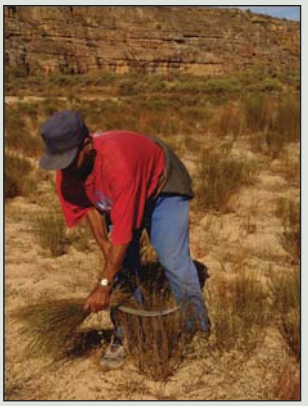
Regarding economic and social aspects, negative impacts may relate to the exclusion of certain local producers because they can't meet the requirements of the CoP, for example small-scale producers in less favoured production areas. Another risk is related to powerful external actors who may succeed in extracting local resources

from the production area, thus undermining its development. An unbalanced collective organization and the prevention of some producers from actively participating in the decision-making process may worsen social relationships among local producers along the value-chain or potentially exclude some producers from benefiting from the GI product's reputation.

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

Case Study

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



Rooibos herbal tea (see also case study 4 in chapter 2.3) is endemic to a part of the country and considered as part of the South African patrimony. The identification and qualification process for the GI highlights a number of conflicting issues related to sustainability. The main motivation of leading producers for developing a GI was to fight product usurpation, risk of delocalization of the activities and to address the rapid increase in demand. However, defining a common strategy was not easy. Some considered that the GI initiative should enhance small-scale producers' integration in a perspective of social sustainability. This vision was not shared by all stakeholders and the GI initiative even created conflicts and modified the relative power positions of different actors. Eventually, stakeholders realized the importance of maintaining a rich living tradition and sustaining local identity, as part of product specificity. Environmental problems linked to the production system also emerged and these will have to be dealt with to ensure long-term sustainability of the production system. In this process, intervention by public actors might contribute to promoting inclusion and resolve other issues relevant to the territory and society.

Source: Bienabe, E. et al, 2007.

Key factors for sustainability

Local actors are the key element in determining whether the system yields sustainability because of their role and level of empowerment, their motivations, their social capital and awareness of issues such as social equity and environmental preservation. Undeniably, these factors influence whether the objectives of all three pillars (economic, social and environmental) can be met and which of the three to the greatest degree.The strengthening of the process and collective management are the basis for positive effects. However, networking activities between private and public actors, as well as the strength and the nature of the "common vision", will surely influence strategies surrounding the GI product. These strategies can either be oriented towards the efficiency of the supply chain or broader territorial considerations (see chap. 4.3).

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

The preservation of natural resources, such as water or biodiversity, requires collective management, owing to common and specific rules. This calls for a GI strategy which defines a certain number of rules within the CoP, that are applied by all GI producers that lead to positive impacts on the environment, cultural heritage and traditions. These rules can evolve to take into account necessary adaptations (See chapter 4.2).

Social networks in GI systems represent another important key factor, linking different groups of stakeholders who can be involved at different levels of the GI process, such as research and education institutions, public authorities, consumer associations, non-governmental organizations, etc. The relevance of a social network is not only significant from a social point of view but also from an economic point of view. Keeping these networks alive allows the GI system to be more sustainable and to better identify the need for adjustment at the local level.

Assessing sustainability

It is crucial that local actors set up a monitoring and controlling system in order to evaluate the impact of their strategies and actions on local resources and sustainability, comparing individual and collective aims with outcomes over time. Local actors can consider this evaluation as a learning process conducted over time and throughout the virtuous quality circle. Indeed, the evaluation process results permit an adjustment of the rules and implementation of new initiatives to address issues as they arise.

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

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

1. **The local production system point of view,** which should be counted not simply as a sum of individual positions, but also in terms of collective issues. In fact, the general success of the GI system may come as the result of divergent individual positions: some producers may have improved their economic and social positions while others may have suffered. Therefore, it is important to analyze all of the diverse effects on the different types of producers.
2. **A wider "public good" point of view.** The positive impact on the economic and social standing of local producers may hide some negative effects "outside" the local production system. Producers who have been excluded from the benefits of the GI reputation (being located outside the delimitated production area or who may not have sufficient technological, financial or information resources to use the GI), may threaten social cohesion at the local level. It is therefore important to analyze impacts beyond the group of GI producers.

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

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

Case Study

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

Because of renewed consumer interest in environmental and cultural traditions linked to food, producers started to set up and manage a network of actors interested in supporting the GI system for Cherry of Lari. Many local agencies that are not part of the cherry value chain or are outside the territory have been involved in the valorization strategy: the Lari Municipality, the local Cultural and Tourism Associations, the Province of Pisa, the Tuscan Regional Administration, the local Chamber of Commerce and the Slow Food Association. These actors are interested in connecting the image of the cherry to other rural amenities, such as the landscape, environmental quality, art, culture and traditions, in order to promote the area. The involvement of these actors outside the supply chain has increased the awareness of the cherry producers and as well as the economic and cultural value of the cherry, while strengthening the will of producers to improve the quality image of the product. Other actors include some agents external to the local production system who have been undertaking research activities aimed at preserving the many native cherry tree varieties (National Research Council, ARSIA-Tuscan Region, Universities of Florence and Pisa). A growing concern for better preservation of biodiversity stimulated the involvement of these actors. Collective initiatives were promoted for technical, agronomic and marketing. A collective brand and a collective processing plant for producing jams have been established, as well as some educational initiatives with local primary schools regarding the cherry's history. Riding on the wave of this renewed enthusiasm and producer cohesion, the local municipality was influential in constituting a National Association of Cherry Municipalities, dedicated to reinforcing research and promotional activities for cherries across Italy. Overall, the qualification process has delivered numerous benefits. It has reinforced solidarity and cohesion between farmers by making producers meet when no association was previously active in the area. The producer association represents the interests of producers in their negotiations with agencies and institutions. Finally, the qualification process, by encouraging the defence and promotion of the cherry, acted as a catalyst for the involvement of other local and non-local actors. The qualification process stimulated collective action within the value chain and outside in a wider network.

Source: Marescotti A. 2003.

BOX 1: SOME QUESTIONS FOR SUSTAINABILITY EVALUATION

Economic sustainability

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

Sociocultural sustainability

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

Environmental sustainability

- Have the rules of the CoP and the individual and collective actions implemented preserved or improved local natural resources?
- Do the initiatives surrounding the GI products threaten local natural resources?
- Are there any problems with important natural resources such as water or land (quality, quantity) linked to GI production processes?
- What are the impacts on biodiversity preservation? Do the GI product initiatives threaten local specific plant varieties, local breeds, agro biodiversity or landscapes?

PRACTICE

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

Answer the following questions

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

4.2 The evolution of rules over time

Introduction

Different factors influence the GI system: the characteristics of producers, the local environment, production techniques, consumer needs, retailer requirements and legislative obligations that evolve over time. From this perspective, the rules defining GI products may also change, as new strategies are adopted in response to new challenges. When local actors determine that changes are necessary, they can agree to modify the code of practice (CoP), provided that the GI product's specific quality and its link to the territory are maintained.

Living products

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

It is important to expect that local products are constantly evolving, however, what producers have defined as core specific qualities should always remain the same. Therefore, some elements of the CoP are key characteristics necessary to maintain the unique originality of the product and its image for consumers; others can be considered less significant points of the CoP and may change, provided that the management of the GI and the community of producers ensure a meticulous technical evaluation and reach consensus.

The reasons the rules change

What are the reasons for making changes to the rules ? There are several factors and they can affect different components of the CoP (definition of the product, raw materials and processes, delimitation of the area). The following examples are provided to illustrate some of the reasons why the rules may evolve. This list is not exhaustive.

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

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

> This is the case of the GI for Brazilian beef, "Pampa Gaucho da Campanha meridional",l that restricts the production capacity to only a few animals per week. As a result, the market impact is low and it is difficult for additional producers to enter the GI group. Some evolution of the rules is possible without changing the overall product (see case study 11 in chapter 1.4).

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

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

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

  In the case of Prisuttu (ham) in Corse (France), as a result of the trend of consumers desiring less-salty products, a discussion about the minimum amount of salt needed for ham curing has been conducted among local producers. The use of salt was originally the only way to preserve the product, but as cooling facilities are now available, using less salt for curing may even allow for an improvement in the quality (aromatic expression) of the final product.

Case Study

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

In the case of Tequila from Mexico, since the establishment of the first official standard (1949), the constraints of production and markets have been eased by different changes in the CoP. Agave production is subject to cycles of surplus and shortage. During periods of shortage the ratio of agave for the distillation process was reduced to 70 percent in 1964 and then to 51 percent in 1970, while in contrast, a high quality segment was created with 100 percent agave-based Tequila. From 1997 to 2000, the blue agave population decreased drastically, by 50 percent, following a fungal infection and an early winter frost. This scarcity of agave was exacerbated by the contemporaneous skyrocketing demand for Tequila in domestic and international markets (particularly in the United States and Europe). In response, in 2000, the companies proposed to reduce the agave sugar content to 30 percent. However, this proposal was not accepted by the government, in order to protect the reputation of the product and avoid conflicts with farmers.

Source: Bowen, S. 2008.

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

- **New scientific information** may permit a better description of local resources and their influence on product quality:

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

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

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

3. Stakeholders want to enhance the system sustainability.

- **The sustainability assessment** in the reproduction phase may lead producers to change or add some rules to better take into account environmental and social issues:

  Beaumes-de-Venise is a famous French protected Denomination of Origin producing a famous white muscatel wine. The GI management body acted to modify the production rules, in order to forbid vineyards on the wood-planted slopes around the village. These areas will be protected and become part of a communal preservation area. In this way, the GI management body ensures soil protection and maintains the beautiful landscape, which is a candidate to become a Unesco "cultural landscape".

4. General changes in the global environment:

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

How to change the rules

The link between the product and its territory may be continuously reinterpreted in light of changes in the economic, environmental and social conditions at the local and global levels. The producers should act to guarantee that the authenticity of the product is kept over time and that the local specific resources used in the production process are regenerated in order to retain the essence of the product's characteristics.

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

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

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

Case Study

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

The Zlatiborska/ Užiæka Pršuta (Ham of Uzice/Zlatibor) is a meat product made of smoked beef, produced in the district of Zlatibor, exclusively in the Municipality of Èajetina; more specifically, in the village of Maèkat. It is a unique product, which has a long tradition in Zlatibor. Traditionally, the smoked meat of Zlatibor was made with beef and the animals (mainly working animals) used to be 4 to 6 years old before being slaughtered so that the smoked meat retained a strong flavour. Only specific parts of the legs, sirloins, tenderloins and the low end of the back are used for Pršuta. One semi-industrial producer of Pršuta registered "Užicka Pršuta" as a PDO in 1995 as a state company and began coordinating the use among Producers. As a way to reduce constraints to the minimum, there was an absence of conditions regarding the meat's origin and no specific practices differentiating the PDO process from any other process. Consequently, today more traditional producers sell higher quality products on the market compared to the only officially authorized user, the semi-industrial company that has since been privatized. In 2006, a new law established a revised registration process to guarantee minimum quality, extend the authorization to all local users complying with the CoP and make the PDO more sustainable. This new application has the support of the municipality, IDA, a local NGO, which is in contact with the Ministry of Agriculture and the Intellectual Property Office to re-register the PDO under the new law. Since the beginning of 2007, meetings and working groups have been organized to establish a new CoP, supported by most of the Pršuta producers in the area. In the case of the defined area of primary production and inclusion of the breeding practices in the revised CoP, this could improve economic and social sustainability along the food chain as the product would be more linked to the local place and local breeders will have a stronger negotiation position and a right to benefit from the GI channels. Zlatiborska/ Užiæka Pršuta could become one of the first registered products under the new Serbian law on PDO/PGI.

Source: Bernardoni P. et al, 2007.

PRACTICE

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

Answer the following questions

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

4.3 Extended territorial strategies for increasing rural development

Introduction

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

Geographical indication as a leverage for extended territorial strategies

GI products, as a richness anchored in the territory, allow for the adoption of extended territorial strategies. This means that local stakeholders can use the GI product, the associated specific local resources (local gastronomy, traditions, landscapes, etc.) and its reputation as tools to increase the competitiveness of the entire local social and economic system. Indeed the GI process can strengthen the territory's capacity to attract consumers and tourists to the production area and can offer a differentiated basket of local products and services based on the use of local resources. As a result, other economic activities can be developed or strengthened both by GI producers and by other local firms.

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

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

Investing in rural tourism

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

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

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

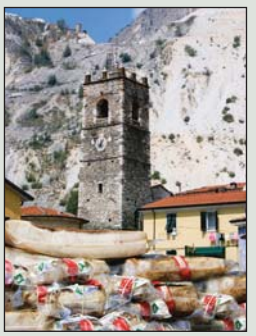
Case Study

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

Lardo di Colonnata (pig fat) is produced in a very small village (Colonnata) in the Tuscan mountains (Massa-Carrara province), using a very specific production process (in particular, maturing the Lardo in marble tubs placed in caves or in cellars, without conditioning) (see case study 5 in chapter 2.3). The Lardo di Colonnata became famous in Italy in the 1990s. The production area is restricted to the small village of Colonnata which favoured the identification of the product with the village and its population. Lardo became the symbol of the village and the catalyst of a comprehensive local development strategy. Following the growing acquired notoriety and reputation, many other families living in Colonnata became small and artisanal producers of the Lardo, setting up many other economic activities as well, such as restaurants, small shops, guesthouses, etc. The Lardo economy also revitalized tourism activity linked to the visiting of the marble quarries close to the village, in the Alpi Apuane mountains. Therefore, many young people who had emigrated to work elsewhere came back to the village to undertake new economic activities, like opening new restaurants or grocery stores and organizing visits to the marble caves.

Source: Belletti G., Marescotti A. 2006

A typical marble tub for seasoning Lardo di Colonnata



Conditions for setting-up extended territorial strategies

There are some necessary preconditions for activating an extended territorial strategy based on a GI:

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

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

Case Study

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

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

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

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

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

Involving local stakeholders for extended territorial strategies

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

Therefore, there is a need for the involvement of local public actors to facilitate the integrated development strategy involving different sectors and social groups and providing for an enabling environment. Indeed, public actors should guide their actions to take into account not only economic and business issues, but important social, cultural and natural environmental issues as well. In successful cases, the rural community, private sector and different levels of government can contribute to the reproduction or the improvement of local specific resources and to the generation of other economic and social opportunities and activities by working in close partnerships with common goals.

This interaction between sectors, in particular agriculture and tourism, is relevant at both the local and national levels (see case study 7). Indeed, public and private policies for tourism could highlight the gastronomic heritage and give visibility to local products, for example, by facilitating their emphasis in restaurants inside and outside the territory.

Case Study

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

In Morocco, GI products have recently been used as a starting point for mobilizing a wide range of stakeholders to develop tourism in rural areas. This is the case for products such as saffron and argan oil in the Anti-Atlas mountains. Some tourist routes have been developed around the theme of saffron and argan oil production, with visits to the villages, introduction to the production techniques, tasting sessions and the possibility to buy the products. Some village groups, supported by NGOs, have even developed infrastructures to receive tourists for longer periods, letting them spend a few nights in the villages. This has encouraged investment in the cleanliness and hygiene of the villages. This is part of "sustainable tourism" networking which is promoted through a website (www.tourisme-atlas. com) that allows international and national tourists to choose their destination linked to a typical product's territory identifying the attractions, accommodations and restaurants. This development project is supported by different actors (Agence de développement social du Maroc; NGO Migrations et développement, French Agency for Development, European commission).

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

PRACTICE

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

Answer the following questions

Engaging in the territory

- Do you know all the resources of your territory?
- What are the other economic activities that use local resources andare located within the territory? How does coordination work between activities?
- Is the reputation of your product linked to the reputation of the territory?
- What plan of action could be developed to coordinate local actors in an extended territorial strategy (communication, training, etc.)?
- What are the challenges and the opportunities of developing such a strategy?

Tourism Potential

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


Local specific resources
Identification
1
Product
Qualification
2
Society
Remuneration
3
Market
Reproduction
4
Local stakeholders
Public policies
5

5

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

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

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

- A sound legal (legislative and regulatory) and institutional framework, enabling the recognition and the protection of collective property rights attached to the GI in a given territory (chapter 5.1).
- An integrated rural development policy that supports local stakeholders throughout the various phases of the quality circle. In order to establish and regulate a sustainable framework for GIs, several different factors should be taken into account by public authorities: the need to promote fair trade; encourage value redistribution along the food chain and for the entire territory; and protect and support public benefits, including the environment and cultural values (chapter 5.2).

5.1 The legal protection of Geographical Indications

Introduction

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

Legal tools

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

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

Two main approaches can be distinguished at the national level:

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

Other intellectual property rights may also be used to protect GI products. For example, GIs may involve logos of distinctive shapes. However, these are generally registered as graphic trademarks. They may also involve the use of patents for processing or packaging, industrial models and designs, etc. Registration is the most common legal tool to define the circle of legitimate users and ensure protection for GIs. Specific GI legislation (*sui generis* systems) and trademark laws can also be used to this effect.

Sui generis systems and trademark laws

Sui generis from the Latin meaning "of its own kind") is a term of art used to identify a legal classification that exists independently of other categorizations because of its uniqueness or as a result of the specific creation of an entitlement or obligation.

BOX 1: TRIPS AND LISBON AGREEMENTS

TRIPS and GI

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

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

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

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

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

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

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

Lisbon Agreement and AO

The Lisbon Agreement of 1958 defines Appellations of Origin as *"the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors"*. The Lisbon system aims at facilitating the international protection of AOs. It is administrated by the World Intellectual Property Organization (WIPO), which counts at the moment 26 contracting parties. It offers a means of obtaining protection for an AO by the contracting parties to the Lisbon Agreement through a single registration.

Sui generis methods of intellectual property protection may provide legal protection for signs and characteristics associated with a product, such as a logo or a specific shape, by including them in the related product specifications. The GI may be considered as a collective *sui generis* right as its use is normally reserved for those producers who respect a CoP that is defined by a community of producers and approved by a competent authority. The GI is then linked to the geographical place, and becomes non-transferable.

GIs may also be protected under trademark law, in the form of a trademark (TM), a certification mark or a collective mark, depending on the categories existing in the country. A trademark is a distinctive sign which is used by a firm to identify itself and its products or services to consumers. It is a type of intellectual property involving a

name, word, phrase, logo, symbol, design, image, or a combination of these elements. Trademarks do not refer to generic terms, nor do they exclusively refer to geographical terms. They do not protect against the use of terms such as "blend" and "type" in conjunction with a geographical origin.

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

In 1992, the European Union approved two categories for the protection of Geographical Indications: Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). These intellectual property rights extend to all food products with the exception of wine and spirits and they have replaced national pre-existing intellectual property rights for these indications in many European countries. The definition of a PDO implies that all phases of the production process should be localized inside the production area and the quality of the product should be strictly related to a particular geographical environment by its inherent natural and human elements. The PGI covers agricultural products and foodstuffs closely linked to a geographical area, where at least one of the stages of production, processing or preparation takes place within the given area.

The EU PDO/PGI regulation provides EU-wide protection to names of agricultural products and foodstuffs to prevent the use of registered names unless the products originated from the specified territory and according to a specified Code of Practice. As a result of amendments introduced under EU Regulation 510/2006, this protection is also provided to names of products produced in countries outside the EU, if these names are themselves protected in their own country of origin. The EU Commission can now also receive applications directly from non-EU producers. In order to benefit from PDO/PGI protection, EU producers can apply to register a name with their national authorities. The application for review and publication of a GI by the EU commission is free of charge. All applications must refer to a CoP that must include at least the following:

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

If the application is successful and the name is registered, then any producer from within the region complying with the product specifications and controlled by a control body or national authorities can use the registered name.

PGI

PDO

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

Case Study

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

The collective trademark "Queso Cotija región de origen"

The reputation of genuine Cotija cheese (see case study 10 in chapter 1.4) has been under threat by producers using the designation "Cotija type" for cheeses that may have been produced outside the original production area. Consequently, the name Cotija is often used in a generic way. "Cotija type" cheeses are often made though industrial processes (through intensive production, without maturation and with fillings, etc) and as a result they tend to be cheaper, although the taste can still be distinguished from authentic Cotija cheese. In order to preserve the distinctive way of life of Jalmich mountain farmers and to ensure a sustainable income for their products without forcing them to relocate from the region, the producers of the Cotija cheese have been engaged since 1999 in a process of qualification. They have sought to obtain legal protection for the reputation of authentic Cotija cheese through the use of an Appellation of Origin. The Mexican Intellectual Property Office rejected the AO request in 1994, as it considered the denomination to be generic but registered the name "Cotija region of origin" under a collective trademark. The name "Cotija" can still be used for cheeses produced elsewhere. The decision has been open to debate, as it is necessary to assess the generic characteristics with market studies, and to distinguish the generic name from the AO (where a specific link to a territory and its potential for rural development should also be considered). Although the quality circle process engaged locally has resulted in positive impacts, including the development of the local economy through collective actions to support the development of direct sales, better market recognition of the specific quality and an increasing price (between 1997 and 2007 the price has doubled relative to "Cotija type" cheeses), local stakeholders are still concerned about the absence of special protection under a *sui generis* AO system. There are increasing concerns over the potential for a shift away from local production, the transfer of intellectual property rights away from the local community, as well as misuse of the name by other producers outside the area who do not comply with the local CoP.

Source: Poméon T., 2007

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

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

The choice of appropriate legal tools by local stakeholders

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

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

Each legal mechanism to protect a GI has its own constraints, costs and advantages which may differ from one national context to another. GI producers should explore and use all the available means to obtain protection, considering the location of markets for their product. The protection of GIs must first be established within the domestic market before it can be obtained in international markets (See case study 2).

Early protection to prevent generalization and expropriation of the geographical indication

Two major problems can arise for producers in relation with the loss of their legitimate right: when the name becomes generic or synonymous (common use outside the area, generalization) and when the GI has been registered by an actor outside the territory (expropriation). The perception of the generic nature of a geographical name may vary among consumers, producers and countries and has often caused disputes that have been very difficult to resolve. In some cases, producers in the original area have managed to obtain the "re-localization" of the GI, that is, preventing producers outside the territory from the use of the GI. This is more likely to occur if the use of the geographical name is not too widespread, or if the geographical name is well-known outside the territory and the economic and political stakes are high and favourable for the protection of the GI (see case study 5 and Box 3).

Generalization occurs when an unprotected GI is used as a general term, thus also to designate products originating from outside the original area, as a result of the spread of reputation and specific characteristics of the original "model". Such geographical names are said to have become generic or synonymous terms.
Expropriation occurs when the GI is registered outside the territory before the local legitimate stakeholders have been recognized as such and have obtained protection for their GI.

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

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

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

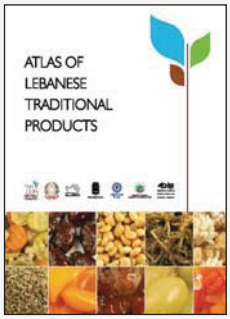
To avoid expropriation or generic use, it may be important to provide the basis for the required protection at a later date and consider early strategies to reinforce legal rights. In particular, producers should look for ways to increase public awareness of he GI product, with the support of public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

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

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

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

BOX 5: EXAMPLES OF INVENTORY OF PRODUCTS



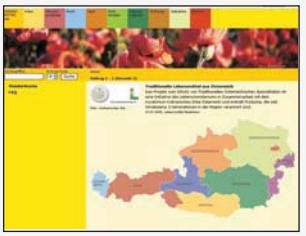
The Atlas of Lebanese Traditional Products is a collection of traditional products of the Lebanese cuisine with a strong link to the territory, the history and local production. It was developed in the framework of the cooperation project "Activation of Mechanisms to Sustain Rural Territories and Communities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

continue next page

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

The culinary patrimony of Switzerland: a website lists the traditional products for each of its regions.
www.patrimoineculinaire.ch

The Registry on Traditional Knowledge in agricultural products and food of Austria describes the different Austrian agro-food products linked to traditional local knowledge
www.traditionelle-lebensmittel.at



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

In 2003, in response to the increasing risks in terms of abuse and misappropriations faced by GIs, producers from all over the world joined forces to advocate for the establishment of an effective international system of protection for GIs and to promote GIs as a tool for sustainable development for local producers and communities. OriGIn - the Organization for an International Geographical Indications Network - was launched in Geneva as an NGO for this purpose. Today, OriGIn represents some 80 organizations of producers from more than 30 countries in both the developed and developing world. OriGIn is a key actor on the international stage for GIs, as well as an excellent communication vehicle for GI producers worldwide. The goals of OriGIn are to promote GIs as a tool for sustainable development and an instrument to protect local knowledge. OriGin also advocates for more effective legal protection of GIs at the national, regional and international levels, through campaigns aimed at decision-makers, media and the public.
www.origin-gi.com.

Case Study

Case study 2: Different legal tools used for protection

DARJEELING TEA (India)

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

Source: Datta T.K., 2009

TEQUILA (Mexico)

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

Provisions	Objective
1949: Defined by the law as an industrial standard for spirits made from blue agave, distinguishing aged (2 years) and non-aged tequilas.	To prevent unfair competition and avoid misleading consumers.
1968: Extension of the geographical area, obligation to mention "tequila" on the bottles, and obligation to indicate the addition of flavours or colorants.	To extend the supply area in order to satisfy growing consumer demand and for meeting information requirements for consumers.
1974: Recognition of tequila as the first Mexican "Denominación de Origen" (DO), according to the law adopted in 1972.	To protect the Tequila DO from misuse in other countries on the basis of the national registration.
1977: Tequila is registered under the Lisbon Agreement for the Protection of Appellations of Origin.	To ensure protection for the use of the Tequila DO in other countries.
1993: Creation of the Consejo Regulador de Tequila (interprofessional body) which began to manage controls.	To manage the supply-chain and ensuring that quality requirements are met.
1994: Recognition of the DO Tequila by the United States and Canada under the North American Free Trade Agreement.	To protect the Tequila DO in its main foreign markets.
1997: Recognition of the DO Tequila by the European Union through a bilateral agreement; thereby extending the geographical area.	To protect the DO in EU countries, in particular those not part of Lisbon agreement.
2004: Obligation to bottle the Tequila DO in the DO territory.	To maintain the added-value within the geographical area and to prevent potential misuse of the name when the product is bottled abroad.

Source: Bowen S., 2008

Tools for an effective legal framework

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

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

A transparent registration procedure is necessary, one that clearly defines the conditions for application without making the procedure too complicated. Indeed, small-scale producers for example are likely to be discouraged from applying for GI protection if this involves highly technical, bureaucratic or complex registration procedures. In these circumstances, large producers who may have more resources to devote to the process are likely to gain an unfair advantage in the GI market.

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

To be effective, the legal framework should be accompanied by an adequate provision of information on the objectives and characteristics of the normative framework, as well as capacity-building measures, both for public institutions and production system stakeholders.

PRACTICE

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

Answer the following questions

- What are the available legal tools to protect the GI in your country?
- Are there any other intellectual property rights that should be taken into account for your product?
- What would be the expected outcomes of legal protection of the GI?
- Is there a representative group of producers interested in applying for GI registration to legally protect the GI?

List in the table

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

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

5.2 Supporting a GI system through public policies

Introduction

As a result of the potential for GI products to contribute to economic, social and environmental goals, public stakeholders are more and keener to support the use of a GI as a tool for sustainable development. Public intervention is necessary to ensure the effective regulation of such tools, but also to support the process at different levels to improve the likelihood of the success of GI systems. Local stakeholders involved in the GI system need to become familiar with the policy tools that are available to them. Therefore, cooperation between public and private stakeholders is of fundamental importance in order to effectively develop the GI product system and ensure its sustainability.

Different approaches and different roles for public policies

As we have seen, public actors play an important role in providing a sound legal framework for the recognition and protection of GIs, but the role of public stakeholders goes beyond simply establishing the legal framework. The value of the origin-linked quality virtuous circle is subject to constant review and evaluation. The effects of this quality circle are not automatic: they depend on effective strategies from both private (individual and collective) and public stakeholders to define the relationships between a GI product, local resources, communities and markets.

BOX 7: POSSIBLE ROLES OF PUBLIC ACTORS ALONG THE QUALITY CIRCLE

Identification: information and sensitization of stakeholders to the nature of GI products and their potential for rural development; support for the identification of this potential and; providing legal tools and an institutional framework to protect the reputation of these products.

Qualification: support for conducting necessary studies, establishing a participatory process and for a sustainable approach in elaborating rules and codes of practice and; information on national procedures for the official recognition/protection of GIs.

Remuneration: enforcement of legal protection, nationally and worldwide and; information to consumers on the nature of GIs and support for communication tools (see box 5 in chapter 5.1).

Reproduction: support for assessing the impacts of GI systems and ensuring the sustainable evolution of rules.

Public policies can provide an important contribution to creating favourable conditions for harnessing the potential of GI products. Public stakeholders at various levels have a diversified set of policy tools at their disposal. Many of these tools are not specific tor GI products, but they can be used and coordinated into a comprehensive and proactive "GI policy" approach. A "proactive" GI policy is a policy that spans the entire GI constitution and valorization process to maximize potential positive effects and minimize negative ones. In this process, it is essential to evaluate the positive and the negative elements on the basis of the principles of economic, social and environmental sustainability. In this context, GI products are only part of a broader policy that may be implemented and GI protection schemes can be seen as only one of many available tools for promoting rural development.

It is also essential to ensure that there is an appropriate mix of public and private initiatives for the GI system to function correctly; the balance will depend on the context. In some cases, public actors can intervene directly in GI implementation by participating with producers and other private stakeholders in the elaboration of the rules (CoP) or in compliance enforcement. In these situations, the direct intervention of public stakeholders should not replace the private and economic functions. In other situations indirect intervention may be more effective, for example by helping producer organizations accomplish some of the relevant activities and functions of the process: identification, qualification, remuneration and reproduction (see chapter 1.4 "Sharing a common approach" and case study 3 in this chapter). In any case, when benefiting from public support, it is important that producer organizations really represent the various categories and interests of the GI system and act within transparent and balanced rules allowing the participation of all interested parties in decisions (see chapter 3.1: "Building an organization to manage the GI system").

Different levels in the definition of GI public policies

Different public stakeholders may be involved in developing GI policies, depending on their competencies and levels of intervention. Public institutions involved in the food and agricultural sector and linked to intellectual property are key stakeholders as a result of their competencies, but there may also be institutions involved in cultural, educational, training, and industrial activities, for example.

From a geographical standpoint, international (United Nations organizations for example), national (central governments or individual ministries), regional and local public institutions should also play important roles in the definition and implementation of GI policies. The distribution of public functions and the integration and harmonization of policies at all levels are important factors to consider.

The integration of public policies in the local project around the GI

There is no single "appropriate policy" for all GI products. Different support tools are required for the various types of GIs, from long- standing and well known GIs (where protection of the name is the primary goal) to "new" GIs (where the main objective is to bring stakeholders together around a common identity for a product name or project).

BOX 8: MAIN ROLES OF LOCAL PUBLIC ACTORS

Public stakeholders at the national level should guarantee a sound regulatory framework from both a legal and economic standpoint. However, local public stakeholders should also play a very important role in the design and management of these policies, promoting GI initiatives and supporting them in the field. As a result of their proximity to the GI product supply chain, local stakeholders should play the following main roles:

- Ensure a balanced representation of stakeholders in the GI system and that smaller players are given an equal voice.
- Regulate the definition process of the GI and, mediate potential conflicts in light of general aims, and orientate collective choices if needed.
- Encourage stakeholders to take into account local specific resources and the Environment.
- Support the operation of the GI system through capacity-building measures to encourage GI product market development.

The specificities of the product, its production system and the individual goals of each stakeholder, particularly at the local level, also need to be taken into account. The success of a GI policy is dependent on coordination between various stakeholders and the different policy tools, with special attention paid to local conditions. There are many possible tools for implementing and/or strengthening the value quality circle of a GI product. Table 2 provides some examples of these tools and is categorized according to the various stages of the value circle.

Case Study

Case Study 3: Public and local authorities support LIMON OF PICA (Chile)

In 1999, the cooperative of Pica was nominated by the Foundation for Agrarian Innovation of the Ministry of Agriculture to participate in an initiative aimed at establishing a differentiation strategy and system for Limon of Pica (see case study 11 in chapter 3.3). Three projects followed, from 1999 to 2007, to provide investments, studies, capacity building and organizational support. The project also received support from the Chilean Government to build the packing house. Finally, the National Institute of Agricultural Development, supported additional capacity building measures, including visits for producers to learn about specific marketing channels for fruit export (such as PROCHILE).

Source: Vandecandelaere E., 2007

Public policies can provide tools to support the development of each phase of the virtuous quality circle, by designing them in consultation with local stakeholders. For local stakeholders, it is important to identify the different policy tools and initiatives that can be used in a developing collective strategy for GI products and to initiate discussions with local institutions to assist in developing local policies that are tailored to suit their needs.

Table 2: Examples of policy tools and possible actions

Phase	Policy aim	Possible actions/tools
Identification	Improve awareness among producers and other local stakeholders of GI characteristics and potential	• Design technical and socioeconomic assistance projects for GI product characterization; • Raise awareness of GI products in public administrations; • Support local actor involvement (also through producer and • consumer associations, etc) in national inventories; and • Support the establishment of "GI local groups" to discuss GI issues.
	Strengthen knowledge of the roles of local specific resources (biodiversity, human capabilities, etc.) for GI specificities (characterization)	• Support studies to analyse the role of specific local resources on the quality of the GI product; • Encourage debate among local stakeholders on the importance of local resources for GI specificity; • Promote the identification and characterization of local production practices; and • Provide technical assistance, research programmes and training courses.
	Integrate GI schemes with initiatives linked to the protection of biodiversity and preservation of the environment	• Consider the link with the ecosystem as one of the criteria of GIspecificity; • Support inclusion of rules related to environmental protection in the CoP based on technical and economic justification; and • Consider the potential for creating a quality hallmark to identify"good, clean and fair" GI products.
	Improve societal information on GI concep	• Promote national information consumer awareness campaigns as well as information on CoPs and the differences between legal tools that use geographical names; and • Make websites and other information tools accessible for GI representative associations.
Qualification	Allow the participation of all the categories of local stakeholders in defining the CoP	• Empower local stakeholders by improving access to information; • Create local discussion forums for GIs and encourage the active participation of stakeholders, especially small-scale producers; • Support the development of local stakeholders groups and associations; • Carefully consider the effects of the CoP on the distribution of benefits among stakeholders.
	Improve knowledge of GI protection schemes and minimize confusion between the different legal tools that use geographical names	• Provide clear information on GI protection schemes and their benefits/risks; • Provide training for local administration staff to increase their ability to assist producers and consumers; • Provide instructions on how to apply for GI protection from regional/ local authorities to producer organizations (booklets, websites, training courses); and • Emphasize practical examples of related GI systems and the potential benefits for local stakeholders.
	Support local efforts to apply for the GI protection/ recognition	• Support innovative policies to encourage collective and multidisciplinary actions; • Provide financial mechanisms to increase public access to the GI application process; and • Provide technical assistance for the GI application process; support local and regional forum to assess strengths and weaknesses of GI application system.

Phase	Policy aim	Possible actions/tools
Remuneration	Consider bottlenecks in the GI product value chain	• Establish credit programmes for structural investments in processing; and • Support local cooperatives and other community stakeholders
	Support joint (collective) marketing initiatives	• Create specific learning institutions dedicated to GIs and marketing; and • Support collective promotion initiatives consistent with the values targeted by the product.
	Enhance the recognition of GI products by society and consumers .	• Support creation and promotion of a national logo for the GI product category.
Reproduction of resources	Facilitate the evaluation of the GI process to improve economic, social and environmental sustainability	• Support regular evaluation, for example by supporting assessment studies, organization of specialized forums, etc.; • Identify more sustainable practices and encourage their adoption by local stakeholders; and • Facilitate the revision of CoP rules, in particular through simple application s.
	Facilitate the use of the registered GI by more and more local producers of the product and by additional categories of actors	• Develop temporary financial support programmes for producers seeking to use GI; • Target initiatives to strengthen the weakest and most marginalized producers, including the provision of information, technical assistance and financial support; • Establish training centres for the dissemination of practical skills related to GI products.
	Support adding value for the territory as a whole because of the GI product image and reputation	• Encourage development of eco-tourism based on local resources related to the GI product; • Encourage synergies between the GI system, complementary industries and other GI products; • Create "GI product" routes, promoting visits to GI producers, places and other local attractions; and • Encourage the development of tourism circuits in which valuable cultural elements are associated with traditional production methods
	Support local engagement and knowledge awareness of GIs in the local community	• Assign value to culturally significant practices, such as festivals, educational events, etc; and • Support popular festivities that are associated with the GI product.
	Support the equitable distribution of benefits from GI protection among different categories of stakeholders in the supply chain and within each sector	• Encourage cooperation agreements within the supply chain and among other producers and associations; • Encourage the establishment of professional associations to encourage fair and efficient negotiations among stakeholders; • Ensure that the weakest stakeholders are granted equal access to information, technical assistance and financial support.
	Encourage more sustainable production practices in the GI local production systems	• Encourage GI system stakeholders to develop more sustainable practices by identifying and promoting them, for example regarding packaging, energy, transport, etc; • Develop links to product quality attributes and use them as a marketing resource, where relevant.

Source: Belletti G., Marescotti A. (eds.) (2008), "Geographical Indications strategies and policy recommendations", SINER-GI EU Funded project, Final Report, Toulouse (F)

PRACTICE

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

Answer the following questions

- What are the main support needs of the economic, environmental and social dimensions of the GI production and marketing system?
- What support policies are currently available?
- How are the different public stakeholders involved in the GI system?
- What are the problems stakeholders face in accessing information related to policies affecting the GI system?
- What are the gaps that could be addressed using local policies?

List in the table

1) The main needs of the GI system.
2) Available policies and their characteristics related to each need.
3) How to access these policies.

1) Needs of the GI system	2) Policies and their characteristics	3) How to access these policies
... ...	... ...	... ...


Local specific resources
Identification
1
Product
Qualification
2
Society
Remuneration
3
Market
Reproduction
4
Local stakeholders
Public policies
5

Conclusion

GI systems all around the world are the results of a complex process of relationships (both formal and informal) among various types of stakeholder and actor (private and public, local and outside the zone in question) that have led to formal sets of common rules regarding the main aspects of origin-linked quality: not only production systems, requirements and control schemes, but also ways of using local resources and protecting against misappropriation of the name. The process has the goal of enhancing the value of products that originate in specific geographical zones and have been produced thanks to specific human skills and knowledge and specific natural resources, thus preserving profitable production systems for future generations. In other words, formalization of the relationships among the various actors should protect GI production systems from market pressure and boost local development in rural zones in environmental, social and cultural terms. The sustainability of GI systems is the result of a whole series of processes, including particularly identification of the potential of the origin-linked product and of the stakeholders' motivation (the identification phase), definition of common rules to manage the GI system and its local resources (the qualification phase) and adoption of joint strategies to improve marketing (the remuneration phase). Producers and local inhabitants can benefit from features of the local environment and their cultural heritage without compromising their future, thanks to practices that should be enhanced (the reproduction phase). Such action should generate economic opportunities and improve the quality of life. The establishment and management of GI systems requires a delicate balance among the three pillars of sustainable development, while taking the motivations of the various stakeholders into account. Achieving such a balance is not an easy task, for the collective interest and community welfare are affected not only by actions dictated by "quality rules", but also by the adoption of joint strategies (for the use of local resources and for marketing) and by the activities of various socio-economic networks (both those of the GI system and others). In order to achieve the final objective of creating a sustainable GI system through the virtuous circle of origin-linked specific quality, the importance of taking advantage of the knowledge, perspective, determination and time of certain facilitators should be remembered. These facilitators may be public bodies (local, regional or national), NGOs or other institutions that facilitate the understanding and dissemination of methodologies and the development of approaches that have proved of value in many cases of successful GI processes. In this perspective, the present guide synthesizes the various factors involved in the establishment, management and development of sustainable GI systems. It is hoped that it will suggest an "ideal" way forward for GI stakeholders, together with a set of questions that will help them to recognize, manage and develop their own GI products in their specific socio-environmental contexts.

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Glossary

Accreditation
Independent third-party attestation by competent independent authorities that a certification body, a control body or a laboratory has provided formal demonstration of its competence to carry out specific conformity assessment tasks with a view to granting marks or certificates, or establishing relations, in a given field.

Actor: see "Stakeholder".

Alliance: see "Partnership".

Appellation of origin (AO)
"The geographical name of a country, region or locality that serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors" (Lisbon System). Appellation of origin was one of the earliest forms of GI recognition and protection (Paris Convention, 1883). Although mentioned in earlier treaties, the 26 contracting parties to the Lisbon System in 1958 first formally recognized the term "appellation of origin" as a form of GI by using a single registration procedure, effective for all the signatories.

Certification
A procedure by which a third party, the official certification body, provides written assurance that an organization system, a process, a person, a product or a service is in conformity with requirements specified in a standard or other frame of reference. In the case of GIs, the certifying body certifies that the GI product is in conformity with the relative code of practice. Certification may, if appropriate, be based on a range of activities: on-site inspection, auditing of quality assurance systems, examination of finished products etc.

Certification body
A body responsible for providing certification, sometimes referred to as the "certifier", which may be public or private and is normally accredited and/or approved by a recognized authority.

Certification mark
Any word, name, symbol or device that signals certification of the characteristics of a product, which may include geographical origin. It conforms to specifications laid down by the owner and may apply to the place of origin and/or production methods. The mark requires some verification by a third party, which defines whether the attributes are present. Unlike trademarks, certification marks identify the nature and some

type of quality of the goods and affirm that these goods have met certain standards. Certification marks also differ from trademarks in three ways: first, a certification mark is not used by its owner; second, any entity that meets the certifying standards set by the owner is entitled to use the certification mark; and, third, it applies only to the product or service for which it is registered.

Code of practice (CoP) (or book of requirements, product specification, disciplinary document)
Document describing the specific attributes of the GI product in relation to its geographical origin through a description of the product and its manner of production, laying down requirements regarding not only modes of production but also those of processing, packaging, labelling etc., as applicable. Any party using the GI must meet the requirements laid down in the CoP, which is the outcome of a consensus among the stakeholders in the value chain concerned with the GI.

Collective/public good
A good that can be used simultaneously by several actors without any diminution of its attributes. Its use by an additional actor does not reduce that of the others (the principle of non-competition) and no individual can be prevented from using this good (the principle of non-exclusion). As an intellectual property right, a geographical indication can be considered a collective or public good. However, misuse by individuals or groups of the reputation linked to a geographical name threatens the value of the collective resource.

Collective mark (United States)
A mark used by the members of a cooperative, association or other group to identify their goods or services as having a connection to the collective mark and its standards. The collective mark may have a geographical identity and may advertise or promote goods produced by its members.

Collective (trade)mark (European Union)
Trademarks used by the members of a group to distinguish their product from that of non-members. A group that has the benefit of a registered "protected designation of origin" (PDO) or "protected geographical indication" (PGI) may also apply for a collective trademark for the name or graphic representation of its GI product. The PDO/PGI designation provides a protected indication of quality and relationship of origin that is separate from other intellectual property rights. Certain aspects of a PDO/PGI can therefore subsequently be marketed under a collective trademark, conferring additional protection via intellectual property rights. Conversely, a product or graphic representation that has been registered as a collective trademark cannot subsequently be registered as a PDO or a PGI, inasmuch as a GI cannot in general override an existing trademark.

Collective marketing
Occurring when individuals involved in commercial activities, for example small farmers, decide to form an organization to coordinate (and if necessary directly carry out) a number of marketing operations required to satisfy consumer demand. Local stakeholders can increase their income and efficiency by joining with other stakeholders to market their food products and benefit from collective action, for example to obtain a better bargaining position or a larger volume of sales. Collective marketing is commonly carried out by a collective organization (see definition of "Organization").

Conformity assessment
Demonstration, through a systematic examination carried out by one party on the request of another, that specified requirements relating to a product, process, system, person or body are fulfilled. Such demonstration is based on a critical study of documents and other types of inspection or analysis, allowing verification that the specified requirements are being met**.**

Control plan
A specific, adaptable document that lays down how compliance with the various rules in the CoP is to be checked. It is a management tool identifying the control points constituting the critical stages in the production process and the means of verifying their conformity with CoP requirements.

Differentiation strategy
Voluntary development of a product or service offering unique attributes that are valued by consumers, who perceive them to be better than or different from competing products. A differentiation strategy is based on market segmentation and may be supported by a voluntary approach in order to obtain a specific certification or label (for example in connection with organic farming or traditional products).

Enforcement
The process by which a norm, or legislation in general, comes into legal force and effect. The rules collectively established for the GI product (the CoP) must be enforced against those misappropriating the GI. The producers of the GI can enforce these rules through a court or may themselves be given official standing by national authorities.

Free-rider
A person or group that benefits from a good or service without paying for it. In the case of GI products, the geographical name of the GI product may be used by certain stakeholders hoping to gain a benefit (for example a higher price) without contributing to the reputation (see "Reputation") of the product or to any collective effort.

Generic
A term or sign is considered "generic" when it is so widely used that consumers see it as designating a class or category name for all goods or services of the same type, rather than as referring to a specific geographical origin.

Geographic(al) indication (GI)
The WTO 1994 Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement states: "Geographical indications [...] identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin" (art. 22.1). All WTO member countries have to establish basic provisions for the protection of GIs. The term "GI" can be used to distinguish the identification of a product's origin and its link with particular characteristics and a reputation related to that origin. When GIs are legally registered they take such forms as AOs, PDOs and PGIs, depending on the categories defined in the various countries, and, as such, they become enforceable. The TRIPs Agreement does not provide any specific legal system of protection for GIs, leaving this task to member countries. If a member country has established a formal registration process to recognize GIs within its territory, then a product registered in this way can be referred to as a "protected GI". However, a GI may exist without protection or without seeking protection, unless the name or product is considered generic. In certain situations, a collective mark or certification mark is the most effective legal protection for a GI.

Geographic(al) sign
A graphic symbol indicating a GI.

GI group
Group of stakeholders directly concerned with the product, acting as a representative group for all the stakeholders who pooled their efforts in order to elaborate the quality of the end product: producers, processors and agents linked with distribution and trade.

GI system
A system including all stakeholders and activities that contribute to the production of the GI product. A GI system thus includes the GI producers and the other stakeholders involved directly or indirectly in the value chain, including but not limited to public authorities, NGOs, research institutions, extension services and other institutions directly linked to the GI product (for example tourism activities in the production area).

Governance
Concept referring to the complex systems covering mechanisms, processes, relationships and institutions through which individuals and groups articulate their interests, exercise their rights and obligations, and mediate their differences.

Guarantee system
The mechanisms existing or implemented in order to ensure the existence of certain attributes and the compliance with certain specifications as mentioned in the CoP (assessable criteria and critical points, control plan: what is to be controlled, when and by whom, and the type of sanction), documentation (attestation) and information.

Indication of source or provenance
Any expression or sign used to indicate that a product or a service originates in a specific country, region or locality, without any other element of quality or reputation (Madrid Agreement, 1891, Art. 1.1; Paris Convention, 1883).

Inspection
A systematic examination to verify conformity with a specified standard, carried out by a public authority or a party invested with equivalent authority. "Inspection" also refers to verification carried out by stakeholders themselves: (1) self-inspection carried out by each stakeholder of his or her own practices (record-keeping); or (2) internal inspection carried out by the organization for each of its members.

Intellectual property rights (IPRs)
An umbrella legal term covering various legal entitlements attached to certain names, supports and inventions, written or recorded. The holders of these legal entitlements may exercise various exclusive rights in relation to the subject matter of the intellectual property. The adjective "intellectual" indicates that the term concerns creations of the mind, while the noun "property" indicates that the mind's production process is analogous to the construction of tangible objects. Intellectual property laws and their enforcement vary widely between one jurisdiction and another. There are intergovernmental efforts to harmonize them through international treaties, such as the 1994 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), while other treaties may facilitate registration in more than one jurisdiction at a time. GIs are recognized as intellectual property rights in the same way as patents, trademarks or software.

Interprofessional association/body
An organization bringing together upstream and downstream partners from the same value chain with the purpose of regulating the market for the product, participating in the implementation of agricultural policy provisions, analysing the implications of various contractual arrangements, encouraging improvement in performance along the chain and defending its collective interests.

Label
Any tag, brand, mark, pictorial or other descriptive matter, written, printed, stencilled, marked, embossed or impressed on, or attached to, a container of food.

Labelling
Any written, printed or graphic matter that is present on the label, accompanies the food or is displayed near the food, for the purpose of promoting its sale or disposal.

Management
The organization, coordination, control and monitoring of activities, resources and people in order to reach defined objectives. This is achieved by defining policies and programmes that allocate resources and responsibilities to processes and people. In

GI organizations, each member generally has managerial functions to carry out. In a GI system, appropriate management is a fundamental factor for the success of the GI process.

Mark
A term used interchangeably to indicate trademarks, collective marks and certification marks. Depending on the context, "mark" can refer to a regular trademark, a GI-related mark, a collective mark or a certification mark.

Market segmentation
The process of dividing the market into a number of homogeneous groups of consumers in order to implement targeted marketing strategies and actions.

Marketing
All the operations and tasks necessary to meet consumer demand. Marketing involves such operations as market research, handling, product quality and safety, packaging, branding, transport, and various decisions regarding sale itself (how, where and when). Differentiation labels, such as GI ones, can be an important part of marketing strategy. In GI organizations, marketing is carried out both by the organization itself (collective marketing) and by its individual members. It is therefore very important to decide how the collective marketing of the organization and the individual marketing operations of its members will be coordinated**.**

Marketing mix (operational marketing)
Practical definition at a given moment of how the marketing plan is to be implemented within the framework of the "4 P's" of product, price, place and promotion.

Marketing plan
A document describing the actions to be undertaken to achieve the marketing objectives according to the marketing strategy adopted. The marketing strategy is therefore put into practice with definition of the marketing leverages of product, price, placement and promotion.

Niche market
A market segment that addresses a need for a product or service not being met by mainstream suppliers. A niche market may be seen as a narrowly defined group of potential customers and usually develops when a potential demand for a product or service is not being met by any supply, or when a new demand arises as a result of changes in society, technology or the environment. Despite the fact that niche markets are of their nature very limited in volume as compared with the mainstream market (and hence do not have the benefit of an economy of scale), they may be very profitable, thanks to the advantages of specialization and of their focus on small and easily identified market segments**.**

Organization
General term denoting a group of stakeholders (producers, but non-producers may also be included) organized to share functions and/or resources and to provide services for its members, such as training, credit and insurance. Organizations are fairly common in the agrifood sector, where they are composed of such stakeholders as farmers, who join together to benefit from the group purchase of inputs, coordinate farming techniques, share know-how and in some cases market their produce. Organizations may take various forms, including partnerships, consortia and interprofessional associations (see related definitions).

Origin-linked product
A product in which a specific quality is essentially attributable to its geographical origin, as a result of a combination of unique climatic conditions, soil characteristics, local plant varieties or breeds, local know-how, historical or cultural practices, and traditional knowledge concerning the production and processing of certain products. The interaction among these elements (which constitute what is known as the terroir) confers specific characteristics that allow the product to be differentiated from other products in the same category.

Partnership
A cooperative agreement or alliance between independent economic units sharing certain objectives, combining their resources and expertise to reach these objectives in the interests of each participant. In the sphere of GIs, a strategic partnership can be established between producers and processors to coordinate production and marketing. A partnership entails collective bargaining and some form of collective organization.

Protected designation of origin (PDO) (European Union)
According to EC Regulation 510/2006, "'designation of origin' means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff (a) originating in that region, specific place or country, (b) the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and (c) the production, processing and preparation of which take place in the defined geographical area." Note that the acronyms "DO(C)" ([controlled] denomination or designation of origin) and "AOC" (controlled appellation of origin) correspond to designations of origin that existed in individual countries (France, Italy and Spain) prior to the European Union's Regulation 2081/92.

Protected geographical indication (PGI) (European Union)
According to EC Regulation 510/2006, "'geographical indication' means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff (a) originating in that region, specific place or country, (b) which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and (c) the production and/or processing and/or preparation of which take place in the defined geographical area**."**

Quality
"The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs" (International ISO standard 8402).

Quality assurance
A set of activities implemented in the context of a "quality system" with the aim of demonstrating effective management of quality, bearing in mind the critical points identified, in order to ensure that a good or service meets all quality requirements and to instil a certain level of confidence among both customers and managers.

Reputation
Term referring to the recognition acquired by the GI product in the market and in society as the outcome of consumption history and traditions. In a general sense, "reputation" expresses what is commonly believed or stated about the abilities and/or qualities of a person or thing. In terms of trade, reputation denotes the renown and/or recognizable character of an enterprise and/or a product produced by this enterprise. Economic theory stresses the role that reputation can play in solving certain problems arising from information asymmetry between producers and consumers in high-end markets. In the case of origin-linked products, reputation is a factor that can lead to a higher price based on the recognized excellence and tradition of the product. Such a reputation often requires the use of legal instruments to protect the product name.

Specific quality
A set of characteristics associated with a good or service that is recognized as distinct from mainstream products, either in terms of composition, production methods or marketing of the product in question. These characteristics thus allow the product to be differentiated in the market on the basis of a voluntary approach and specification of the product on the part of economic actors and to the extent that the prerequisites regarding generic quality (or basic quality with regard to consumer protection and respect for the rules of the market) are assured.

Specifications: see "Code of practice".

Stakeholder (or Actor)
In the value-creation process for origin-linked products, any person, group or organization with a direct or indirect stake in the outcome of the process, inasmuch as they can affect or be affected by its results. Local producers and their associations, companies involved in the value chain (processors, distributors, suppliers etc.), consumers, the government and any institution playing a part in the GI system are all key stakeholders.

Standard
A document established by consensus that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, guaranteeing an optimum degree of order in a given context. Standards are set up by various types

of organization to facilitate coordination among stakeholders and reduce uncertainty concerning the quality of a good or service. WTO defines a standard as a document approved by a recognized body, which provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, a process or a production method. Standards drawn up by the international standardization community are based on consensus.

Strategic marketing
Marketing that follows a strategy developed to reach consumers and hold its own against competitors. It entails a thorough analysis of consumers' needs and their typology ("segmentation" of the market) so that the product can be addressed to the most "appropriate" consumers (the "target" market).

Sui generis
Latin legal term meaning "of its own kind" and used to describe something that is unique or different. In law, it is a term used to describe a legal situation so unique as to preclude any classification into existing categories and require the creation of specific texts**.**

Sustainability
A term indicating an evolution that allows the preservation, maintenance and improvement of the quality of natural resources and the maintenance of environmental balance, with a view to managing them for the future. Sustainable development was defined in the Report of the Brundtland Commission (1987) as "a development that meets the needs of the present without compromising the ability of future generations to meet their own needs". For OECD (2001), sustainability is a resource-oriented, long-term, global concept. It is resource-oriented because we do not know what use future generations will make of the resources and in what economic activities they will engage. It is viewed as essentially goal-oriented, indicating that resources should be used in such a way that the entire capital (including its option value) is not reduced and an unbroken stream of benefits can be obtained**.**

Terroir
A delimited geographical space in which a human community has built up a collective intellectual or tacit production know-how in the course of history, based on a system of interactions between a physical and biological environment and a set of human factors, in which the sociotechnical trajectories brought into play reveal an originality, confer a typicity and engender a reputation for a product that originates in that *terroir***.**

Traceability
Defined by the International Organization for Standardization (ISO) as "the ability to trace the history, application or location of that which is under consideration". In the case of GI products, a traceability system has varying degrees of complexity (depending on the decisions taken by stakeholders and/or the normative framework) and allows clear

identification of the various points in the origin and movement of the product and its raw materials all the way along the value chain until it reaches customers and consumers, including all the enterprises that have been involved in the production, processing and distribution process etc., to make sure that the CoP has been correctly applied and to intervene in the case of non-respect.

Trademark
In some countries, geographical indications can be protected as trademarks. Geographical terms or signs cannot be registered as trademarks if they are merely geographically descriptive or geographically misdescriptive. However, if a geographical sign is used in such a way as to identify the source of the goods or services, and if consumers have over time come to recognize it as identifying a particular company, manufacturer or group of producers, it no longer describes only the place of origin, but also the "source" of the uniqueness of the goods or services. At this point, the sign has thus acquired a "distinctive character" or "secondary meaning" and can therefore be trademarked.

TRIPs
The Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement overseen by the World Trade Organization (WTO). Under this agreement, the national intellectual property legislation of WTO members must establish the minimum level of protection for these rights as defined in the 73 articles of the agreement.

Typicity
The typicity of an agricultural or food product is a characteristic belonging to a category of products that can be recognized by experts or connoisseurs on the basis of the specific attributes common to such products. Typicity expresses the possibility of distinguishing an origin-linked product from other similar or comparable products, and thus underlies the identity of the product. It includes a degree of internal variability within the category, but such variations do not compromise its identity. These properties of the category are described by a set of characteristics (technical, social, cultural) identified and defined by a human reference group, based on know-how distributed among the various stakeholders in the value chain: producers of raw materials, processors, regulators and consumers.

Value chain
A chain of activities through which a product (or a service) is produced and distributed to customers. A product goes through a series of processes and activities in the chain, at each stage gaining some value that is added to that from the previous steps.

Value creation process
A term used in this guide to indicate activation of a "quality virtuous circle" based on recognition of the values of an origin-linked product through the identification and development of its specific attributes. Four main stages in this virtuous circle have been identified: identification of resources (raising local awareness); product qualification; product remuneration; and the reproduction and enhancement of local resources.

Promoting the links between people, places, and agrifood products can be a tool for sustainable rural development in many rural communities of the world. In fact, origin-linked products show quality attributes linked to the geographical places and people as a result of specific local know how and natural resources, and over time, a collective reputation is being built, that is identified by a geographical indication (GI). The definition of this specific quality thanks to a code of practice and the collective management of the GI system are fundamental tools to identify and preserve natural and human resources thus enhancing economic, social and environmental effects.

The aim of this guide is to provide local stakeholders with a conceptual framework, concrete illustrations and methodologies for the promotion and preservation of quality products linked to geographical origin and for implementation of GIs. The guide proposes a four-step process in order to strengthen the origin-linked quality virtuous circle. The material presented in the guide derives from experiences of FAO and SinerGI in this field.

Identification of the links between the specific quality product and the local resources, **Qualification** with the code of practice and recognition of the GI as a collective territorial-based asset, **Remuneration** thanks to the marketing approaches and **Reproduction** of the local resources in a long term approach, are the key steps allowing for an economic, socio-cultural and environmental sustainability of the origin-linked production system.

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