Development of Origin Labelled Products: Humanity, Innovation and Sustainability

DOLPHINS

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OLP sector in United Kingdom

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1. Introduction

The situation regarding the OLP sector in the UK is complex. If the sector is analysed only in terms of those products with PDO/PGI status (a total of 34), it may be inferred that producer, consumer and policy interest in OLP-type products is small, and that the sector itself is underdeveloped. However, if examination of the OLP sector is broadened to include non-designated products which have some regional, traditional or artisan-craft identity, then a more expansive picture emerges. For example, in an inventory of 'traditional' foods gathered by Mason (1999) - defined as products linked to a region, with a demonstrable tradition of production and application of savoire faire - approximately 400 products were identified. This would suggest a much greater breadth and depth of production activity as well as public and consumer interest.

However, in attemping to quantify the size and shape of the OLP sector in the UK, two main problems emerge: first, very little quantitative information exists on the production and marketing of PDO/PGI products specifically. Second, although empirical studies have been carried out on OLP-type products in the UK, these have followed different classification protocols, for example 'speciality' foods (DTZ, 1999), 'regional' foods (Tregear et al, 1999), 'local' foods (Enteleca, 2000), and 'artisan' products (Kupiec and Revell, 1998). As such, it is difficult to synthesise the results to provide a coherent overview of the sector. For the purposes of this summary therefore, the results of individual studies are presented and commented upon, followed by an overview of the UK PDO/PGI designated products themselves.

2. General Information

The information given below draws heavily from the study of 528 UK speciality food producers conducted by DTZ (1999), on behalf of Food From Britain. In this study, speciality food producers were defined as those which have "*individual, different, country or fine food characteristics... normally speciality products will be low volume, high added value, and with speciality appeal that may be enhanced by regional attributes. It is implicit that the enterprise concerned is small scale but no particular definition is given to the term 'small'.*"

2.1. Number of Producers

It is estimated there are 3,100 speciality food and drink producers in the UK, approximately half of which are concentrated in the regions of the South West, Scotland, the South East and Greater London. The majority are found in rural areas or in regional towns. These firms are involved in the production of a variety of types of product, although there is a predominance of producers of dairy products, bakery goods, meats and beers. The average speciality producer has 8 employees, and the sector in total employs 52,000 which is approximately 10% of the employment of the total UK food and drink industry.

The proportion of total production which OLPs comprise is likely to vary from sector to sector, and detailed information is not readily available on this. As an example in the cheese sector however, Kupiec and Revell (1998) estimate that 300 tonnes of 'artisanal' cheese is produced annually in Scotland, which accounts for approximately 1 per cent of total Scottish cheese production.

2.2. Turnover

The DTZ study found the average turnover of speciality firms to be £100,000-£250,000, although this figure needs to be interpreted with caution as a very small number of big firms in the sample accounted for a large proportion of total turnover. Many speciality producers in the UK therefore have turnovers of less than £100,000. In total, it is estimated that the speciality sector is worth £3.6bn per annum, approximately 5% of the annual output of UK food and drink sector as a whole. In addition, indications are that the growth trend is positive, with 73% of firms respondents to the DTZ study reporting that turnover is increasing.

2.3. Exports

The total export market for UK speciality food products is estimated to be £44m (DTZ, 1999). However, indications are that local or national markets are more significant to speciality producers in the UK, with the majority of producers exporting approximately one quarter of their total production. Only 13% of firms export more than this proportion, and 71% stated that developing markets outside of the UK was a low priority issue. Of those firms which do export, western Europe is the most significant market (accounting for total sales of £33m), followed by north America (accounting for sales of £9m). Domestically, supermarket multiples, the hospitality and catering industry, and tourist outlets/farm shops are the most commonly used outlets.

3. The PDO/PGI Sector in the UK

As may be appreciated, very few studies have been conducted specifically on PDO/PGI registered producers in the UK, and those that have tend to focus on the training and development needs of such businesses rather than recording production volumes, market shares, exports etc. This section therefore contains basic information about the registered products and their designated producers.

3.1. PDO and PGI Designated Products in the UK

By the end of 1998, 34 products from 22 applicant groups had been registered as either PDO or PGI in the UK (Ilbery and Kneafsey, 2000). Table 2.1 gives a list of these. From this, it may be seen that there is a relatively equal number of PDO and PGI designated products, although in terms of product type, there is a predominance of designations in cheeses and beers (reflecting the large proportion these types of product found in the DTZ study). Furthermore, it may be seen that a variety of types of producer hold designations, from very small-scale individual businesses (e.g. the Swaledale Cheese Company), to large multinational firms (e.g. Scottish and Newcastle Brewers plc), to cooperative groups (in the cases of Stilton and West Country Farmhouse Cheddar). Geographically, designated producers are quite widely dispersed throughout England, with only a very small number present in Wales and Scotland.

Table 2.1 UK Protected Food Names under EU Regulation 2081/92

Category	Protected Product Name	Registered Producers
Beer	Newcastle brown ale (PGI) Kentish ale and Kentish strong ale (PGI) Rutland bitter (PGI)	Scottish and Newcastle plc Shepherd Neame Ltd., Faversham, Kent Ruddles Brewery Ltd., Oakham, Rutland
Dairy	Cornish Clotted Cream (PDO) Beacon Fell traditional Lancashire (PDO) Bonchester (PDO) Buxton blue (PDO) Dorset blue (PGI) Dovedale (PDO) Exmoor blue (PGI) Hawes Wensleydale (PDO) Single Gloucester (PDO) Swaledale and Swaledale ewes' (PDO) Teviotdale (PGI) White Stilton and Blue Stilton (PDO) West Country farmhouse Cheddar (PDO)	3 producers, all based in Cornwall Singletons Dairy Ltd., Lancashire Easter Weens Enterprises, Roxburghshire Hartington Creamery, Derbyshire M. Davies, Dorset Hartington Creamery, Derbyshire A. Duffield, Taunton, Somerset Hawes Creamery, Yorkshire Charles Martell & Son, Gloucestershire Diana Smart, Gloucestershire Swaledale Cheese Company, N. Yorks Easter Weens Enterprises, Midlothian 7 registered producers, based in Leicestershire, Nottinghamshire and Derbyshire. 12 registered producers, based in Somerset, Dorset and Avon.
Cider	Gloucestershire cider/perry (PGI) Herefordshire cider/perry (PGI) Worcestershire cider/perry (PGI)	Three Counties Cider and Perry Assn., Bodenham, Herefordshire.
Fresh Fish	Whitstable oysters (PGI)	The Ancient Oyster Companies of Whitstable and Faversham, Kent
Meat & Offal	Orkney beef and Orkney lamb (PDO) Scotch beef and Scotch lamb (PGI) Shetland lamb (PDO)	Orkney Meat Ltd., Kirkwall, Orkney Scotch Quality Beef and Lamb Assn., Midlothian Shetland Agricultural Assn, Lerwick
Fruit & Veg	Jersey Royal potatoes (PDO)	400 registered producers

Source: MAFF (1999). URL: http://www.maff.gov.uk/foodin/foodname/uk.htm.

In the study by Ilbery and Kneafsey (2000) of 13 out of the 22 PDO/PGI applicant groups, it was found that PDO/PGI designations tended to be used as a protective measure, as consumer awareness of the designations was thought to be too low for them to act as a marketing device. Quality was not associated most readily with territory amongst respondents, but instead with factors such as production methods, raw materials and hygiene standards. Distribution was found to be dominated by supermarket and wholesaler channels rather than local sales (consisted with DTZ findings), whilst promotional activities tended to be low key, for example trade fairs, local press and word of mouth.

4. Conclusions

Indications are that in the UK, there has been a steady increase in the number of producers and volume of production of origin labelled products since the 1980s, albeit from a very small base. The small base may be attributed to factors such as the severe 'delocalisation' effect of the industrial revolution in the UK (Ilbery and Kneafsey, 2000), as well as to the production-maximisation focused agricultural policies which dominated the 20th century in this country (Driver, 1983; Mennell, 1996). Today, a variety of OLP-type products are available on the market, although only a small minority are PDO/PGI registered. This may be due to the particular traditions of trademark law which exist in the UK (which obviate the need for PDO/PGI designations in the eyes of some producers), or to the prevaling systems of organisation and ownership of agrifood production (with far fewer cooperative systems such as those which are found in France and Italy). The links between food, territory, quality and speciality are difficult to untangle within the UK context. In spite of complexities however, it is possible to conclude that UK public, policy and commercial interest in OLPs is growing.

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