

2008 EastAgri Annual Meeting

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Adding value to the Agricultural Production of the EastAgri Region:

**Good Agricultural Practices (GAPs),
Quality Labels and Geographical Indications**

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Background

Adding value and Specific Quality, what is it about?

Consumer driven approach:

Consumers demand and social expectations → differentiation
→ adding value and market access

Specific / Differentiated / Labeled Quality scheme:

- voluntary approach
- specification/standard
- guarantee system
- information to consumer



Overview - 1

Overview of standards

Type	No Label Internal system (B2B)	Label, quality sign (Business-to-Consumer)
Field	GAPs Food safety	Cultural, environmental and social standards
Examples	BPA, BPI, BPH ISO22000, traceability	Organic Agriculture, fair-trade, Geographical Indications, Rainforest Alliance, Bird friendly, Dolphins friendly... bio-energy.
Usually set by	Corporate buyers (retailers, processors)	Producer groups, public sector, NGOs
Freedom of choice for producers	Limited	High
Benefits for producers	Helps maintain market access	May add value, raise sales, help access new market (niche markets)
Costs borne by	Producers (sometimes exporters)	Consumers (sometimes producers as well)



Overview - 2

- **Preservation of the environment:** Organic agriculture, Rainforest Alliance, Sustainable forestry schemes, Eco-labelling fisheries schemes
- **Specific quality linked to origin and traditions:** Geographical Indications, Mountain products, Label Rouge, « Premium quality », Farm produce label, « Label fermier »...
- **Social welfare and equity:** Fair trade products
- **Good Agricultural Practices** and related programmes: National GAP programmes, Integrated Pest Management (IPM) programmes



Contribution to food security

Adding value and market access, better income

Value chain: organisation and reinforcement

Upgrading of quality product, driver for international standard compliance

Preservation of social / environmental / cultural resources depending on specifications - constraints turned out as assets

Consumer's choice and food diversity

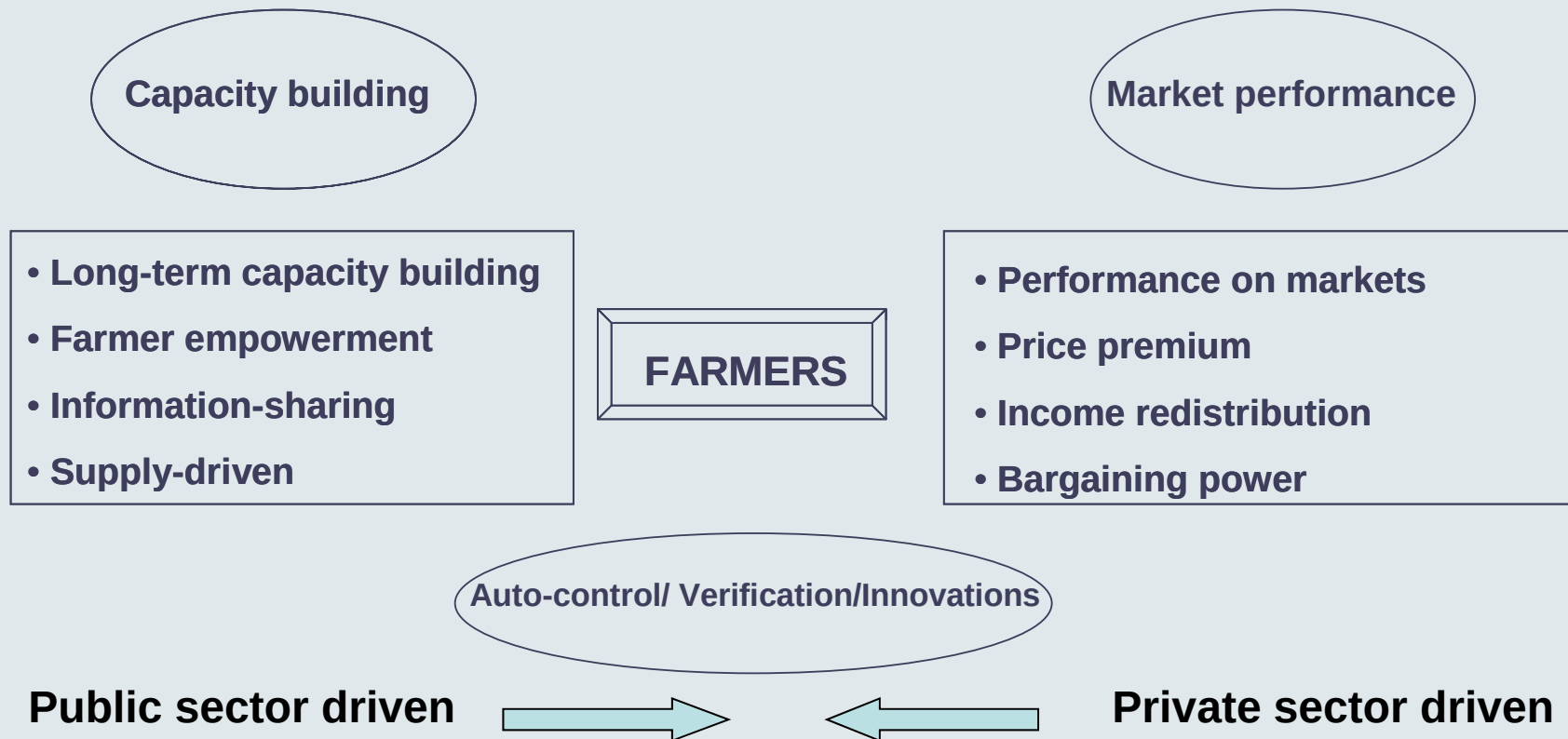


Roles of Public/Private sectors -1

- Private sector as a main driver: market approach
- Role of Public sector: regulatory framework and institutions
 - consumers and producers' protection, well functioning of the market
 - general interest aspects
- A more or less private or public driven approach
 - depending on the type of label and the national context
 - Example: the guarantee system



Roles of Public/Private sectors- 2



Source: *Business Models to Enhance Farmers' Access to Markets for High-Value Certified Products*, Emmanuelle Le Courtois, Pilar Santacoloma, Eva Gálvez and Florence Tartanac, FAO-AGS, FAO expert meeting in collaboration with SinerGI, Rome 2008

<http://www.foodquality-origin.org/meeting.html>



Roles of Public/Private sectors- 3

Case of Geographical Indications:

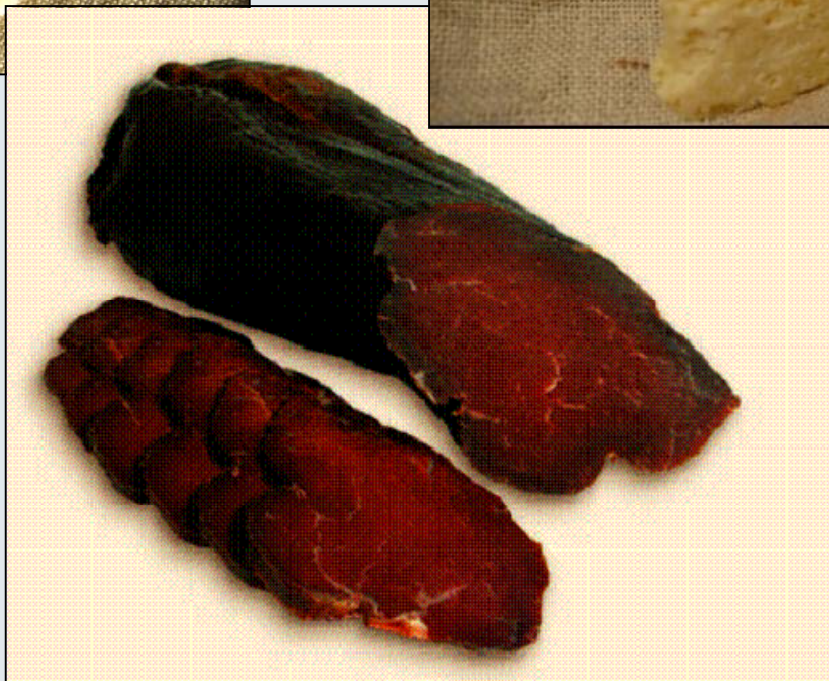
= Place or country names that identify the origin, quality, reputation or other characteristics of products (TRIPS)

➔ A specific origin-based standard

The recognition, a twofold approach:

- Local: a collective private initiative
 - awareness, definition, delimitation of the area, organization, marketing and management (application for a seal and seal management)
- National and institutional framework
 - Registration, producers and consumers protection
 - Related to a rural development policy? Guidelines, assessment criteria, support to local implementation, promotion, consumer education, tourism...





Focus on GIs in the EastAgri region

Case studies (FAO, AGRIDEA/SEEDEV)

<http://www.foodquality-origin.org/EasternEuropean.html>

Cases	Country	State	Territory	Markets
Uzice ham (Zlatibor) (smoked beef meat)	Serbia	Appellation of origin in 1995, renewal under new law (2006)	Municipality of Catejina (district Zlatibor)	Medium size area (current: 647 km ² , expected: 9157 km ² Neighboring export (Croatia)
Tetovo bean	Former Yugoslavian Republic of Macedonia	Appellation of origin in 2006	Sar Planina and Bistra mountains and plain, Polog region, Albania and Kosovo borders	Medium size area (920 Km ² , 500MT, 5 municipalities) National Reputation
Livno cheese (sheep and now with cow milk cheese)	Bosnia Herzegovnia	CoP formulated and approved by key stakeholders in January 2008	Cincar Mountain, Polje, Livno and Glamoc	Medium size area (estimation 1000Km ² , 41000 sheep and 13000 cows) National reputation, export to Croatia



Roles of Public/Private sectors- 4

Institutional framework in the Case studies' countries:

- A complex institutional framework, in renewal
 - *Suis generis* system : EU concepts but systems differ;
 - Coordination between IP office and Agriculture ministries?
 - Applicant: individual or collective, public or private
 - No opposition procedure at the registration
 - Code of practice not made public
 - Certification by the State
 - Low level of delegation of competences to the producers (control, definition of specifications)
- ➔ Need of private sector involvement for the economic viability of the schemes...



Success factors

- Local: “People, Product and Place”:
 - An identified market and related specifications
 - Involvement of marketing intermediaries
 - Producers organisation
 - Participatory process: specification set up, control and certification, management
 - Institutional framework:
 - Supportive regulation and policy at national (regulatory framework) and local level
- ➔ Capacity building : strategic skills and role of institutions



Investing in adding-value schemes-1

- Potential for specific quality products and labels in the Region:
 - growing urban working middle-class
 - market exports
- Need for assistance:
 - Support to value chain organisation, market access, development of marketing and strategic skills
 - strengthening the institutional framework, regulation, information to consumers
- ➔ Public and private driven coordinated approach:
 - market viability: economic partners, alliances
 - capacity building (producers, institutions), « general interest » approach

examples...



Investing in labels development-2

Importance of a regional approach:

- Sharing information, networking

Cf Seminar on quality linked to Geographical Origin and Traditions, organized by Ministry of Agriculture of Serbia and FAO, in collaboration with Agridea and Seedev, in Belgrade 3-4 December

- Towards a (sub)Regional project ?
proposals are welcome!



Thank you

