Empirical evidences on rural development impacts

Dominique Barjolle, Gilles Allaire, Talis Tisenkopfs
Methodological considerations

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

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

• The factors which are causing the impacts are always subject to be discussed
  – a lot of comparisons show the importance of general factors such political support or other policy concerns influencing the observed impacts

• Difficult is also to distinguish what is caused by the protection vs. the GI system itself
First case
Assessments of impacts (1)

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

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

- Roquefort (FR)
- Melton Mowbray Pork Pie (UK)
- Tequila (Mexico)
Impacts of the GI system / protection scheme economic effects

• An average price between 14 and 16 € per kilo
  High quality, strong reputation and notoriety, high costs of production (ewe’s milk)
    – Impact of the geographical indication or result of a complex system of rules established by actors negotiation of the milk price every year (quality and market) ?

• A commercial success leading to an increasing competition (imitation ?)
  The Saint-Agur trademark (Bongrain group, cow milk, 4 000 tons, equivalent prices)
    – The protection of property rights is limited to a certain extend and is not an absolute protection against any kind of imitations

• A stabilised market, narrow but guaranteed
  18 135 tons in 2000 ; 18 586 in 2005 (+ 2,5 %)
    – After the period of market increasing, there is a limitation of the demand side

• A specific situation : a well-known trademark – Société – associated with the AOC label.
  – Société = 47 % market shares ; distributor's brand name = 23 % (2005)
  – The fame of private brands is complementary to the protection of the geographical
Impacts of the GI system / protection scheme

social effects

• An important economic weight: 2,330 milk producers and 1,700 industrial jobs
  (45% of total jobs and 50% of added value of South Aveyron)

• About 10,000 jobs for all the activities linked with the supply chain
  (8% of agro-industrial jobs of Midi-Pyrénées Region)...

• …in a territory characterised by an important demographic decline
  (18 inhab. per km² for South Aveyron)

• A specific productive system dedicated to milk/cheese production, contributing to a « pole » of
  resources and skills based on agricultural and agro-food activities
  (logistics, relations with local costumers, quality management, research & development…)

• Some links with tourism...
  (200,000 visitors per year for the Roquefort caves)...

• ...But a weakness in terms of local networks
  (no initiatives as Road of Cheeses like in Savoie or Auvergne for example)

• A situation essentially due to the very valuable income generated by the activity
  (no alternative development project)
Impacts of the GI system / protection scheme economic effects

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

- Area has strong food culture MMPP and Stilton cheese and rich history
- Pride in tradition as rural capital of food
- Annual food and drink festival
- Initiative linked to ‘Gourmet tourism’
Impacts of the GI system / protection scheme environmental effects

- Landscape of area linked to fox-hunting tradition
- MMPP origin in 19th Century as food for fox hunters
- No detrimental impact on environment
- Plans to introduce organic MMPP
- Conforms with objectives to sustain traditions and culture of area at regional level
Second case
GI systems in progress
• Impossible to assess effective impacts
• Only possible to identify and assess factors which would be potentially impacted by the GI system / protection scheme
• These potential / expected impacts are often congruent with the main motivations of the initiators or the supporters of a GI system / protection scheme
Case studies in SinerGI

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

- Processing / retailing in marginal areas
- Premium to producers
- Value added
- Access to market
- Marginal areas’ development
- Tourism

Present situation

Expectations

Kajmak
Impacts of the GI system / protection scheme
social effects

-2.0
-1.0
0.0
1.0
2.0
3.0

Social identity
Healthy food product
Landscape aesthetic
Typicity
New competences
Farmers' social integration
Creation of new income
Consumer trust in food

• Gender
• Exclusion
Impacts of the GI system / protection scheme environmental effects

Kajmak
Impacts of the GI system / protection scheme economic effects

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

<table>
<thead>
<tr>
<th>Scenarii</th>
<th>1 →</th>
<th>2 →</th>
<th>3.1 →</th>
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| Risk of reputation and market share loss |   |       | Value adding potential
<p>| But risk of loss for convent° rooibos |       |
| Territorial dynamics      | --- | --  | ++    | +    |
| ++ Tourism dev. potential (rooibos route) |       |</p>
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<td>Territorial dynamics</td>
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<td>Potential synergies between SSF and large scale farmers</td>
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Roiboos

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

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

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<td>Delocal° risk: pos. ++ impact on biodiversity and envt</td>
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<td>Collect. Q managmt</td>
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<td>Mainly private initiatives (organic…)</td>
<td>Expans° controlled Sustainable practices enforced collectively</td>
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<td>Territorial dynamics</td>
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<td>++ Ecotourism</td>
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</table>
Impacts of the GI system / protection scheme economic effects

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

Impacts of the GI system / protection scheme economic effects

- Prices observation (reais/kg)

<table>
<thead>
<tr>
<th>Animal breed</th>
<th>Força do Rio Grande (IG)</th>
<th>Moacir premium</th>
<th>Zaffari Hereford</th>
<th>Zaffari Angus</th>
<th>Top Quality</th>
<th>Zaffari</th>
<th>PUL</th>
<th>Campgiro</th>
<th>Campos do Sul</th>
<th>Best Beef</th>
<th>Mercosul frigorifico</th>
<th>Friboi</th>
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<tbody>
<tr>
<td>Picanha Org.</td>
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<td>23.65</td>
<td>14.73</td>
<td>12.93</td>
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<tr>
<td>Maminha</td>
<td>17.50</td>
<td>17.50</td>
<td>15.95</td>
<td>15.98</td>
<td>15.75</td>
<td>14.95</td>
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<td>Entrecot</td>
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<td>14.97</td>
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<tr>
<td>Filé mignon</td>
<td>26.82</td>
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US$1=R$2
Impacts of the GI system / protection scheme
social effects

- Family breeders vs agribusinees (*patronal* breeders)

- According to the producers, the GI drives to:
  - Increase of human and cultural value
  - *Gaucha* culture preservation
  - Actors auto-satisfaction and pride
  - implication of the stakeholders in territorial development debate

- According to our fieldwork:
  - Exclusion within Apropampa members themselves
  - Exclusion of others producers (either large or small-scale)
  - GI process does not seem to improve or facilitate market access for family farmers
Impacts of the GI system / protection scheme on sustainability / environmental effects

- Expected and observed impacts according to the stakeholders

<table>
<thead>
<tr>
<th>Expected impacts</th>
<th>Observed impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiversity</td>
<td>Verified up today</td>
</tr>
<tr>
<td>Native pasture preservation</td>
<td>Verified up today</td>
</tr>
<tr>
<td>Reforestation fight</td>
<td>?</td>
</tr>
<tr>
<td>Agriculture expansion fight</td>
<td>?</td>
</tr>
<tr>
<td>Landscape valorization</td>
<td>?</td>
</tr>
<tr>
<td>International recognition of the ecosystem quality</td>
<td>Awakening of the environmental value in the marketing strategy</td>
</tr>
<tr>
<td></td>
<td>Apropampa became a new actor in the debate of sustainability and territorial development at the regional level</td>
</tr>
</tbody>
</table>

Recognition of the Brazilian ecosystem "Pampa gaucha"
verified up today = on ne comprend pas
sautier, 09/10/2007
Comparative overview among the case studies

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

Expected / potential impacts

• Economic
  – Market stabilisation/increase
  – Price premium
  – Value added in the region

• Social
  – Local Employment
  – Empowerment
  – Cultural value / Tradition

• Environment
  – Local breed/variety
  – Extensive farming
  – Natural resources

• Sanitary / hygienic rules
Assessment of the expected impacts

• As there are effective GI systems, almost all the impacts are expected

• But, certain impacts are prevalent in the motivation of the initiators / supporters

• Distinction between the modalities:
  – 0 corresponds to a not at all non-relevant item for the considered GI system
  – 1 is a score when the impact is almost not expected
  – 6 is the most dominant expected impact
Established GI systems

- Value added in the region
- Price premium
- Cultural value / Tradition
- Local Employment
- Empowerment
- Extensive farming
- Natural resources
- Local breed/variety
- Food safety / hygienic rules

- MMPP
- Roquefort
- Tequila
Enthousiastics

Market stabilisation/increase
Value added in the region
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Local Employment
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Basmati
Roiboos
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Basmati
Roiboos
Paprika
Socio-environmental motives

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

Argentina P. B.
Brazil P. B.
Main conclusions

• Impacts are mainly linked with economic or economic-related issues

• But… if the economic concerns are the only motives in the implementation of the GI protection schemes, there are some crucial risks
Risks

• Monopoly
  – in favour of the most powerful actor in the GI system (Chontaleño)
  – unfair exclusion of certain actors (delimitation of the geographical area / technical constraints) (Tetovo)

• Additional costs
  – Small-scale farmers have to pay certification costs or to fit with new technical conditions (Kajmak)
  – Benefits (premium) are captured by out-of-area actors (Tequila)
Needs

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

• Representativeness
  – Need of having the impacts assessment for a quantitative representative sample of GI systems (SinerGI data base and FAO case studies for example)

• Best practices to enter and achieve a GI scheme
  – GI Product is not a novelty, but the collective organisation and the building-up of the rules are novelties (organisational innovation)
  – Need for focused research about the role of various actors playing possibly an active role during the registration procedure
Conclusion

• GI institutional legal frames are not SARD policies but IP-policies but…

• To achieve political goals regarding sustainable agriculture and rural development (SARD) : necessity to have a comprehensive policy combining GI legal tool with other support policies

• The territorial level defined by the GI is sufficient coherent to host valuable SARD programmes