

Empirical evidences on rural development impacts

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Methodological considerations

- Impacts
 - observed effects of the implementation of the Geographical Indication system / protection scheme in three main dimensions of the sustainable rural development: economic, social and environmental
 - (partly also on human health)



Definition of the GI system

- The GI system is the set of actors
- who are effectively engaged in creating value and improving the strategic marketing position of the GI product
- by spontaneous individual or organized collective action,
- and those who are engaged in the activation and reproduction of those local resources (natural resources, knowledge, social capital) which make the GI product specific”



First case

Established GI systems / protection scheme

- The factors which are causing the impacts are always subject to be discussed
 - a lot of comparisons show the importance of general factors such political support or other policy concerns influencing the observed impacts
- Difficult is also to distinguish what is caused by the protection vs. the GI system itself



First case

Assessments of impacts (1)

- 2 main approaches
 - **Diachronic** (evolution between a certain period of time): difficult to get comparable data and historical data
 - **Synchronic** (comparison with and without GI between 2 similar products): difficult to get the data and to really achieve available comparison



First case

Assessments of impacts (2)

- 2 different points of views
 - Based on **hard data** such as volumes / prices / number of employees, etc. (difficulty to collect the data and to identify the relevant indicators)
 - Based on **expert and stakeholders views** / meanings (stakeholders are in a position to support or not the initiative)



Case studies available in SinerGI

- Roquefort (FR)
- Melton Mowbray Pork Pie (UK)
- Tequila (Mexico)



Impacts of the GI system / protection scheme economic effects

- **An average price between 14 and 16 €per kilo**
High quality, strong reputation and notoriety, high costs of production (ewe's milk)
 - **Impact of the geographical indication or result of a complex system of rules established by actors** negotiation of the milk price every year (quality and market) ?
- **A commercial success leading to an increasing competition (imitation ?)**
The *Saint-Agur* trademark (Bongrain group, cow milk, 4 000 tons, equivalent prices)
 - The protection of property rights is limited to a certain extend and is not an absolute protection against any kind of imitations
- **A stabilised market, narrow but guaranteed**
18 135 tons in 2000 ; 18 586 in 2005 (+ 2,5 %)
 - After the period of market increasing, there is a limitation of the demand side
- **A specific situation : a well-known trademark – *Société* – associated with the AOC label.**
 - *Société* = 47 % market shares ; distributor's brand name = 23 % (2005)
 - The fame of private brands is complementary to the protection of the geographical



Roquefort

Impacts of the GI system / protection scheme

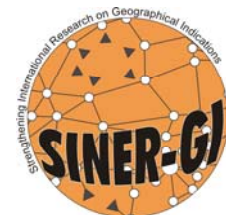
social effects

- **An important economic weight : 2 330 milk producers and 1 700 industrial jobs**
(45 % of total jobs and 50 % of added value of South Aveyron)
- **About 10 000 jobs for all the activities linked with the supply chain**
(8 % of agro-industrial jobs of Midi-Pyrénées Region)...
- **...in a territory characterised by an important demographic decline**
(18 inhab. per km² for South Aveyron)
- **A specific productive system dedicated to milk/cheese production, contributing to a « pole » of resources and skills based on agricultural and agro-food activities**
(logistics, relations with local costumers, quality management, research & development...)
- **Some links with tourism...**
(200 000 visitors per year for the Roquefort caves)...
- **...But a weakness in terms of local networks**
(no initiatives as Road of Cheeses like in Savoie or Auvergne for example)
- **A situation essentially due to the very valuable income generated by the activity**
(no alternative development project)



Impacts of the GI system / protection scheme economic effects

- Generic market valued at £150m
- MMPP sector value data £50m with 5% growth per annum
- Price premium 15% over generic product
- Employment in geographical area 5 000
- Sustains local businesses
- Previous producer of non-authentic product plans to invest £11m in geographical area and join MMPPA



Impacts of the GI system / protection scheme social effects

- Area has strong food culture MMPP and Stilton cheese and rich history
- Pride in tradition as rural capital of food
- Annual food and drink festival
- Initiative linked to ‘Gourmet tourism’



Road signs in the Borough of Melton emphasise food culture of area



Impacts of the GI system / protection scheme environmental effects

- Landscape of area linked to fox-hunting tradition
- MMPP origin in 19th Century as food for fox hunters
- No detrimental impact on environment
- Plans to introduce organic MMPP
- Conforms with objectives to sustain traditions and culture of area at regional level



Second case

GI systems in progress

- Impossible to assess effective impacts
- Only possible to identify and assess factors which would be potentially impacted by the GI system / protection scheme
- These potential / expected impacts are often congruent with the main motivations of the initiators or the supporters of a GI system / protection scheme

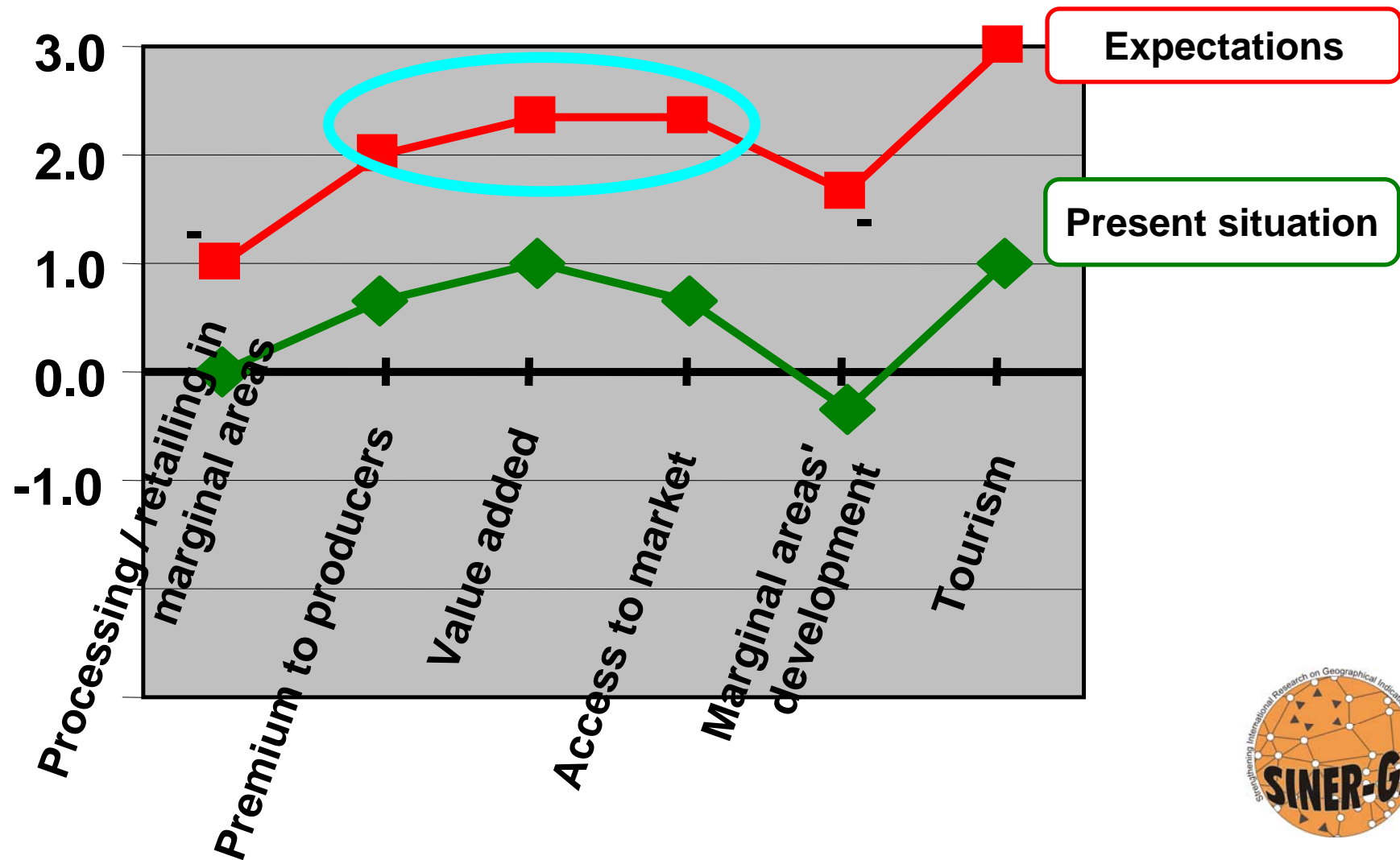


Case studies in SinerGI

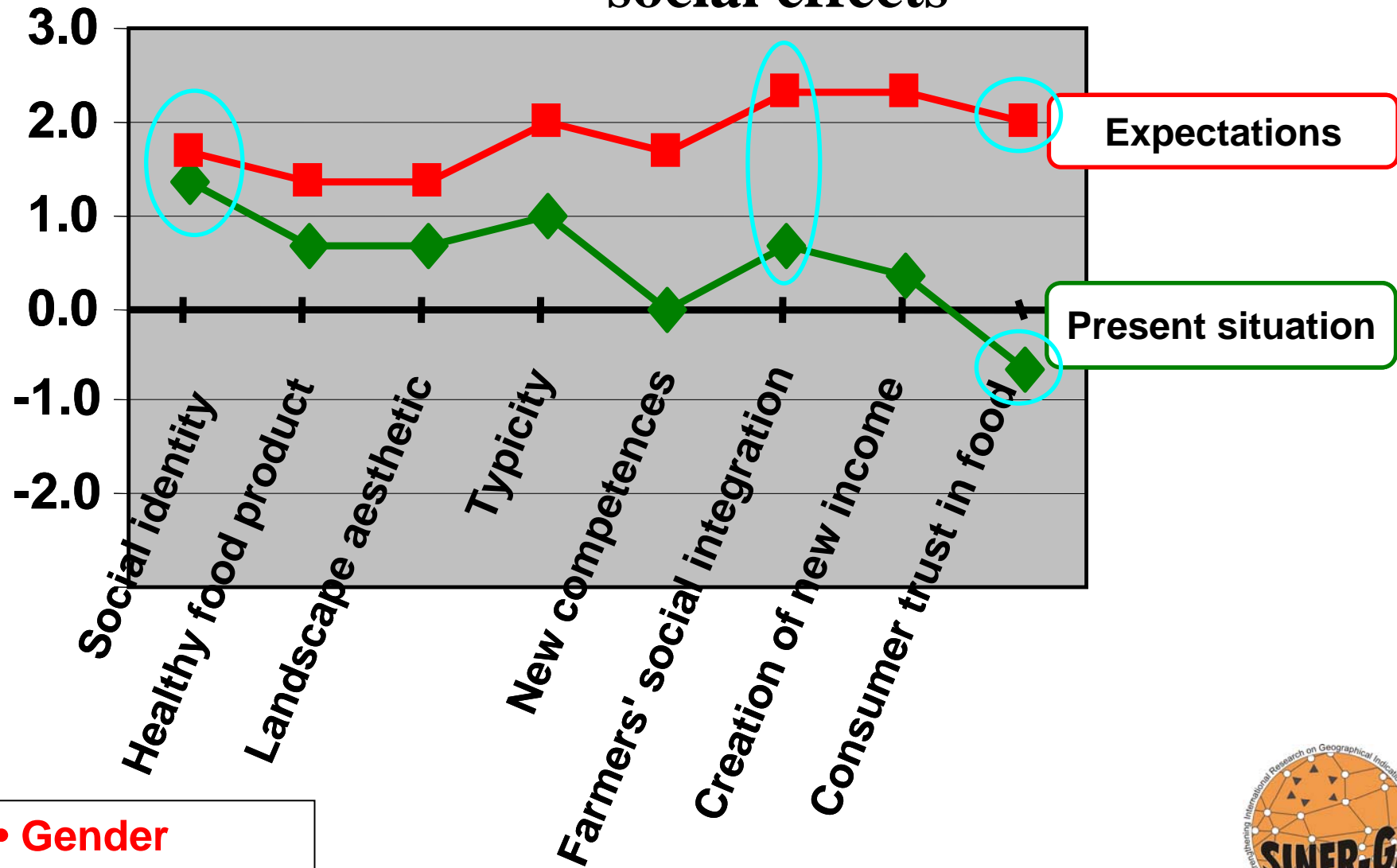
- **Roiboos (Plant, South Africa)**
- **Argentina B. (Beef, fresh meat, Argentina)**
- **Pampean B. (Beef, fresh meat, Brazil)**
- **Chontaleño (Cheese, Nicaragua)**
- **Pico Duarte (Coffee, Dominican Republic)**
- **Jinhua (Ham, pork, China)**
- **Basmati (Rice, India and Pakistan)**
- **Paprika (Spice, Hungary)**
- **Kraljevacki Kajmak (Cheese, Serbia)**
- **Bleuets du Lac Saint-Jean (Fruit, Canada)**
- **Florida Oranges (Fruits, USA)**



Impacts of the GI system / protection scheme economic effects



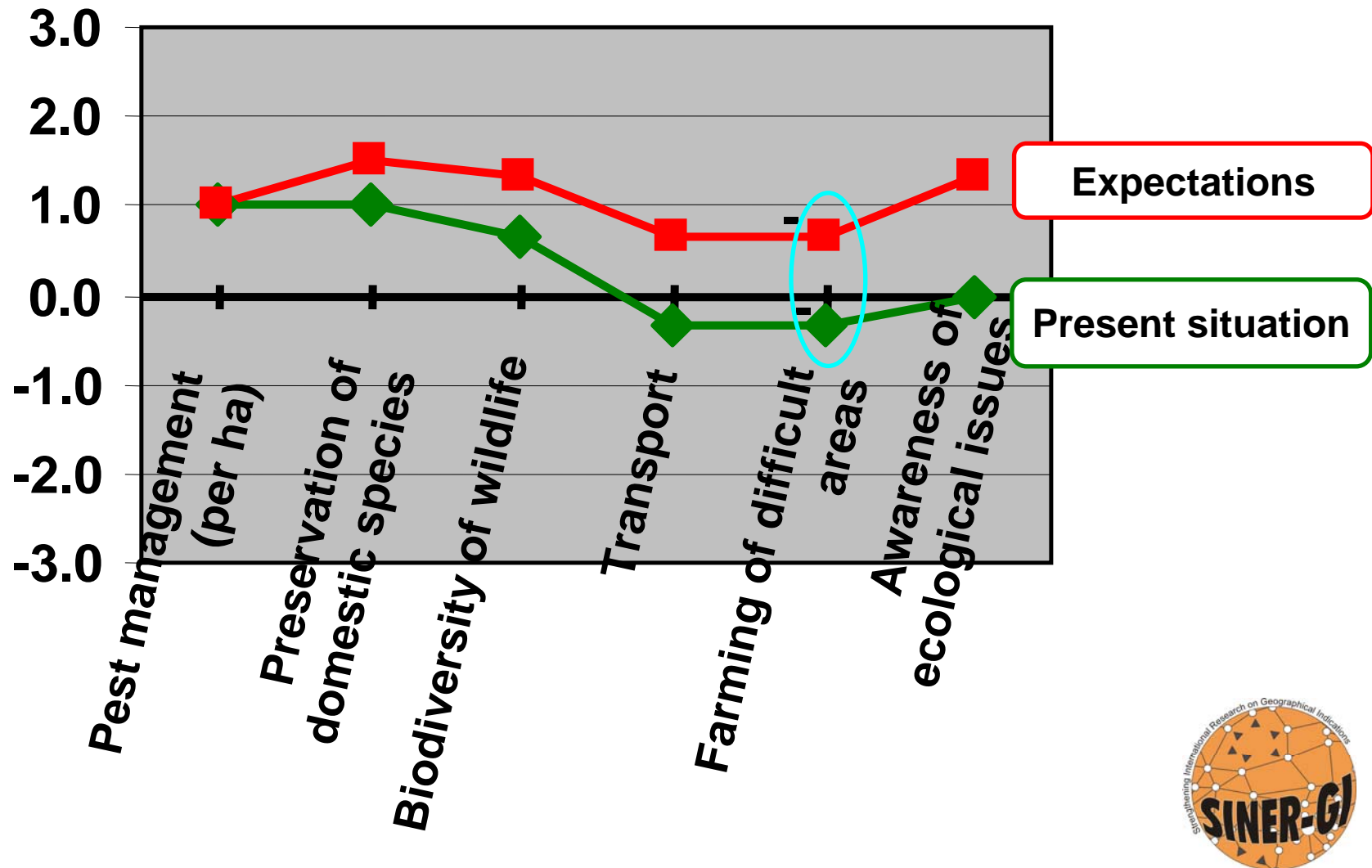
Impacts of the GI system / protection scheme social effects



- Gender
- Exclusion

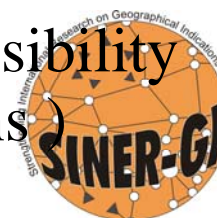


Impacts of the GI system / protection scheme environmental effects



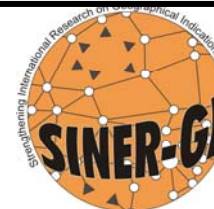
Impacts of the GI system / protection scheme economic effects

- Which GI recognition and protection? 4 scenarios
 1. No local nor international GI recognition: continuation of individual strategies
 2. National GI recognition but no formal international recognition (EU application rejected): collective name reservation, but weak effects
 3. National and international recognition (EU application accepted)
 - 3.1. Low requiring collective quality strategy
 - 3.2. Highly requiring collective quality strategy (possibility for GI as an umbrella + collective 'terroir' definitions)



Impacts of the GI system / protection scheme economic effects

Scenarii	1 →	2 →	3.1 →	3.2
Name reservat ^o	-- Risk of delocalisation outside SA		++	
Collect. Q managmt	---	-- Risk of reputation and market share loss		++ Value adding potential But risk of loss for convent ^o rooibos
Territorial dynamics	---	--		++ Tourism dev. potential (rooibos route)



Impacts of the GI system / protection scheme social effects

Scenarii	1 →	2 →	3.1	→ 3.2
Name reservat ^o	-- Risk of SA production decline: → potentially huge impact on labour		++	
Collect. Q managmt	→ stronger impact on trad ^o prod ^o area than expans ^o area		+	+++ SSF specific assets recognit ^o
Territorial dynamics				Potential synergies between SSF and large scale farmers



Impacts of the GI system / protection scheme on environmental effects

- Endemic species adapted to local conditions but current huge threat due to largely uncontrolled expansion

Scenarii	1 →	2 →	3.1 →	3.2
Name res ^o	Delocal ^o risk: pos. ++ impact on biodiversity and envt			
Collect. Q managmt	- Mainly private initiatives (organic...)		+ Expans ^o controlled Sustainable practices enforced collectively	+++
Territorial dynamics	--	--		++ Ecotourism

Brazilian Pampean Beef

Impacts of the GI system / protection scheme economic effects

- New project + GI emergence in Brazil
- Few producers but regular increase of the number of associated members (15 → 42 in three years)
- Weak volume of production (due to the Code of Practices exigencies)
- Difficult evaluation of the GI impacts => general analysis on qualitative data of potential impacts according to the stakeholders (estimation) + price observation in 5 different shops. in POA



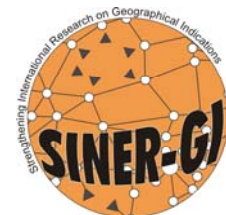
Brazilian Pampean Beef

Impacts of the GI system / protection scheme economic effects

- Prices observation (reais/kg)

Trademark and or certification program	Força do Rio Grande (IG)	Moacir	Reiter premium	Zaffari Hereford	Zaffari Angus	Top Quality	Zaffari	PUL	Campgiro	Campos do Sul	Best Beef	Mercosul frigorifico	Friboi
<i>Animal breed</i>	<i>British</i>	<i>Br.</i>	<i>Br.</i>	<i>H, HxZ</i>	<i>A, AxZ</i>	<i>Brx?</i>	<i>Zebu</i>	<i>?</i>	<i>?</i>	<i>?</i>	<i>?</i>	<i>?</i>	<i>Zebu</i>
Picanha	27.95	27.95	28.04	26.90	26.90	24.90	22.90	21.90	23.88	23.83	25.73	19.43	14.93
Picanha Org.								23.65	14.73	12.93			
Maminha	17.50	17.50		15.95	15.98	15.75	14.95				14.97		9.93
Maminha org.								13.98					
Entrecot	17.50	17.50		15.48	15.48	14.29	14.29				14.97		
Filé mignon	26.82	26.82											

US\$1=R\$2



Brazilian Pampean Beef

Impacts of the GI system / protection scheme social effects

- Family breeders *vs* agribusinees (*patronal* breeders)
- According to the producers, the GI drives to:
 - Increase of human and cultural value
 - *Gaucha* culture preservation
 - Actors auto-satisfaction and pride
 - implication of the stakeholders in territorial development debate
- According to our fieldwork:
 - Exclusion within Apropampa members themselves
 - Exclusion of others producers (either large or small-scale)
 - GI process does not seem to improve or facilitate market access for family farmers



Brazilian Pampean

Beef **Impacts of the GI system / protection scheme on sustainability / environmental effects**

- Expected and observed impacts according to the stakeholders

Expected impacts	Observed impacts	s5
Biodiversity	Verified up today	
Native pasture preservation	Verified up today	
Reforestation fight	?	
Agriculture expansion fight	?	
Landscape valorization	?	
	International recognition of the ecosystem quality (BirdLife NGO)	
	Awakening of the environmental value in the marketing strategy	
	Apropampa became a new actor in the debate of sustainability and territorial development at the regional level	
Recognition of the Brazilian ecosystem " <i>Pampa gaucha</i> "		



Diapositive 25

s5

verified up today = on ne comprend pas
sautier; 09/10/2007

Comparative overview among the case studies

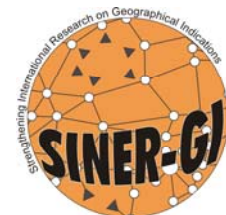
- Establishment of a grid of evaluation
- First: selection of the items
- Second: evaluation on the basis of the case studies report, in discussion by the responsible of the case study or its reviewer



GI systems in progress

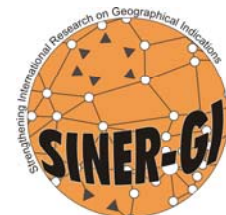
Expected / potential impacts

- Economic
 - Market stabilisation/increase
 - Price premium
 - Value added in the region
- Social
 - Local Employment
 - Empowerment
 - Cultural value / Tradition
- Environment
 - Local breed/variety
 - Extensive farming
 - Natural resources
- Sanitary / hygienic rules

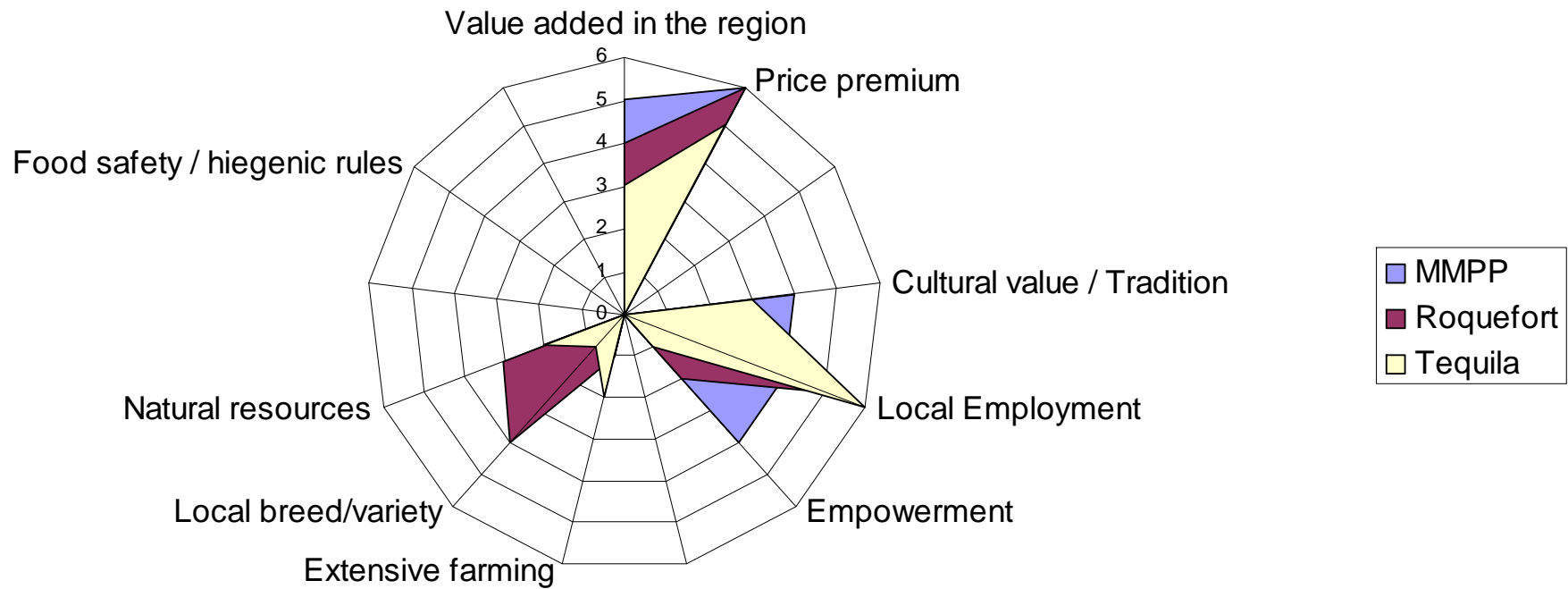


Assessment of the expected impacts

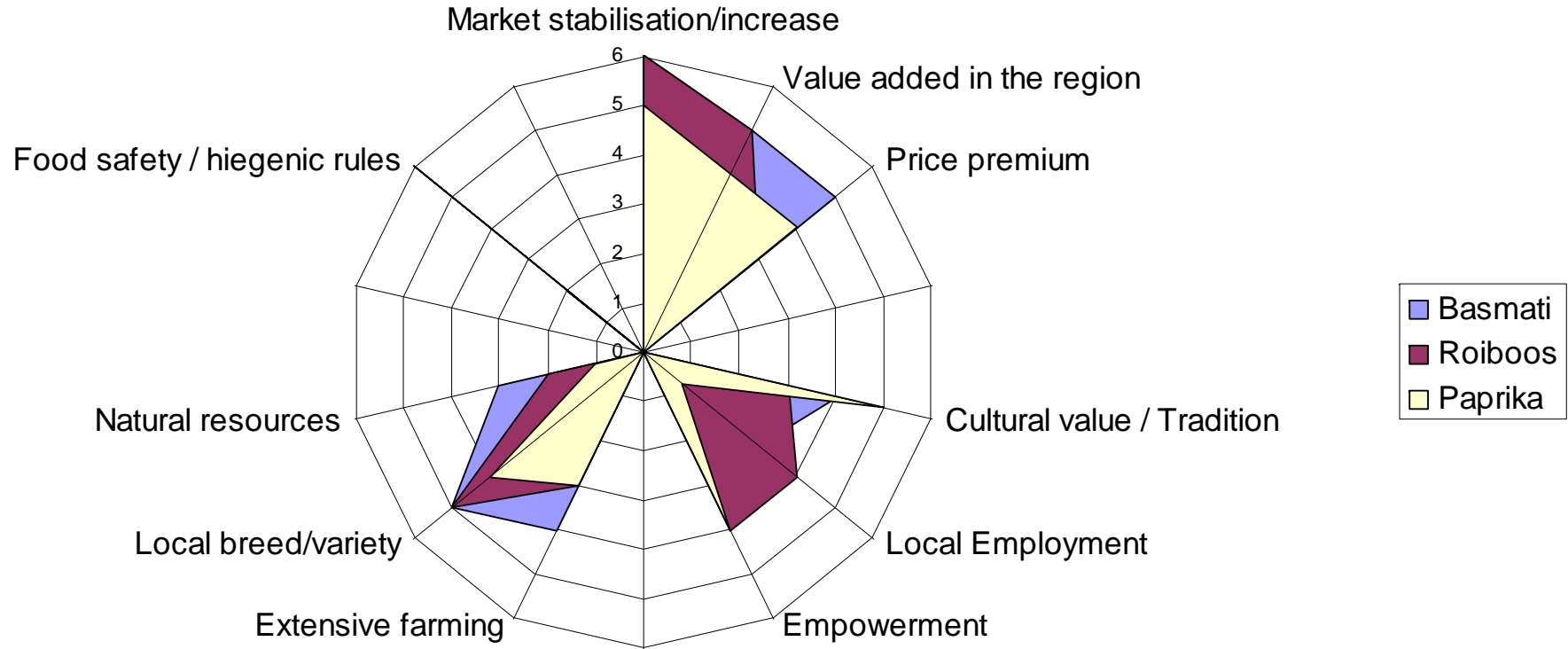
- As there are effective GI systems, almost all the impacts are expected
- But, certain impacts are prevalent in the motivation of the initiators / supporters
- Distinction between the modalities:
 - 0 corresponds to a not at all non-relevant item for the considered GI system
 - 1 is a score when the impact is almost not expected
 - 6 is the most dominant expected impact



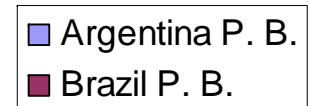
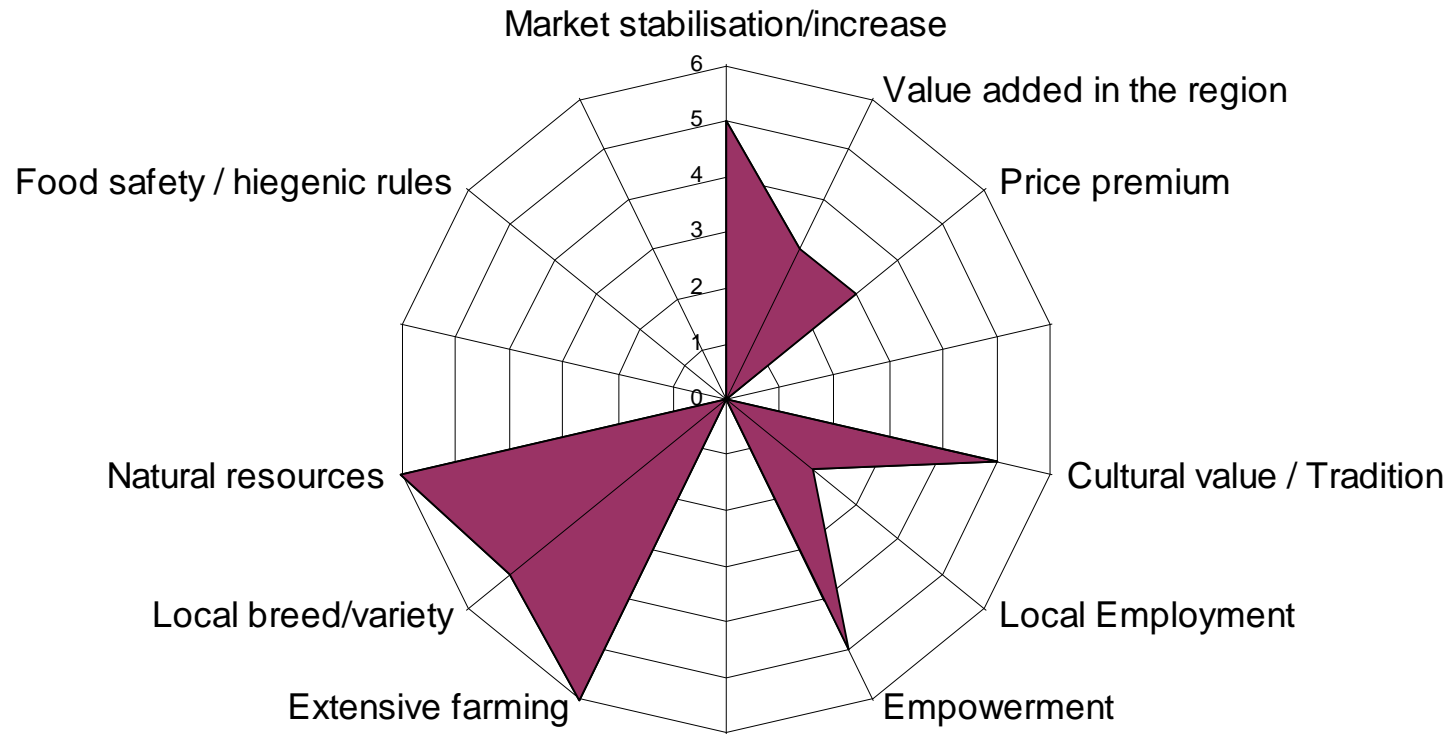
Established GI systems



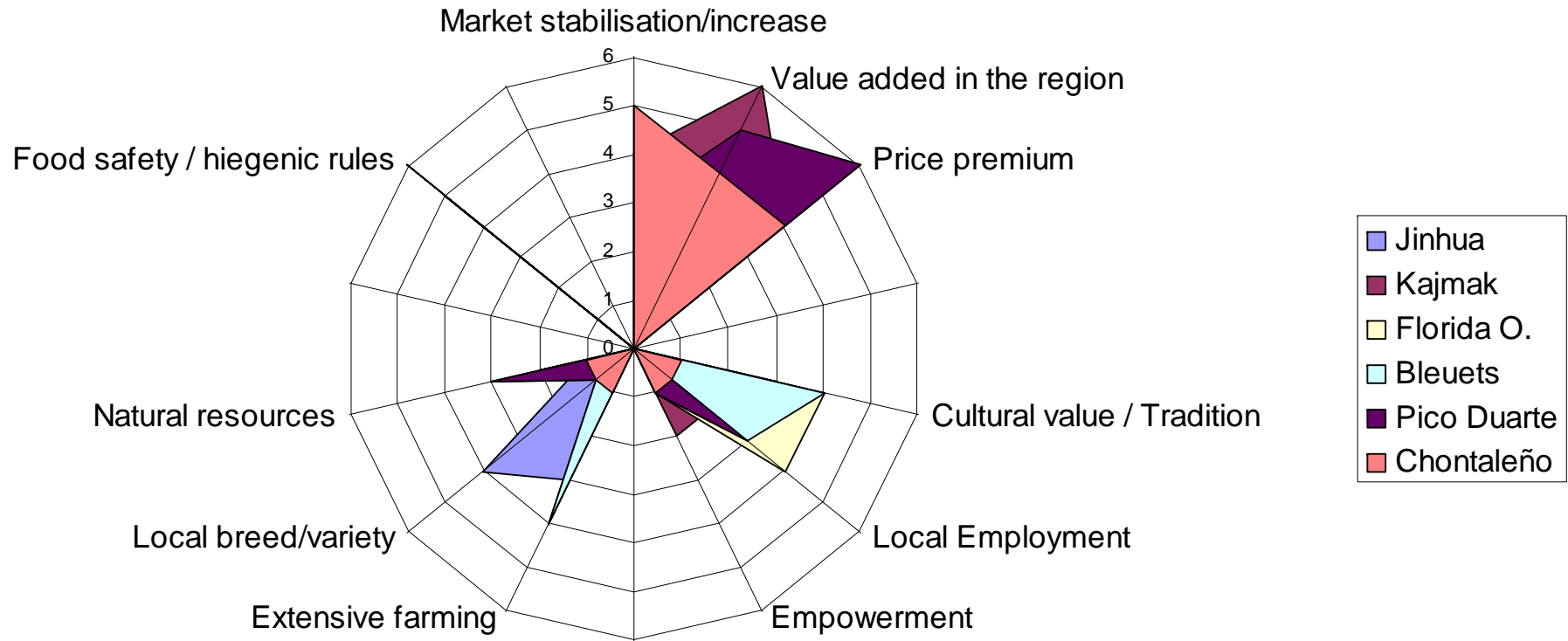
Enthousiastics

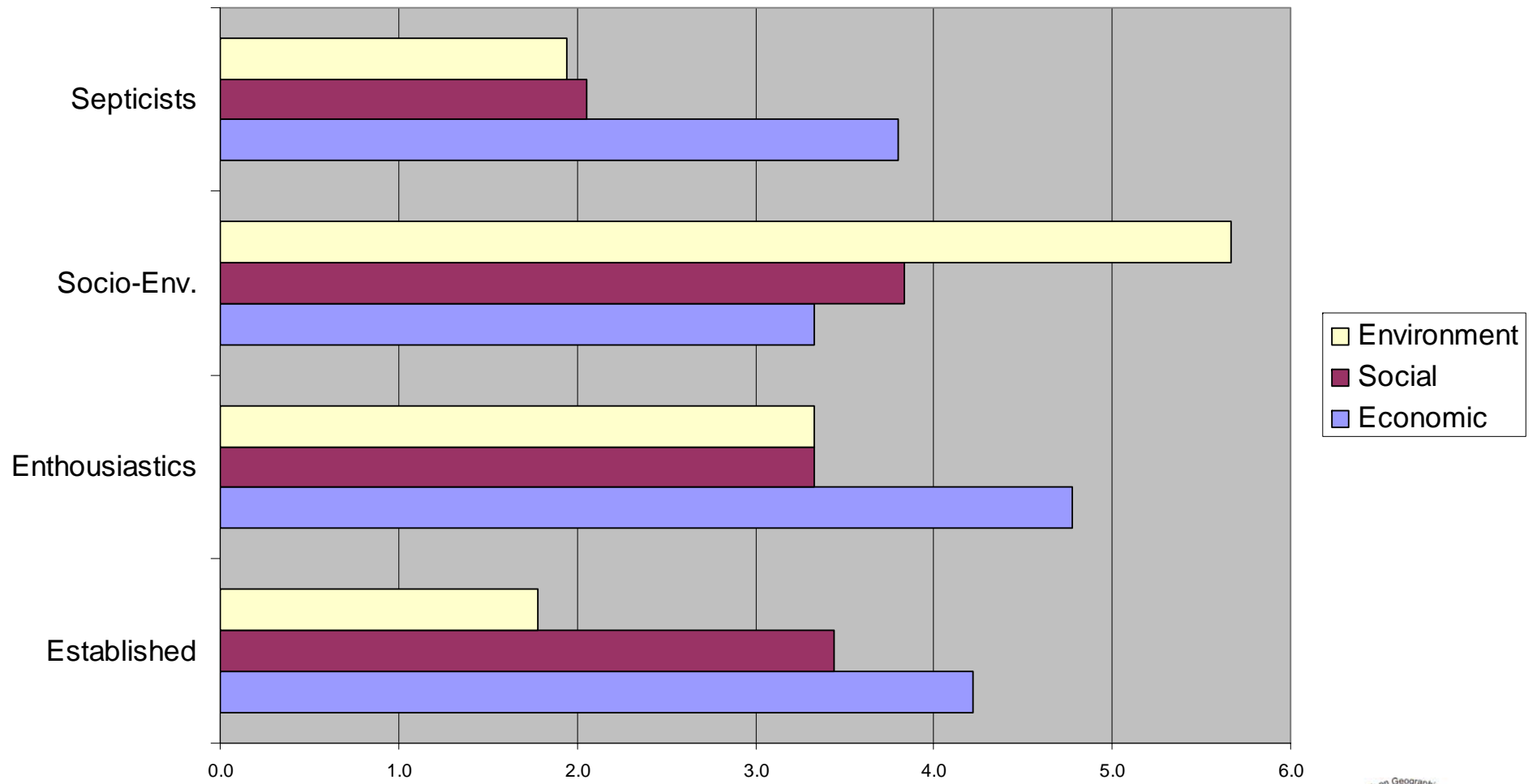


Socio-environmental motives



Septicists





Main conclusions

- Impacts are mainly linked with economic or economic-related issues
- But... if the economic concerns are the only motives in the implementation of the GI protection schemes, there are some crucial risks



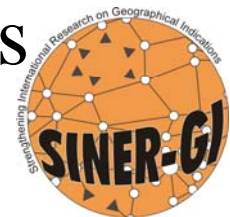
Risks

- Monopoly
 - in favour of the most powerful actor in the GI system (Chontaleño)
 - unfair exclusion of certain actors (delimitation of the geographical area / technical constraints) (Tetovo)
- Additional costs
 - Small-scale farmers have to pay certification costs or to fit with new technical conditions (Kajmak)
 - Benefits (premium) are captured by out-of-area actors (Tequila)



Needs

- To consider seriously SARD concerns in defining the roles of the institutions to be involved (not only IP) and the procedures (public publication / opposition procedure)
- Otherwise, because a CoP becomes mandatory for all the users of the name after the registration, there is a risk of serious loss of efficiency of other related policies



Needs for further research

- Representativeness
 - Need of having the impacts assessment for a quantitative representative sample of GI systems (SinerGI data base and FAO case studies for example)
- Best practices to enter and achieve a GI scheme
 - GI Product is not a novelty, but the collective organisation and the building-up of the rules are novelties (organisational innovation)
 - Need for focused research about the role of various actors playing possibly an active role during the registration procedure



Conclusion

- GI institutional legal frames are not SARD policies but IP-policies but...
- To achieve political goals regarding sustainable agriculture and rural development (SARD) : necessity to have a comprehensive policy combining GI legal tool with other support policies
- The territorial level defined by the GI is sufficient coherent to host valuable SARD programmes

