

The production of Coppa Piacentina

Case study for Dolphins -WP5

*Claudio Montanari - Kees de Roest
CRPA-Reggio Emilia*

Parma meeting - 23 September 2002

General informations (1)



- **Name of OLP:** Coppa Piacentina
- **Type of product:** Raw seasoned pork meat product obtained from the cervix muscles of heavy pigs
- **Type of designation:** PDO recognised in 1996 (EC Reg. 1263/96) together with other local typical products: Salame Piacentino and Pancetta Piacentina
- **Production Area:** The whole territory of the Province of Piacenza. The area is part of the Emilia district of pork meat processing which encompasses the production zone of 3 other PDO and 3 PGI products
- **Processing Firms:** 21 small-medium pork meat processors associated to the “Consorzio Salumi Tipici Piacentini” with a joint turnover of approx. 90 million Euro and employng 382 staff

Which are the differences between PDO Coppa Piacentina and generic coppa?

- **The weight of fresh cut (2,5+ kg):** This type of cut costs considerably more than cut weighing less, given their particular destination for recognised high quality production
- **Forbidden to salt the cut in brine:** brine is an expedient which is generally used in large scale production
- **Length of seasoning (6 months):** A normal coppa is seasoned for as little as one month, and rarely exceeds four months

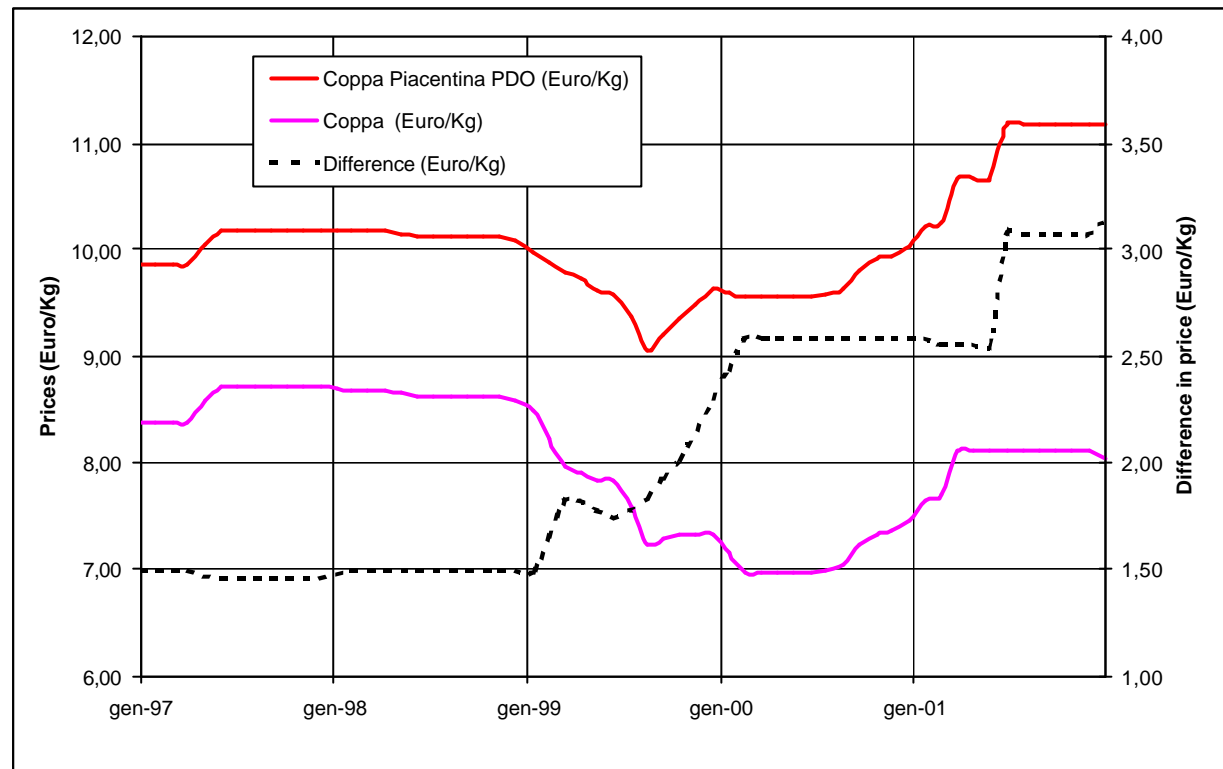
The steps toward the PDO product certification

- **July 1996:** recognition by the EU of the PDO label for CoppaPiacentina, Pancetta Piacentina and Salame Piacentino (EC Reg. 1263/96)
- **January 1998:** ECEPA (Ente di Certificazione Prodotti Agroalimentari) is founded
- **February 1999:** ECEPA obtains recognition and is accredited as a Certification Body by MIPAF
- **September 1999:** ECEPA issues the first suitability certificates to allow the use of the PDO label
- **December 1999:** the first branding of PDO salamis is carried out

The impact of the valorisation policy on the pricing and production (Preliminary considerations)

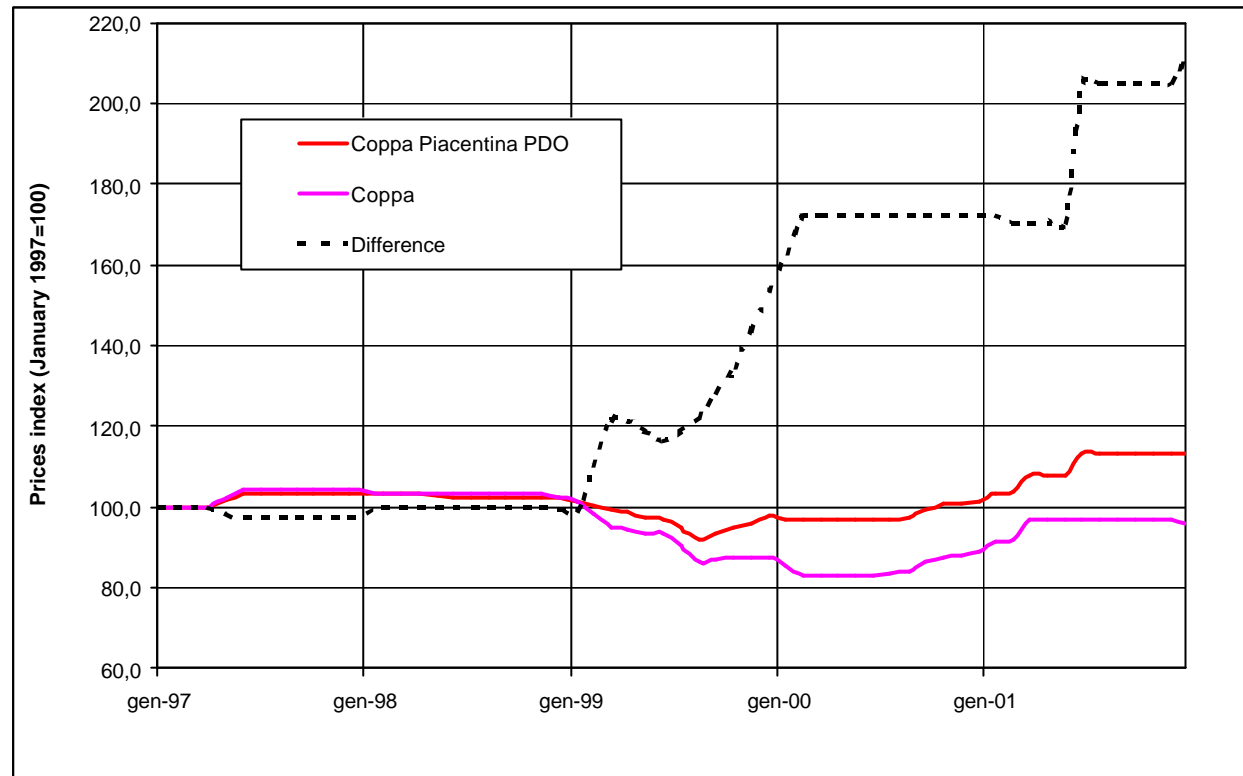
- **Before 1996:** The designation was not effective in describing a product with certain qualitative requirements
- **From 1996 to 1999 (Following PDO recognition but before product certification):** It is believed that the designation was not always used correctly.
However the product started to be quoted on the local stock market
- **From the end of 1999 onwards:** The producers are obliged to follow the instructions of the Specification in order to use the designation

Price development of PDO and ordinary Coppa



- In the two years following PDO recognition, difference in price stayed constant (1,5 €/kg)
- From the start of PDO branding to the end of 2001 the difference has reached values of more than 3 €/Kg

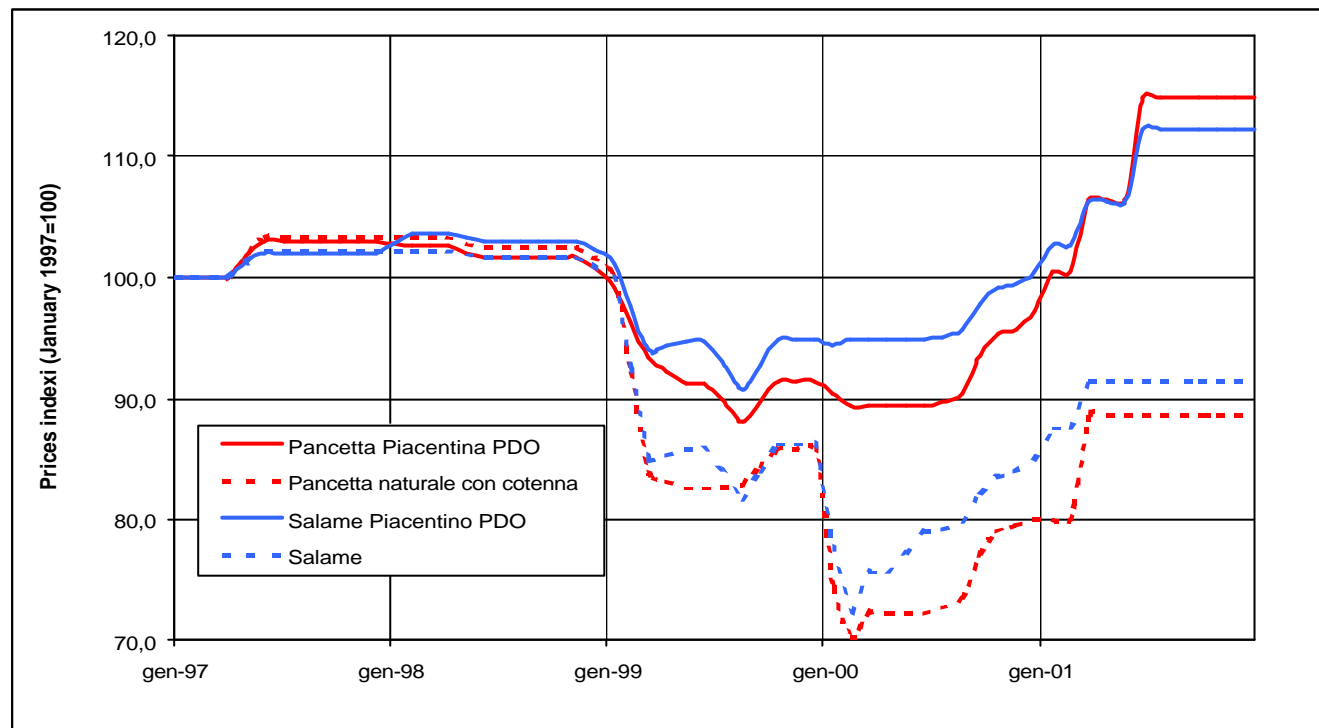
Price development of PDO and ordinary Copp



With the start of PDO branding a different price dynamics emerges :

- Ordinary Coppa fell below value of Jan 1997, PDO Coppa increased by about 13%
- Difference in price increased up to 105% respect to the period prior certification

Price development of PDO and ordinary salami and pancetta



A similar phenomenon could be seen in the prices of the other two OLP: starting from 1999 the differences in prices has increased by about 200%

Considerations about prices dynamic

- The control activity caused an increase in production costs respect the previous period. The increase in costs justifies the increase in price only in part:
- The differentiation brought about by product certification caused the difference in the evolution in PDO products and non-certifies one

Production dynamics: Preliminary considerations

For the analysis of the production data, it is important to distinguish between:

- **PDO labelled product:** product which use the designation of origin
- **Product destined to PDO:**
 - products which are sold prior to reaching the required maturing period
 - products with all requisites of the specification but which the producer decides to sell without PDO label

Dynamic of Production

	Coppa Piacentina				
	Destined to PDO	Dif 01/00	PDO labelled	Dif 01/00	Destinated / Labelled
<i>Year</i>	<i>Pieces</i>	<i>%</i>	<i>Pieces</i>	<i>%</i>	<i>%</i>
2000	260.485	–	67.640	–	26,0
2001	382.964	+ 47,0	108.485	+ 60,3	28,3

	Pancetta Piacentina				
	Destined to PDO	Dif 01/00	PDO labelled	Dif 01/00	Destinated / Labelled
<i>Year</i>	<i>Pieces</i>	<i>%</i>	<i>Pieces</i>	<i>%</i>	<i>%</i>
2000	58.965	–	12.994	–	22,0
2001	95.938	+ 62,7	27.562	+ 112,1	28,7

	Salame Piacentino				
	Destined to PDO	Dif 01/00	PDO labelled	Dif 01/00	Destinated / Labelled
<i>Year</i>	<i>Pieces</i>	<i>%</i>	<i>Pieces</i>	<i>%</i>	<i>%</i>
2000	532.193	–	222.297	–	41,8
2001	899.629	+ 69,0	414.487	+ 86,4	46,1

Considerations about production dynamics

The differences in % of usage of the PDO label among the three products give some explanations:

- The long seasoning period leads to increased sacrifices in terms of productivity
- To store a product for this period of time means losing flexibility with respect to other customers demand

Among product destined for PDO there are some that comply with all requirements but which **still are not labelled**:

- The added value provided by PDO label for the type of sales channel the product is destined does not justify the added costs required for PDO branding

Different strategies of the producers and horizontal coordination

The characteristics of the processing firms lead to different level of implementation of PDO pork meat production and different linked strategies:

- Some companies label smaller quotas of PDO-destined product due their main sales channel: the quality of such products may be excellent but the customer is not interested in the PDO label
- On the other hand the valorisation created by PDO leads to very close collaboration among some of the bigger local producers and GDO chains, selling the product under the distributor's brand name.

Different strategies of the producers and horizontal coordination

