

DOLPHINS - TASK2 - WP5

Case-studies analysis

GUIDELINES

This is the guideline to be used for analysing selected case-studies for WP5 with a common “language” and methodology. The guideline reflects the scheme and the topics analysed during the Task 1 (WP1-WP4). The aim is to produce a general overview on characteristics, evolution, problems and opportunities of OLP products on the basis of case-studies cross-readings.

0. General information:

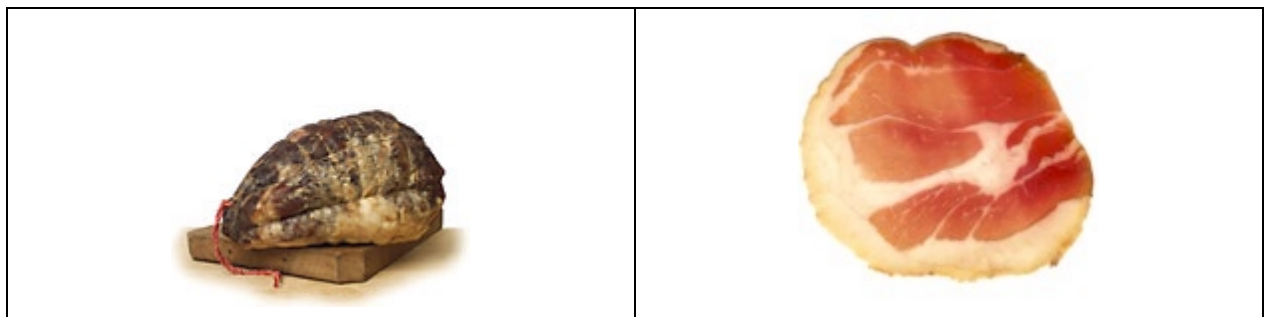
0.1 Name of OLP: *Culatello di Zibello (CdZ)*

0.2 Type of product: a particular kind of ham

0.3 Type of denomination: labelled with PDO, obtained only in 1996

0.4 Country of origin: Italy- Emilia Romagna

0.5 Area of production: it's produced in the north part of the Province of Parma, in particular in the towns of: *Polesine, Busseto, Zibello, Soragna, S. Secondo, Roccabianca, Sissa e Colorno.*



1. Definition, characteristics and legal protection (ex-WP1):

This part is devoted to the issue of legal protection systems, and to the way PDO-PGI (or other legal protection systems) intervene on the relationships between the product and its production system, modifying actors' interests and actions.

1.1 Characteristics of the OLP and its production system:

1.1.1- Is OLP production process based on specific non-transferable local assets (both of material - i.e. specific plant varieties or animal breed - and immaterial kind - i.e. local knowledge and culture)?

First of all the culture of the processing pig in winter is very rooted in this area of production.

The success of this product is a mixture of material asset : agro-food, historical and cultural elements.

In the past this territory is covered by different ancient population that had left their particular techniques of saltiness, cooking, preservation, seasoning, breeding and nourishment (*salagione, cottura, conservazione, stagionatura, allevamento, alimentazione*) through which the product Culatello had been ideated, developed and at the end terminated.

This area, in fact, is important not only for its climatical position near the Po river, but as a crucial point, especially in the past, of markets, different regions, ways and, for this, of trading and cultural flux (for example the arrival of the spices and the corn (mais) from the Old America).

But these reasons can't be sufficient to describe the peculiarity of this product. A crucial element, considered as a material and immaterial strictly jointed with the processing and the seasoning of this product is the particular weather of this area. The dampness (umidità) weather of this area, that contributed itself in the development of the activities of processing the pig, is the "*genius loci*" of this product. Not only the microbiological aspect of fertilisation of the fields but the precise characteristics of the seasoning environment (travi di legno, mattoni a vista,) temperatura, umidità e ventilazione.

1.1.2- To what extent the OLP is made differently in the local area?

In the local area there are three types of Culatello:

- *Culatello di Zibello PDO*: made according to the rules of the Code of Practice registered as stated by Reg. EEC 2081/92
- *Culatello di Zibello del Consorzio*: made according the rules of the Code of Practice of Reg. 2081/92 and more restrictive rules of Code of Practices of the Consorzio del Culatello di Zibello.
- *Generic Culatello*: the other one is a generic product without PDO mark and is not ruled by Code of Practice.

1.1.3- To what extent there is an heterogeneity in production techniques, in production costs and in the characteristics of the firms involved in the supply chain (dimension, access to marketing channels)?

Inside the legal protection of Culatello PDO there is a group of producers that join in the *Consortium of Culatello di Zibello*.

This Consortium apply a more restrictive Code of Practice (The Code of practice of the Consortium of Culatello di Zibello).

The organisation of the production, inside the local economy, create a strong interaction between the production activity and the other related to this.

The CdZ DOP is actually a niche product, destined, principally, to a high quality restoration and to a category of consumers very limited; Only near and in the area of production the consumption is more frequent and the consumer profile is, a little less, lower.

1.2 The process of institutionalisation

1.2.1- Which were the problems faced by the OLP before the activation of the legal protection system?

Before the activation of the legal protection system the problems are:

- The lack of differentiation with industrial product
- Low volumes of production
- Knowledge of the product only at the local level

The legal protection, in this case was useful not only to improve the knowledge and the credibility of the product outside the are of production but even to increase its production and the preservation, by means of a strong differentiation between industrial and nn industrial, of the traditionally techniques of production.

1.2.2- Who activate the request for protection? Which are the interests and economic actors?

The request for protection was activated at the beginning of the 90's by some local producers.

They're small producers and they want to have any kind of protection, not only for the product but even for their group of firms. They know the importance of their niche production but they understand that without any kind of protection, their work would have been in danger.

So they constituted at first a group of firms, becoming the Consortium, and then, by means of the action of the association, the denomination was obtained in 1996.

1.2.3- Which problems were to be faced in the drawing of the Code of Practices – Cahier des Charges (production area, techniques, product quality, etc.)?

The problems which are to be faced are related to the opposition of the ASSICA that didn't want to be out of the PDO legislation. On the contrary, its interest is against of the small producers that wanted to preserve (tutelare) themselves by means of high quality products.

In general, the main elements that were requested are:

- The restricted area of production (limited to the Emilia Romagna region)
- The use of artisans techniques with a production done only in winter time and without additives.

1.2.4- Which conflicts emerged?

Some problems concerning the weight of the pig and consequently the pig race and the ingredients.

The weight under a technical point of view must be higher than a certain weight. The weight of the Culatello, after the seasoning and ready to be sold, have to be around 4 kg (from 3,8 to 4,5) and under this weight it's cannot be considered a Culatello. Concerning the pig race, some ancient and autoctonal race, characterised by big pigs (for example: *dark pig*) processed many years ago, are disappeared so it could be difficult to reach a common decision on this point. Some affirms that this ancient race has to be genetically and scientifically reconstructed by means some races crossings (incroci di razze) to recreate this one.

Related to this problem that of the find of the meats, from a restricted area of origin and that of the seasoning of the production process. This last one is strictly related to the problem of the area of production because the

climatic environment is the most important element in the characterisation of the product. Only by means of a traditional seasoning, characterised by and according to the weather we can obtain a real Culatello. At the same time, some conflicts emerged concerning the recipes of the single Culatello makers. They are secret, handed down (traditionally) from father to son and are different from each other, especially in the quantity of the ingredients, (wine, salt, garlic, spices...) and in the way of processing (days of salt, days of seasoning...).

The area of production was never discussed because it's unquestionable that the closeness to Po river and the climatic environment and conditions were fundamental elements in doing this product.

1.2.5- Was the solution reached a good compromise (accepted by all actors), or did it give way to an unstable equilibrium?

The solution of the weight reached a solution because of technical reasons, and at the same time for the race. Concerning the ingredients the Code of Practice stated some parameters of dampness, and of ingredients and way of processing and seasoning but, the recipes remain secret and the producers don't reveal them.

1.3 Code of practice:

1.3.1- Relevant issues of the Code of practice (if it exists...)

The recipe for its production differs from the traditional process and the industrial process:

- *Traditional process, ("a caldo")* is done immediately after the slaughtering, with a specific knife, starting two or three fingers over the joint (articulation) and along all the length, will cut the leg until its base. The operation is done with the aim of ensuring a little fall of the temperature of the meat and a certain desiccation caused by a natural cool (named "sgasatura") that give to the producer a certain margin to preserve the meats before and during the salting, and to favour the penetration of the salt.

Then, taking away the femora bone, the exceeding fat, but leaving a certain quantity in order to maintain less salty the meat. The muscular part upon the named "castelletto" is cut to confer to the product the characteristic pear shape.

Then the salting that, in the artisan production, is done between November and February, to exploit a certain weather conditions of the area of the production (fog, still air, temperature $-2^{\circ}/-3^{\circ}\text{C}$ by night and by day $+4^{\circ}/+5^{\circ}\text{C}$). The salting "a caldo", on meat not refrigerated is done with a quantity of salt about 3,3%, in relation to the meat weight, and in about 10 days is absorbed in a very low quantity about 2,5-2,6% of the weight.

- *The industrial process, ("a freddo")*, can be done after few hours from the slaughtering, even in summer time, because the salting uses refrigerators and climatising in order to have conditions similar to those of the winter. This phase lasts 8-10 days, upon a refrigerating base, at the temperature of $+4^{\circ}/+5^{\circ}\text{C}$ and UR 80-85%, max 90%.

The binding is done with strings, to form the base to the top in order to give a round pear shape to the product. After the first 2-3 days of salting the Culatello is massaged and, if necessary, re-salted.

In general, the absorbing of the salt is lower than 2,8% of the weight of the Culatello. After a brief period of relaxing, the Culatello can be washed and dried. The seasoning period lasts 6-12 months.

While in the traditional production both drying and seasoning taken place in natural conditions of temperature and relative humidity, in the industrial one the drying is realised at a temperature progressively higher from 14° to $16-18^{\circ}\text{C}$ and an humidity relatively high 75%-85% in order to have a slow desiccation and avoid the formation of a superficial thickness and a high internal humidity; the seasoning is done at $14-15^{\circ}\text{C}$ and a UR of 80-85%. In relation to the weight of the living pork, can shift between 2,5 and 6 Kg.

1.3.2- Relevant issues related on certification (product and process)

Up to now is done only the product certification done by Certification Body "Istituto Parma Qualità" and there isn't company who adopt process Certification (ISO).

1.4 Certification:

1.4.1- Description of certification procedures, subjects involved, certification costs, sanctions

The procedures and all its main phases are done by the IPO (Istituto Parma Qualità) that evaluates the respect of the Code of Practice of the PDO and of the Consortium of the Culatello.

1.5 Legislative aspects – description of:

1.4.2- Laws that institute and regulate the denomination of this product

- Reg.(CE) 2081/92 and Reg.(CE) 2082/92
- Reg. (CE) n.1263/96 (It confers PDO mark to the Culatello)

1.4.3- Legal institutions concerned with it (in the definition of product characteristics, in the protection, in quality monitoring, etc.)

Law attributes to the official veterinary doctor some actions. According to charter IV "Production checking" of the D. Lgs 30.12.1992 n.537, by means of an inspection, he checks that the meat based products correspond to production criteria stated by the producer and, in particular, that the composition correspond to the labelling. In the case of using the commercial (trade) denomination this function (see charter V, point 4 of the legislative decree "*la denominazione commerciale seguita dal riferimento alla norma o legislazione nazionale che l'autorizza*") of applying the disposals of the Code of Practice, is done by *Ministero delle Risorse Agricole, Alimentari e Forestali*. It can use, in order to check on production and trade of Culatello di Zibello, a Consortium of producers or an organism, constituted by producers, as stated in art.10 of the EEC Regulation.

1.4.4- Existence of trademarks and collective brands

The designation of the denomination of controlled origin "Culatello di Zibello" must be done in clear and indelible characters, distinguished form any others inscriptions on the label and immediately followed by the mention "Denominazione di Origine Controllata". This inscription can be combined with the denomination mark. It's forbidden any other specification, not foreseen. Nevertheless, it's permitted the use of indications explicitly referring to names or private mark only if without double meaning able to misleading consumers, or using the name of breeding firms.

Producers of "Culatello di Zibello PDO" that respect the rules of the Consortia combine the mark of Culatello PDO and the collective mark of the Consortium (See below).



1.4.5- Existence of indications which can mislead the consumers

Producer of "generic" Culatello can use only the name "Culatello" without the indication "*di Zibello*" and, of course the PDO mark. This last aspect can be a misleading for the consumer, especially if he buys this salame already sliced.

1.4.6- Existence of jurisdictional case involving or concerning quality, imitation or denominations of the product

No case

2. Link with production and marketing system (ex-WP2):

In this part we should analyse not only the characteristics of the local production system (vertical co-ordination mechanism among firms inside the supply chain and local agro-food system), but also the marketing system which can be conventional or typical of high quality food products.

2.1 Production chain aspect:

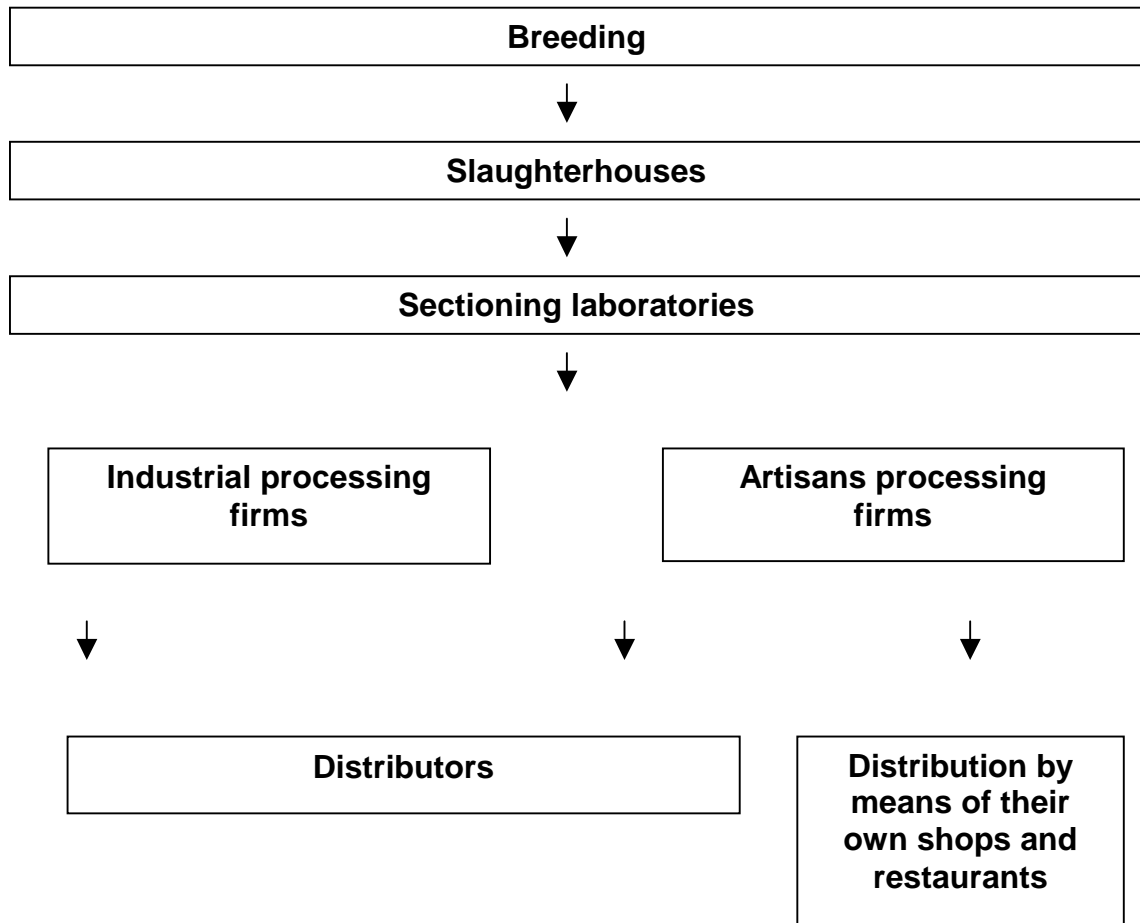
2.1.1- Short description of the supply chain

The structure of the supply chain of the pork meat is composed by some actors:

- The breeding firms, located in Emilia Romagna and in Lombardia, near the area of production
- The slaughterhouses, sectioning
- Industrial meat processing or artisans processing, different process of the meat, in the correnspondance of the different kind of Culatello
- The different kind of distributions: the GDO and the single trading structures of the small firms: restaurants and little shops, called "*spaccio*"

2.1.2- Organisation of the supply chain with special reference to vertical co-ordination mechanisms

We can represent the organisation of the supply chain by means of this scheme.



In this organisation it's clear that the Consortium doesn't have a function of vertical co-ordination. Its function consists only in co-ordinate and create a common image and to promote it. It's not involved in the creation of a common strategies of price or of trading. Only two firms have their own co-ordination because are two big firms and can check all the step of the supply chain, from the breeding to the distribution, but they're not representative of the reality of this product.

2.1.3- Characters, typology and structure of the Actors involved

Pork breedings represents the first step of the supply chain, that supplies the raw materials to the slaughterhouses. Some data referred to Province of Parma show that both the number of active firms in the sector and number of heads bred is one of the high of the region. The breeding undergone a great loss respect 1990 of about 67 perceptual points while the number of bred animals shows a reduction of 43%. The reduction of the number of pork causes the rise of the medium number of pork for every firm from 132 pork in 1990 to 517 pork in 2000. This progressive abandonment of pork breeding can be caused by a specialised producing process of the sector. In fact the farm attitude of breeding at the same time pigs and bovines causing reduction of efficiency, has substituted by specialised breeding oriented only to the producing of pigs. Secondly, the reduction of dairy firms, traditionally oriented to pork breeding, for the presence of the whey produced by the processing of Parmigiano Reggiano cheese, has contributed to this decreasing trend. Finally

the environment legislative framework, concerning the pollution of pork breeding has stopped many firms the number of bred pork.

Concerning Culatello di Zibello, the production uses the meat originated from the only two regions, proving the small dimensions of the producing system. Obviously the breeding present on Province of Parma by itself can't face to the needs of the entire sector of processing meat, unless the production is of a niche product, as Culatello di Zibello.

The slaughterhouses activity inside the supply chain of the cured pork is characterised by the lowest added value. In fact, the slaughterhouses activity -constituted in prevalence by pork purchase, of slaughterhouses, sectioning and selling- is a process of services rogation and not of goods production. The effect is the limitation of possibilities of output differentiation, and a real transformation of the raw material. The intrinsic qualitative contents of the meats is not directly checked by the slaughterhouse. An ulterior aspect that characterise this activity is the low return of the invested capital due by a limited capacity of creation an added value on this activity that doesn't origin a consistent materials transformation.

For the fact that the firms involved in slaughter activities are strictly jointed with the breeding and with the processing firms, the information on supply of animals and on demand of raw materials to be transformed pass through this operator, becoming, in this way, a strategic point of the supply chain.

In fact the slaughtering seems inside the supply chain that of the main interest because by means of its central position between operators may be the co-ordinator between the sectors at the beginning and at the end of the supply chain, so to implement all along the supply chain a quality policy of the cured pork products.

The plants of processing meat are usually localised near pork breeders (to avoid a great stress to the animals during the travel between to the slaughterhouse and more in general for some question related to the minimisation of the costs related with the movement of the meat, at the entrance and at the exit.

The major concentration of plants are as the concentration of the breedings in four Italian regions: Lombardia, Piemonte, Veneto and Emilia Romagna. On the base of some data furnished by the Health Ministry on production plants of fresh meat recognised by Dir 64/433 CEE, the first four regions for number of plants represents 47% of the national total with a quantity of processing meat of about 80% of the entire quantitative totally slaughtered.

In the province of Parma, in particular, there are 17 active producing plants, 5 specialised in slaughterhouse and 4 active in slaughterhouse of pork.

The low number of slaughterhouses in the Province of Parma respect the high number, of the plants of processing meats above all of cured pork processing, indicates the presence on the territory of the industry of slaughterhouse very concentrated and of big dimensions. Nevertheless, the availability, in loco, of raw materials destined to the cured pork production is not sufficient to cover the entire need of processing firms, and so the area of supplying is opened even to other processing areas.

In 2000 there are only 15 firms producing Culatello di Zibello, and between them only one has an industrial dimension. The seasoned pieces produced are increased exponentially after a few years after the PDO mark, from about 3200 of 1996/97 to 18.000 in the year 2000/2001. An aspect of absolute interesting is represented by the fact that only 13 firms are associated to the Consortium while the other two, and between this the industrial one, produces PDO according to the Code of practice registered by the EEC and to the control checks made by Istituto Parma Qualità, even if out of the Consortium.

In general, from the data, result that all the slaughterhouses, in many cases located near the province, have a regular relationships with these firm. The percentage of the quantity bought in relation to the total can be 100%, in the case of a single slaughterhouse and of 30-70%, in the case of 2 slaughterhouses. In general the average number of the porches purchased during the week is of 87.

In general the purchases are decided on the base of the demand of the product and the saturation of the productive capacity Only two firms decide on the base of the availability of the seasoning rooms or on the prices.

The supplies are not regulated on the base of a contract (only one) but are decided in an informal way (6 firms). But the quality is always and constantly checked, even by many methods. In fact the selection of the meats destined to the PDO production is done in the slaughterhouse that supplies the meat (5 firms) or by means of agreements based on the confidence (3 firms) and only 2 firms use even the capitulate of production.

2.1.4- Strategy of the main Actors (firms and other private/public institutions) involved in the supply chain

In addition to the strong interactions, inside the local economy and together with productive activities there is a series of competitive behaviours of some producers. The presence of an industrial firm of relevant dimension between PDO producers has lead more artisan producers to try an ulterior differentiation towards higher level of their product adopting a collective strategy with the Consortium.

2.1.5- Quality management

Culatello produced in traditional way has a more quality because the pigs came from a very restricted area where the pigs are bred with foodstuffs that came from the region (mainly whey from Parmigiano Reggiano dairy, corn and burley) and the seasoning is done in a natural way close the Po river without the use of refrigerating system.

2.1.6- Characters of the marketing channels

Most of the producers of the Consortia sell their product directly in the area of production because half of them are restaurant too. Some sell directly in specialised high quality shop at the retail level: one of them sell his product by internet but, at the moment only a few firms sell them by the GD and GDO. One big producer of cured pork and salami (*Negrone*) sells Culatello with the name of the company that has high reputation with the consumers.

In essence Culatello is sold mainly in the production area by a short channel. Few quantity of Culatello is sold far the production area but, in this case, the sign of quality is very difficult to be discovered by the consumer. One of the most indicative sign of quality is the price and the consumer can be mislead.

The cohabitation of small artisan producer and big industrial producers in the same production areas and within the same PDO code of rule is a "trouble situation" for the first one. They need to adopt high quality strategy in order to preserve their niche-market and their profitability.

2.1.7- Effects of PDO-PGI on prices, volumes, marketing channels, market structures, etc...

The "generic" Culatello is not subjected to the checking controls of the Code of Practice. This Culatello is commercialised at an average price of 20-25 Euros/kg instead of 45 Euros Kg of Culatello PDO. This phenomenon, typical of other cured pork meats, carry other Culatello di Zibello PDO producers to identify and differentiate their products, on a commercial point of view. To do this the Consortium, has defined a series of productive rules, more restricted respect those of the Code of Rules, in order to obtain a product of an higher quality: for example, the Culatello PDO by Consortium can be obtained only form pork slaughtered, according to the tradition, during winter time, and must not to be used additives.

The result is that of a PDO product that is sold at a price of 45 Euro/Kg that is about 50% higher than the generic one. Of course it is possible to find in the market generic Culatello sold at the same price of the Culatello PDO.

The maximum price of selling, (VAT not included) recorded, can be placed between 40,28 Euro to 51,65, a maximum medium price of is of in 43,32 Euro (VAT not included). These big differences are due by the way of production, the type of firms and the way of conduction of the firm itself. Some little firm produces a quantity of Culatello really small, and so their costs of production are proportionally very high.

At the same time the channel and the way of trading is very different. In fact, all the 7 firms of PDO Consortium have their own restaurants where offering the product or sell their product directly to the consumer by means of shops near the firms (near 75% of the total production) or near the restaurants (5 firms with a quantity near 20%) The others are only one producers sell by means of detailers and wholesalers. Concerning other channels, only two by means of the specialised shops and nobody by means of export or internet.

Only one producer sell all his production by detailers, but in general a little quantity to a specialised shops or wholesaler, only 3 to the catering, and only one by internet and export.

The medium price of selling to the wholesaler (all'ingrosso) is of 45,79 Euro to the specialised shops and 45,45 Euro to the export.

In general the producers don't have technical or commercial relationships with other firms producing the same product meaning that the firms don't buy the same product that produce (Culatello or other cured meats).

They buy other products that can be sold in their shops, in general other typical products, mostly denominated such as DOC wines, cheeses, in particular Parmigiano Reggiano or other cured meats not strictly produced in our Regions or whose production is.

2.1.8- On which basis do the firms decide whether to use PDO/PGI rather than sell the product without it?

All the firms that we consider in our analysis (except two, outside our research) are joined in the Consortium and for this reason they are obliged to follow the two Code of Practice: one for the PDO-PGI denomination and the other for the Consortium mark.

In fact, we can say that the European marks as PDO-PGI are not recognized by the consumers. In order to have a quality product, they don't pay attention to these marks but to the Consortium mark. This last mark, in their vision of the product, assures them and they trust in it, concerning quality and safety product.

2.1.9- How are these effects distributed along the supply chain? And inside-outside the area of production?

The effects of the choice is distributed both inside the supply chain and outside the area of production.

- Inside the chain because when a firm chooses to produce according to the Code of practice, from the origin to the consumer the production is done under certain control and different rules from a "generic" Culatello.
- Outside the area of production because even if a consumer doesn't identify the production of a PDO-PGI, it makes the product more famous, especially in that area where it's not well known.

2.1.10- Do the PDO-PGI create different opportunities for industrial and artisanal firms, for small and big firms, etc.?

We can say that, in general, even if the producers are small and artisanal firms, the notoriety of the product, has incremented the volumes through the years and their incomes. Their product is characterised by a great quality and first of all by a technique that is conformed to the original and traditional Culatello.

So there are many opportunities for these firms, but, in general, their small dimension is important to maintain a certain kind of tradition in the product.

The big firms that produce Culatello for their big dimensions, using their organisation of the production and their economy of scale, can sell the product at a lower price and, at the same time, improve their image in the market. by means of the mark PDO-PGI.

2.1.11- Which kind of firms use PDO-PGI on OLP and in which kind of marketing channels?

The small-medium firms use the PDO-PGI marks inside the Consortium. This strategy allows them to maintain their position in the market against the industrial power of the cured meat makers. The Culatello is sold by means of selling to restoration and specialised shops and delicatessen of high quality and even by means of GDO but not at self-service (free service).

2.1.12- Are there firms specialised in PDO-PGI production?

The firms belonging to the Consortium, have to use PDO-PGI marks.

They are small firms, constituted by a medium number of components between 2 and 3 (except the family), which works in the firms, or in the restaurant-shop near it, in a full time, for all the year. The manpower is very small, only one or two workers which demonstrates that all the firms are characterised by a familiar conduction.

For some firms the incidence of the Culatello production of the Culatello, inside the entire income (fatturato), is more than 50%.

The most part of the firms are specialised in the production of Culatello di Zibello PDO and they are all members of the Consortium of the Culatello di Zibello. (Only two big firms produce Culatello PDO, without taking part in the Consortium, but we're not considering them). In general the firms are multi-producers because they produce not only Culatello but others local salami derived from pig processing.

Considering only the production of Culatello, in a year, the firms produce a medium weight, a year, of about 5.300 Kg, from the small one that produces 1.400 Kg to the bigger one, that produces 12.000 Kg.

2.2 Consortia and Interprofessional bodies:

2.2.1- Description of the origin and the structure of the Interprofessional bodies involved

2.2.2- Role of Interprofessional bodies

- Association of breeders: *Consorzio Suino Pesante* and *Associazione Nazionale Suini*
- Association of industrial slaughter: *ASSICA*
- Association of PDO Culatello producers: *Culatello di Zibello Consortium*
- Certification Body: *Istituto Parma Qualità (IPQ)*

The strategies of the product differentiation are limited in the presence and valorisation of different products that concern only a limited quota of production. The presence of Consortium and its important role of actor in competitive scenario, above all concerning promotional strategies, gives to the related sectors, characters strongly peculiar.

There is the *Suino Pesante Padano Consortium* too, that collects breeders of the province of Pianura Padana, constituted on a specific Code of Practice concerning the kind of nourishment of the animals, and the minimum age of selling. In particular, the *heavy pork* have to be born, bred and produced in the geographic area included between Emilia Romagna, Lombardia, Veneto, Friuli Venezia Giulia and Piemonte, that are the regions of provenance of the raw material used in the cured pork meat productions. The Consortium, by means of the activation of a series of relation between breeders and slaughterhouses, promote a supply chain integration from the meat to the finished product, generating a virtuous circle quality oriented and valorising all the supply chain.

The association of slaughter (ASSICA) is very powerful and they have a very strong effect on the management of the chain. In essence, they represent the bottle-neck of the chain because they are responsible of the quality of the meat and also they divert the part of the meat not used for Culatello to other meat processor in the area (*salami, coppe*, etc). The Association of slaughter is not happy about PDO Culatello because they see, in the restrictive code of practice, a strong limit for the industrial bodies to join in this very interesting a profitable market.

The Association of PDO producers is a clear example of small producers who try to defend their enterprise from the industrial party. They are most restaurant or small factories where the process the meat in a very artisan way and where they sell their products in local areas or in a very specialised food shop as "delicatessen". They have our collective brand (Consorzio del Culatello di Zibello DOP) and just one enterprise join to this the brand of his firm (*Antica Corte Pallavicino*).

2.2.3- Issue related to the governance of the Chain

Up to now the governance of the chain is apply only in the network of the producers that are joint in the PDO Culatello Consortia. They have set-up a more restrictive code of practice, and they use a collective brand but they don't apply limitation on quantity and don't have a common strategy for sell their products. They also, make many difficulties to fix a common base-price for the Culatello to sell at the retail level. The Consortia is in complete contrast with the strategy of the association of slaughter because the small producers try to defend their market position using quality strategy with high price instead of big producers that, thank to scale economics, try to increase the production of Culatello DOP reducing the quality.

3. Link with rural development (ex-WP3):

In this part we should go into the connection between the OLP and the rural development dynamics. In particular, the analysis concerns not only the supply chain but mainly the relationships between the product and its economic and social context.

3.1 Area of production:

3.1.1- Relevance of the OLP for the region (in terms of revenue, employment, land management, culture and local identity, etc.)

Culatello is produced in Parma Province that is considered one of the areas with many PDO/PGI products in Italy. In this province was born the most famous Italian PDO/PGI products as Parmigiano Reggiano and Parma Ham. In this area the culture of "good food" is common across all the inhabitants. More over Parma is considered as a real wealthy region and for the inhabitants typical products are one of the highest resource of Italy. The reputation of the Culatello is very high and is considered the "best" salami that Province of Parma produce hence one of the best of Italy. His reputation came from two aspect: the first is for his intrinsic quality level, and the second is due to the fact that is produced in a very artisan process, mainly directly from the farmer in winter time. Unfortunately not all the consumer know the feature of the "real" PDO Culatello di Zibello" and this bring to unfair competition from other competitors especially if they are out of the production areas.

3.1.2- To what extent OLP specificity comes from local natural resources?

As we explained before, Culatello is a very traditional product whose links with the area of production and the tradition of many years ago is very strong.

In fact, the main characters of this PDO product which make it absolutely different and not producible in other regions or area are:

- It's a product which becomes form the farming culture and tradition
- It's made by fat animal (a particular kind of breeding and of pork which gives certain character to the product
- The climatic conditions of the territory: fog and cold

All these characters are typical of the area of production and are the only and the indispensable elements which confer the specificity to the product.

3.1.3- In which way PDO-PGI Code of practice (if it exists) take into account these relationships?

The Code of Practice take into account of the previous elements because of these reasons:

- The artisan character of the processing and seasoning of the meat.
- There's a strong link with the use of the fat pigs
- There's a strong link with the territory and environmental and climatic characters

The code of Practice, tried to re-create all the methods and the indications to make a real Culatello, as in the past and in a traditional way. These relationships between the firms, inside the Consortium, are the same as in the past, so they're important because, in a economical point of view, as a sort of local network of small firms, they've characterised the product itself.

3.1.4- Which are the links of the OLP with the local culture? (OLP festivals, gastronomy, traditions, etc.)

The importance and the reputation of the product is linked to the importance of the products of the entire province of Parma and, in particular, the product of the "Bassa Parmense" (cheese, local salami and typical food and recipes) which reflect the forms of a farm culture at the base of a lot of typical production.

In concrete way, the wine routes is the tool used to make known and famous this product to the consumer. There are some gastronomic fairs, especially known by local consumers, of the typical product (Culatello and Salame fairs, Fortana fair), or other more famous, such as *Maialonga* or the *Fair of the pig* in November that, with other small initiatives of some restaurants, want to create a common culture around the pig processing and eno-gastronomical implications.

3.1.5- Which are the stakeholders in the OLP others than firms involved in the supply chain (tourism associations, local and non local consumers associations, cultural associations, local and non local public institutions, research institutes, etc.?)

There are some economical subjects involved in these actions.

The subjects are substantially those that are involved in the projects of product valorisation:

- The private firms (restaurants, firms, agriturists and traders)
- The associations such as:
 - Consortium, which represent the producers and the product itself, especially outside the area of production
 - IPQ (Istituto Parma Qualità), as a certification body
 - ASSICA which represent the slaughterhouses
- The public actors:

- (Chambers of Commerce as a representation of firms)
- the Emilia Romagna Region
- The Province of Parma
- The municipality

3.2 The Effects of PDO-PGI ("institutionalisation"):

3.2.1- How do the definition of production area, techniques and characteristic of the final product in the Code of Practice affect the value of local resources in the supply chain and outside it (externalities)?

The influence in the value is jointed with the added value which is created and by the difficulties in the production of this foodstuff by means of artisans techniques.

However, one of the most important thing to be stressed is that the falling of the value is essentially on the producers that are able to trade it directly to the consumers (such as restaurants and agritourism) and the externalities are few and not always measurable.

3.2.2- Have small and/or artisan firms difficulties in implementing PDO-PGI schemes? Which are the problems? (shortness of the resources and skills required, low flexibility in production schemes, hygienic problems, etc.).

In general the small artisans have some difficulties when increasing the volumes of production, they have to maintain the same traditional techniques. In these case some producers have decided to stabilise their production and continue to maintain the same volumes in order to maintain the same quality.

Concerning the skills required, they didn't have any problems to produce following the Code of Practice, but in general it's difficult to hand down the traditional techniques from father to son because of the different families organisation and activities.

Concerning the low flexibility of production, the artisans don't have faced a lot of problems because the production of the Culatello is very scrupulous so they're accustomed of doing well every single phase.

We can say that a sort of technical assistance is done exchanging information and advising between them and contacting the Consortium and their inspectors.

3.3 Rural development tools:

3.3.1- Are OLP important for stimulating the demand of other local products (both food and non-food, or services) in the rural area?

The Culatello contributes in the enrichment of the group of the agrofood product of our province and in particular of the area of the "Bassa parmense" where to the agrofood product are jointed to collateral cultural product (*Verdi and Guareschi*) and the services (restaurants) and environmental resources (Padana Plain and the Po river)

The other local food product demanded in the area are in general the typical cheese (Parmigiano Reggiano) and the tyical wine (Fortana di San Secondo IGT). In particular, are mostly demanded all those food relate with Culatello, other products which derived from pig processing.

In general the other cured pork demanded are:

- *Fiocco di Culatello*: Once the upper part of the pig's hind leg has been deprived of the bone and the part used for the "culatello" removed, what remains is called the "fiocco". After the necessary trimming has been carried out, the rest of the preparation is the same as for the "culatello". However, because the "fiocco" is leaner than the "culatello", it requires a shorter curing period, and is ready after just seven or eight months. The precious ruby red-coloured meat may be dryer because of the almost total lack of fat. Its weight varies between 2 kg and 2.5 kg.

- Coppa di Parma After a curing period of at least eight months in the cellars side by side with the "culatelli" this "coppa" shows areas of lean meat interspersed with veins of pinkish fat, is still soft and sweet, and has its wonderful and characteristic fragrance, which it gets from salt, cracked peppercorns, garlic and wine, without the use of any strange flavouring or chemical additives. Weighs from 2.5 to 3.5 kg.
- Pancetta Made only from the meat from the belly of a pig weighting between 180 and 230 kg, and characterized by alternating layers of lean and fat, after a light salting, it is rolled and tied completely by hand with the old-fashioned and traditional non- elasticized string. Only after a long curing period (minimum of 10 months) can its very sweet flavour be enjoyed.
- Gola This "lardo" of the finest quality is removed whole from the throat of the pig and then laid out and salted on a plank-bed. With ageing, the fat will become pinkish with veins of lean meat inside and will assume a perfect colour and flavour.
- Spalla Cotta di San Secondo
- Other kinds of Salami (Gentile, Crespone, Verdiano, Strolghino di Culatello)

Nevertheless, in general, people arrive in this area to discover and know better concerning Verdi, known as "Il maestro".

In fact, Giuseppe Verdi, the great musician and Giovanni Guareschi, the writer, were born in the towns placed along the Route. So, in general, the tourists visit all the itineraries and, at the end, after a lunch in a typical restaurant, they will buy some typical products (wine, cheese...) and between the cured pork, first of all, a Culatello.

3.3.2- Are there any tools for building networks between different local economic activities starting from the OLP, that can create diversification opportunities in rural areas (tourism, non-food craft products, environmental and recreational services ...)? (for example: "product routes")

The rural territory takes on a key role in the possibility to revitalise the natural environment, through the control of the phenomena of rural depopulation and, above all, through the support for employment in agricultural and traditional sectors, including the production of wine and typical products. These can be considered the real driving force of the image and the economy of the territory, as they are able to create a thread linking places, structures and services within the itineraries which join together the environment, the territory and the economic agents and make them interact.

And it is to these aspects that new forms of *food and wine* tourism look when searching for products linked to a given territory, and which create virtuous circles not only for the promotion of those products but also for the production and commercial sector, as it concerns the whole food-processing industry linked to that production chain. There are a series of actions that could be used in valorising the Culatello area of productions.

For example the implementation of the agritourism and rural tourism circuit by means of the multi-functionality of some agricultural firms and the conversion of some rural activities introducing other activities more specialised.

3.3.3- Which are the actions of rural development based on the OLP product? Which is their legal base? (for example: EU LEADER Initiative ...)

The valorisation of the territory has been an objective of the rural development policies of the European Commission for a number of years. The process began at the end of the 1980s with the first phase of Structural Fund reforms, and followed with the Cork Conference in 1996, reaching a peak with *Agenda 2000*, with the clear objective of making European agriculture more competitive, more suited to the demand for quality products and the respect for the environment and well as the need to re-qualify and support rural areas. The application of the EC regulations in the Emilia Romagna region has led to the implementation of the *Regional Plan for Rural Development -2000*, based around three main themes, Theme 1 enterprise

competitiveness, Theme 2 the environment and Theme 3 integrated local. In relation to integrated interventions for local development, the latter refers to the diversification of economic activities and a suitable valorisation of the territory¹, measures which have been taken also in the Province of Parma, in its *Provincial Operational Plan*². Among the various initiatives, the "Wine Routes" represent a concrete demonstration of the rural development policies based on the valorisation of the products within a territory.

In Italy, the Wine Routes have been defined in the Italian Law No. 268/99, as "... specifically signposted and advertised itineraries, along which features of natural, cultural and environmental value can be found, vineyards and wine cellars owned by agricultural enterprises which are open to the public; they constitute the tool through which the associated territories and their relative local productions can be spread, sold and used as a source of supply for tourism".

In the Emilia Romagna Region, in applying the Regional Law No 23/00, the *Wine and Taste Routes (Strade dei vini e dei sapori)* have been constituted, joining the food and wine itineraries of the Region, generally one per province, based on the valorisation of wines and typical products. Within this initiative, the Provincial Council of the Province of Parma has interpreted the Regional Law No. 23/00, in its deliberation no. 927 of 16th November 2000, and has established three itineraries within the provincial territory, which are the *Culatello di Zibello Route*, the *Porcini Mushroom Route of Borgotaro* and the *Wine and Prosciutto Route of the Parma Hills*.

The tool used in valorising the area of production of Culatello, based on the excellence of the product itself, is "*La Strada del Culatello di Zibello*".

This itinerary is one of the "*Itinerari Enogastronomici of Emilia-Romagna*", that cover the territory from Piacenza to Rimini, aiming at the harmonic development of the rural areas, by means of the valorisation of the gastronomic resources of the territory and, in general, the promotion of tourism actions with positive results on all the supply chain production of the typical products.



"*La Strada del Culatello di Zibello*" was born from the jointed action of the Assessorati all'Agricoltura e al Turismo. This special project, as state in Del. Reg. 390/99, is aimed to valorise the eno-gastronomical resources of the area by means of the tourism of the Emilia Romagna.

The promotion of the wines, of agro-food productions and of the typical dishes is parallel to the qualification of the territorially products, in particular of the Labelled products. For this reason, a Regional Census of the enogastronomical supply, quality standards for certifying the participating firms and a Code for the Local Management Groups (Comitati Locali di Gestione) are already disposed.

3.3.4- Which are the actors involved (public/private, Consortia ...)?

Besides these Local Management Group, there are actions of awakening and involving on the territory all the actors- from the firms to the associations- interesting to the itineraries.

The points of reference, in this case, are the Provinces and the local Institutions, while the co-ordination is made by the Regional Bodies (Assessorati) in collaboration with APT Services and with the consence of a technical equip of experts. The routes has a great importance for the territory and the supply chain of the typical productions because there's the participation of:

¹ The measures of diversification of economic activity aim to develop services and integrative activities for agricultural income and promote agri-tourism structures and circuits, while the measures of valorisation of the territory foresee the sale of typical and quality products linked to the territory with the support of rural infrastructure and works for the safeguard of the agricultural heritage.

² Within the 3rd theme, particularly important are the 3m measures, relating to the sale of typical quality products and 3p relating to the diversification of activities within the agricultural and similar sectors.

- over 20 adhesion of private subjects (firms, restaurants, hotels, typical products shops)
- Museums,
- Cultural centres,
- APT,
- Municipalities,
- Other private and public bodies.

3.3.5- Problems and results of these OLP-related development actions

Many factors are involved in the satisfactory creation and establishment of this rural projects, all of which are inevitably important and interconnected. Legislative support, a valid territory, famous typical products, or the presence of high quality infrastructures and producers, are not enough. What is most needed is above all the capacity and the willingness of the operators to interact with each other to create a real "network" which is able to valorise the whole production system within which the route is located. In this sense, activities aiming to create strong co-ordination among the project partners, increase the level of quality of the services offered and the reputation of all the players involved, are of fundamental importance. To obtain such results, the public, private and intermediate institutions must work towards making every single subject indispensable and at the same time complementary, with roles which do not overlap but which are closely linked to the others.

In this regard, it is essential to define a common objective among the players through the presentation and sharing of the project and its working methodologies for all concerned, involving them all directly and making them aware of their role.

The presence of a co-ordinator able to organise the work therefore becomes of strategic importance. For this reason the Route Consortium becomes the centre of the project, as it makes its development easier, without creating any vacuums and eliminating all critical points. This awareness and understanding of being a part of a larger project comes about through the meeting with other trail operators belonging to different categories, which help to create the "competitive" climate which can stimulate the continuous improvement of performances, but at the same time being an indispensable element for close collaboration, as the advantages for a company are re-distributed across the whole group of participating producers.

In an economic context which is dominated by global markets and products, the winning strategy to be applied to the promotion of the "Route product" is most definitely high level professionalism in the management of the whole itinerary combined with the high quality of the food and wine products, the culture and the traditions of the territory.

3.4 Evaluation:

3.4.1- Keeping in mind your case-study, which are the most appropriate methodologies, criteria and parameters to use when evaluating the economic, social, cultural, environmental impact of OLPs on rural development processes?

The collection of the data by means of questionnaire is the best method.

I think that knowing the idea of the firms concerning these project, in this case the wine route, is the best way in order to know deeply the potentiality of the project itself. Without firms collaboration, it's impossible to create this instruments.

After some data collection concerning tourists visits and activities in these places we can create some indicators, useful in knowing the real importance of this phenomenon.

Quantitative indicators:

- The quantity of money spent in buying products,
- in visiting museums,
- in having lunch...

and qualitative indicators:

- what they want
- what they asks
- their satisfaction
- if they're really interested in eno-gastronomical products or not.

The last series of questions can be asked directly by means of direct interrogation to the tourists.

By means all these indicators we have to know if the territory is revitalised and more known thanks to this project. In particular if some farms, are well involved in these actions, by means of some kind of multifunctional activities, and are really benefited by them.

4. Link with consumer and citizens (ex-WP4):

In this part we should go into the attitudes of the consumers towards the OLP analysed and their habits and perceptions. Consequently we have to analyse even the marketing strategies related to this.

4.1 Image of the product:

4.1.1- Description of promotion (advertising, packaging, use of trademark, use of Collective brand, etc)

The promotion of the product is very low because the product is already a niche product and the producers are the small medium firms which works in the sector of the restoration. In this context the promotion is indirect (on Kitchen magazine) and by means of a general promotion such as that of the Culatello routes.

The collective mark is not promoted by the Consortium itself.

4.1.2- Perception by the consumer

The qualitative perception is very high but there are a few consumers which known in the best way the differences between the various kind of Culatello

4.1.3- Image of the product VS competitors

A strong differentiation between the typical products, that needs and justifies Consortia role in promoting and advertising, is necessary because there's a large gap in order to awakening consumers on peculiar characteristics of the products, already not really perceived. Even non-typical product can be mislead, by some consumers, with typical product and the lower cost and qualitative level can, on one hand, reduce market quota to quality products and on the other hand, can create disillusion to some consumers, to the detriment of typical products general image.

Concerning the single firms and their methods of differentiation from the data recorded it's evident that there is only one strategy, even if not used by all the firms: the mark. Only three firms use their own mark on the Culatello PDO and other strategies, more advanced, such as GDO mark or the use of other producers' mark are not considered.

So a clear differentiation strategy it's very important because brings consumers towards a clear identification of the products and offering an high quality product they're able to obtain an suitable premium price. In general this premium price is perceived by some firms and is due to the small volumes of production, instead of the high quality.

4.2 Marketing differentiation:

4.2.1- Capability of the consumers to recognise and perceive OLP Vs non OLP

In general, the consumer's perception is not very defined in relation to the three different kind of Culatello, PDO and non PDO because they don't know the difference between the marks and in some cases they're not

able to distinguish them. They don't grasp the meaning of some marks such as the European Denomination of Origin and their only method used to buy OLPs is based on the reputation of the product or of the firms producing them.

It's necessary, for the variety of criteria expressing the quality of the products, the management of the different strategies of the company have to look towards consumers. Vice versa, the quota of sales of similar typical products, with very competitive prices, will rise.

The promotion is mainly done by the Consortia for the different consumer perception of the product, linked to the geographic area of production, productive structure and characteristic of the collective mark. The protection of the consumer expectations, which represent a reason for the PDO mark concession, leads the adoption of a collective mark which implies necessarily, that its market promotion is done by Consortia. This was favoured by the small dimension of the medium size of the firms and by the entrepreneurial culture oriented to the product.

4.2.2- Competitive advantage and disadvantage of OLP against non OLP

From some researches emerge that the value of the marks PDO/PGI is not very important for the consumers. So, in general, the real advantages that the Culatello PDO has in front of non PDO is due to the mark of the Consortium (The Consortium recognises with its mark only PDO-PGI Culatello).

So the consumer, at the end, decides to pay a higher price only for the existence of the mark of the Consortium and not for the PDO-PGI itself.

4.3 Strategies:

4.3.1- Influence of GDO on the chain

At the moment no firm of the Consortium sells its product to the GDO.

But some other researches confirm that some distributors have selected a group of typical product and a group of producers that sell the products through their trade structures. This group is often identified by a mark because the consumer sometimes doesn't know the typical product but recognises the mark of the GDO.

However, it is possible to find in some supermarket of Parma Culatello but generally this is a generic one and is sold at the desk of delicatessen and not at the free service.

In general, Culatello is sold by the small firms mostly at retail level and not to by the GDO.

On the contrary, the two firms outside the Consortium, which produce a more industrial Culatello, sell their products, with PDO-PGI to the GDO, even if in a small quantity.

4.3.2- Quality strategies: "Cost leadership" against "Focalisation": low/high quality, different techniques of productions and different prices.

(see before)

The differentiation of the prices are strictly jointed to the costs of production.

The general strategy is characterised by high prices and high quality. We can say that is not a real strategy but is a necessary and obliged choice because the processing of the Culatello is very long, in terms of use of seasoning rooms and expensive because mostly traditional. Some phases are done only by old artisans, by expert hands and without using machineries or refrigerating systems (all these actions are necessarily done strictly respecting the Code of Practice). On the contrary, it's clear that the industrial firms producing a more industrial and artificial Culatello, using artificial methods will be able to reduce its production costs, exploiting economies of scale. The result is a product quite different from the traditional one and only damaging the tradition around this product.

On the contrary, the small firm, which produces following its familiar method as in the past, will continue to produce at higher costs but preserving the product and the tradition.

4.3.2- Most relevant actions of marketing supporting the product

The marketing actions mostly used are those related to festivals and eno-gastronomical events. Some fairs are specific of the product (see before) and they're important to recreate a traditional environment (explaining the important phase of processing) and to hand down to the new generation this culture. The most relevant action used of support the image of the product is the "*Strada del Culatello di Zibello*" and all the country fairs. By means of these action the products can be known and the consumers can be awakened about this. The advertising, that in general is a fundamental element for the trading strategy of differentiation product, it's an element with less importance in cured meat products. On the contrary are more used other promotional techniques toward trade, such as discount, gadgets and incentives, and promotion inside shops and sport (sponsoring). Advertising expenses of cured meat sector was very variables in the last decades, but the intensity of the advertising, in general, is not very high. The presence of the Consortium and its important role in the competitive scenario, interests above all promotional strategies and gives to the sector involved characters very peculiar.

4.3.3- Strategy of diversification followed by the firm involved

The two main strategies are those used by two kinds of firms producing Culatello.

- The first one is a strong differentiation strategy, used for example, by the firm whose owner is the chief of the Consortium and some other firms who understand that their product is very rare and has to be presented and sold with a particular attention. In these few cases, the strategies are characterised by an evocative packaging and high reputation. Their product is a traditional one and is sold inside the restaurant, famous not only in Emilia Romagna but in Italy. The strategies of the other traditional and small firms, mostly are based on passing and are characterised by a small production of high quality but not very famous outside their region of productio.
- The other one is a strategy of the two big firms outside the Consortium, that produces Culatello di Zibello PDO because wants to elevate its production but the quality isn't so high.

Please add the following information:

- bibliographic references on the OLP analysed
Giacomini, G.; Arfini, F.; Canali, G. "*L'industria salumiera a Parma: problemi e prospettive*", ParmaEconomica, Settembre 2001
Consorzio del Culatello di Zibello "*Elogio del Culatello*", 2001
- a copy of the Code of Practice
- internet web sites on the OLP analysed (official website, firms' websites, etc.)
www.stradadelculatello.it
www.cortedeirossi.supereva.it/consorzio_culatello.htm
www.emiliaromagnaturismo.it
www.cavallinobianco.it
www.turismoparma.it
www.parmaziende.com
- any other useful information

Culatello di Zibello was born as a mistake. The legend says that an apprentice pork butcher while was refining a ham leg and cut the best part, which, seasoned at the right time (1 years). The processing, in fact, foresees that the meat part coming from high and backing part of the ham pork, must be deprived of bone, of external fat (leaving a part in order to maintain soft the internal part), and worked according to the classical pear shape. It must be salted and massaged and put in the pork bladder. During the season, which is done in dark and humid cellar, Culatello is undergone by a high loss of weight (about 40% after a year), for this reason it's important that, at the origin, was so big and round.