

DOLPHINS - TASK2 - WP5

Case-studies analysis: Traditional Lancashire Cheese

0. General information

- 0.1 Name of OLP: Beacon fell traditional Lancashire cheese
- 0.2 Type of product: Cheese class 1.3
- 0.3 Type of denomination: PDO designation
- 0.4 Country of origin: United Kingdom
- 0.5 Area of production: The Fylde area of Lancashire, north of the River Ribble and including the Preston and Blackpool district of Lancashire

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

1.1 Characteristics of the OLP and its production system:

Cheese-making in the UK has a complex history. In pre-industrial times, it was a widespread small-scale activity. Specific techniques were introduced and developed in the north of England by Cistercian Monks from the 12th. Century onwards. In the early 20th. Century there was still on-farm cheese making although forces of industrialisation was beginning to erode the production base.

This was compounded by the UK government setting up the Milk Marketing Board in 1933: a monopoly with statutory powers to buy and sell all milk produced in the UK (Blundell, 2002). This frequently made small-scale, on-farm commercial cheese production uneconomic. By the mid 20th. Century, very few artisan cheese-makers were left in commercial production. Since the 1960s numbers have gradually increased as local speciality cheese has become 're-valorised', assisted by the liberalisation of milk supply in the 1980s. Present day UK artisan cheese-makers are either descendents of long-standing family enterprises who devised strategies of survival in the 20th. Century, or individuals who have turned to cheese-making from very different professional backgrounds.

Lancashire is a relatively large county situated in the north west of England. The north of the county is rural and hilly and well suited to pasturing, hence a long tradition of dairying and cheese-making. Lancashire cheese had become a distinct variety of cheese by the 18th. Century (Mason, 1999). It was produced from a complex and time-consuming method and yielded a semi-soft, creamy cheese.

However, by the 1970s there were few producers of Lancashire cheese. The reason for this may be traced to the impact of industrialisation in cheese-making. In the 1960s an industrial 'Lancashire' cheese was introduced. This cheese was more suited to large scale production but was a hard, acidic cheese. This version became popular, was distributed widely, and consequently, became strongly associated with the description of 'Lancashire' cheese although it was produced on an industrial scale by large creameries outside the region.

In the context of revalorisation trends, and the subsequent emergence of interest in the traditional Lancashire cheese, nine of the producers of the cheese successfully registered a PDO under the name 'Beacon Fell Traditional Lancashire Cheese'. The cheese is produced as follows. Following the addition of starter culture and rennet, the curds are cut. After pitching, the curd is allowed to settle and the whey drained off. The curd is lightly pressed, broken and drained until dry. The original curd is then finely milled, during which new curd is added. It is then mixed and salted. The cheeses are

lightly pressed for two days, bandaged, waxed or buttered and left to mature. The cheese is sold from one month old onwards but reaches full maturity at six months old.

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

The OLP are made to unique recipes of individual producers

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

There is relatively little heterogeneity between producers. There is greater heterogeneity between various supply chain agents. Some producers deal with national ,ultiple supermarket chains such as Sainsbury, Asda and Tesco while others use small-scale specialist retailers, farmers markets, and wholesalers.

1.1.4 The process of institutionalisation

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

The problem is one of distinction between the traditional Lancashire cheese, which had become established in the region by the 18th. Century and the 'Lancashire' cheese produced on an industrial scale by large creameries outside the region of origin. Industrialisation, together with government monopoly control of milk purchase and sales under control of the Milk Marketing Board, meant that on-farm commercial cheese production was increasingly uneconomic. Consequently, by the middle to later stages of the 20th. Century, very few artisan cheese producers existed.

Further, there were distinct differences between the artisan and industrial versions of the product. The latter version, more suitable for industrial scale gave a hard, acidic cheese, in contrast to the semi-soft, creamy qualities of the artisan cheese. Greater power within the supply chain meant that the industrial variety became more popular or more accessible and its particular qualities became increasingly associated with the name 'Lancashire'.

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

Nine remaining on-farm producers of the original Lancashire cheese initiated the request for protection.

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 were associated with the existence of artisan and industrial versions of 'Lancashire' cheese, each with distinct qualities.

1.2.4 Which conflicts emerged?

The name 'Lancashire' had become generic. The industrial version of the product, with its hard, acidic properties had become associated with the name. Hence the traditional product was associated with the extended title 'Traditional Lancashire' under the collective protected name of 'Beacon Fell Traditional Lancashire Cheese'

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

Overall the solution was satisfactory given the market and product positioning of the respective products and supply chain management.

Code of practice:

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

1.2.7 Relevant issues related on certification (product and process)

1.2.8 Certification:

1.2.9 Description of certification procedures, subjects involved, certification costs, sanctions

1.2.10 Legislative aspects – description of:

1.2.11 Laws that institute and regulate the denomination of this product

The PDO is associated with the nine producers of Traditional Lancashire Cheese

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

The PDO status is protected by EU Council Regulation (CE) No. 2081/92 that is enforced under Trading Standards Authorities and civil courts. Protection is provided under Intellectual Property Rights and Trademark law (Trade Marks Act 1994, Trade Mark Rules 2000). Defined product characteristics are covered by the United Kingdom Trade Marks Registry. Otherwise the geographical aspects of the PDO are covered by the Food Labelling Regulations (1996), Food Safety Act (1990) and Trade Descriptions Act (1968) under the guidance of the Food Standards Agency.

1.5.3 Existence of trademarks and collective brands

The collective PDO brand is Beacon Fell Traditional Lancashire Cheese. The OLP products are marketed under their own brand names but not all of these are protected under law.

1.5.4 Existence of indications which can mislead the consumers

The existence of the industrial, generic brand name of 'Lancashire Cheese' may mislead consumers outside of the region

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

None known

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

2.1 Production chain aspect

2.1.2 Short description of the supply chain

In most cases cheese makers' own herds or dairy herds within the family group supply milk. The cheese is made on the farm. Distribution varies amongst cheese makers. Some distribute to wholesalers or specialist cheese retailers, including direct marketers of cheese. For example, Ian Mellis Cheese mongers of Glasgow and Edinburgh, Neals Yard Dairies, Covent Garden, London. Others may market direct to supermarkets where products are merchandised in premium product categories such as 'Tesco's Finest'. Although these represent supermarket own label products, joint

branding is used, as for example, in the case of Butlers Cheeses and Tesco. The use of farmers markets is also common.

2.1.3 Organisation of the supply chain with special reference to vertical co-ordination mechanisms
With the exception of the co-ordination of milk and cheese production there is no evidence of vertical co-ordination.

2.1.4 Characters, typology and structure of the Actors involved

2.1.5 Strategy of the main Actors (firms and other private/public institutions) involved in the supply chain
The firms are generally small-scale producers, with typical resource constraints of artisan producers. Only two of the companies have dedicated marketing and sales personnel. The largest of these, Singletons Ltd. is a company that produces its own cheese but also distributes other cheeses, both national and imported varieties, in the UK, continental Europe and the USA.

2.1.6 Quality management

2.1.7 Characteristics of the marketing channels

The marketing channels are generally short, for example:

Cheesemaker → Wholesaler → Consumer

Cheesemaker → Specialist cheese retailer → Consumer

Cheesemaker → Retailer → Consumer

Cheesemaker → Wholesaler → Consumer

Cheesemaker → Consumer

2.1.8 Effects of PDO-PGI on prices, volumes, marketing channels, market structures, etc.
The products are premium products and hence carry premium prices but given the nature of the scale of operation, there is no discernible effect of the PDO *per se*.

2.1.9 On which basis do the firms decide whether to use PDO/PGI rather than sell the product without it?
Generally the firms rely more so in their individual brand names, which is typical of the situation in the UK.

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

2.1.11 Does the PDO-PGI create different opportunities for industrial and artisan firms, for small and big firms, etc.?

The opportunities are distinguished by the industrial scale of 'Lancashire Cheese' and the Niche markets served by the 'Traditional Lancashire Cheese'.

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

The PDO is used by the largest of the firms (Singletons) for which Traditional Lancashire Cheese is a relatively small part of the total business.

2.1.13 Are there firms specialised in PDO-PGI production?

Singletons use the PDO extensively but the PDO cheese is a small part of its total business. Other firms only produce the Traditional Lancashire Cheese but prefer to use their own branding.

2.2 Consortia and Inter-professional bodies:

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

The PDO designation is held by the Lancashire Cheesemakers Association.

2.2.2 Role of Inter-professional bodies

2.2.3 Issue related to the governance of the Chain

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

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.)

The OLP does not make a great impact in the region since most of the firms are small-scale producers. The greatest impact would be on regional employment. The smallest firm employs only (three) family members and one employee while the largest has 75 full-time employees.

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

Most of the cheese-makers use milk from their own dairy herd or herds within the greater family. The characteristics of the grazing pasture linked to the moderate climate and high rainfall including the sandstone bedrock that results in soft water, contributes to the butter-like texture of the cheese. The cheese is made from milk from the area using a traditional 19th Century recipe. Traditional methods and skills in the area are used in the production of the cheese.

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

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

The emergence of the OLP product has restored the traditional cheese to the region.

3.1.5 Which are the stakeholders in the OLP other 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.?)

The stakeholders are the nine individual producers and the collective link to the Lancashire Cheesemakers association. A further stakeholder is North-west Fine Foods, a regional representative body of Food from Britain that supports speciality food producers.

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)?

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.).

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?

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")

Generally, there are not strong links within the regional community. Few firms are, or are developing, involvement with cheese tourism routes linking the counties of Cheshire, Lancashire and Cumbria, all of which are located on the north west of the UK. Involvement with local communities through educational visits or cheese-making courses is limited by the small-scale production, size of premises and food related regulations covering hygiene, safety and insurance.

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 ...)

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

3.3.5 Problems and results of these OLP-related development actions

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?

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 cheesemakers are generally not active in promotion in terms of advertising. Two of the firms have active Web sites that promote their products. Otherwise firms rely on the promotional activities of other channel intermediaries such as wholesalers, specialist cheese retailers and supermarkets. Occasionally the firms take advantage of promotion undertaken by North-west Fine Foods.

4.1.2 Perception by the consumer
The cheese is generally perceived as premium quality for use on special occasions (a cheeseboard cheese). It carries connotations of tradition, small-scale, hand-made with love and care.

4.1.3 Image of the product VS competitors

4.2 *Marketing differentiation:*

4.2.1 Capability of the consumers to recognise and perceive OLP Vs non-OLP
Consumers would recognise the (OLP) 'Traditional Lancashire' from the (non-OLP) generic 'Lancashire cheese because of its presentation, in cylindrical, waxed form rather than the rind-less block form and also through their distinctive sensory qualities.

4.2.2 Competitive advantage and disadvantage of OLP against non OLP

4.3 *Strategies:*

4.3.1 Influence of PDO on the chain

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

Quality strategies are manifest in the market and product positioning strategies of OLP and non-OLP cheeses. The OLP cheese is associated with an integrated marketing mix, product, price, promotion and place, that suggests premium quality, while for the non-OLP version the marketing mix suggests normal quality.

4.3.3 Most relevant actions of marketing supporting the product

4.3.4 Strategy of diversification followed by the firm involved

Please add the following information:

- bibliographic references on the OLP analysed
- a copy of the Code of Practice
- internet websites on the OLP analysed (official website, firms' websites, etc.)
- any other useful information

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Department Environment, Food and Rural Affairs
<http://www.defra.gov.uk>

Food Standards Agency
<http://www.foodstandards.gov.uk>

Council Regulation (EEC) no. 2081/92. Application for PDO Registration
<http://www.defra.gov.uk/foodrin/cheese/uk/beacon.htm>

Formagi della Gran Bretagna
<http://www.formaggio.it/bgeuropa.htm>

North-West Fine Foods
<http://www.nw-fine-foods.co>

Cheesemakers

Butlers Farmhouse Cheese
Shay Lane
Longridge
Preston
Lancashire
Tel: 01772 781500
Contact: Patrick Brunt (sales team)
<http://www.butlerscheeses.co.uk>

Carron Lodge Ltd
Park Head Farm
Inglewhite
Preston
Lancashire
Tel: +44 01995 640836
Contact: Adrian and Annette Rhodes

Dew-Lay
Garstang
Preston
Lancashire
Tel: +44 01995 602335
Contact: Ian Coggin

Holwood Cheese
Hallidays Farm
Bilsborrow
Preston
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Tel: +44 01995 640325
Contact: Andy and Lisa Walling

J J Sandham Ltd
Rostock Dairy
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Contact: Chris Sandham

Mrs Kirkhams Farmhouse Cheese
Beesley Farm
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Goosnargh
Preston
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Inspection Body

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North Yorkshire
United Kingdom