

Creating value from products with protected designations

to conserve agricultural diversity

All over the world local animal breeds and plant varieties combined with the traditional knowledge of small-scale farming and craft enterprises provide the basis for a range of local products that are sold beyond the region as specialities. Black Forest ham, champagne, Nuremberg gingerbread – the list could be continued; in Europe alone 564 products from 15 countries have so far been registered. In addition these traditional products often have their own history which, alongside the product's quality and the appeal of traditional methods of manufacture, provides an additional purchase incentive for the consumer.

Geographical indications and agricultural diversity

In 2006, in order to promote regional and product-specific diversification and provide better protection for distinctive cultural features, the European Union introduced regulations designed to protect “geographical indications” or “designations of origin” of foodstuffs and other agricultural products. In contrast to other international provisions – such as those contained in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) the EU regulations make no distinction between wines and spirits and other foodstuffs. In both cases the aim is to protect traditional knowledge and to strengthen ownership rights in relation to local products linked to this knowledge.

The European Union distinguishes different protected designations:



1. Protected Geographical Indication (PGI), for example “Quality meat from Schwäbisch Hall (PGI)” – see also the Issue Paper “Promoting the diversity of useful plants and animal breeds through marketing – The example of the Schwäbisch-Hällische Landschwein pig” – and



2. Protected Designation of Origin (PDO), for example “Meat from Lüneburg Heidschnucke sheep (PDO)”.

These trademarks can be awarded for agricultural products or foodstuffs that are produced in a specific place or region and that possess a specific quality or other characteristics attributable to that geographical origin or to natural or human influences associated with it. In the case of the protected geographical indication, processing can take place outside the area of origin. The protected designation of origin is more tightly defined: both production and processing must take place in the region of origin.



3. Traditional Speciality Guaranteed (TSG)

This is awarded to products and foodstuffs that are produced from traditional raw materials or by a traditional production process or evince a traditional composition.

“Traditional” means that the special, traditional knowledge involved must have been transmitted over at least a generation. An example of this is Serrano ham.

Protected seals of origin may be used by firms, producer groups or individuals – provided that the conditions of the seal are adhered to. Protection can be applied to geographical terms and to specific forms of product or packaging that are associated with a specific region, such as the Bocksbeutel bottle shape used for wine from the Franken region of Germany. An interesting feature of the EU regulations is that it is not only European manufacturers who can register their products; producers from non-EU countries are also entitled to do so. This enables developing countries in particular to have their goods protected by a designation in the EU, although none have as yet taken advantage of this.

Chart: Functions and participants in the value chain for products with protected designation of origin

Inputs	Production	Processing	Marketing	Consumption
Functions				
<ul style="list-style-type: none"> ▶ Typical cultural landscape with characteristic climate ▶ Local animal species, types and species of plants ▶ Traditional production-related knowledge 	<ul style="list-style-type: none"> ▶ Formation of an organisation/ association ▶ Description of the special product attributes and development of guiding principles ▶ Registration of origin ▶ Production of raw materials ▶ Quality control ▶ Research support 	<ul style="list-style-type: none"> ▶ Cheese production ▶ Prematuration ▶ Final maturation ▶ Packaging ▶ Product quality control ▶ Accompanying research 	<ul style="list-style-type: none"> ▶ Advertising ▶ Sale to intermediate dealers ▶ Dispatch to dealers and end-customers ▶ Sale to end-customers ▶ Forming and cultivating strategic partnerships ▶ Political lobbying 	<ul style="list-style-type: none"> ▶ Fresh consumption ▶ Consumption of prepared products
Participants				
<ul style="list-style-type: none"> ▶ Small-scale producers ▶ Processing businesses 	<ul style="list-style-type: none"> ▶ Promotion of cohesion among producers ▶ Inter-professional committee ▶ Milk producers ▶ Cheese dairies 	<ul style="list-style-type: none"> ▶ Master cheese makers ▶ Cellarers ▶ Control institutions 	<ul style="list-style-type: none"> ▶ Gastronomy sector ▶ Retailers ▶ Specialty food stores 	<ul style="list-style-type: none"> ▶ End-customers of retailers and market chains ▶ Restaurant customers ▶ Tourists

France: Comté cheese from the Jura

There is evidence that cheese with a long storage life has been produced in the Jura area of France since the 12th century. In 1951, Comté was the first producer organisation in France to have the local speciality cheese certified with a seal of origin (*Appellation d'Origine Controlée, AOC*).

In order to register a geographic seal of origin, a detailed description of the product and its manufacture and of the relevant geographical boundaries must be provided. An appropriate umbrella organisation needs to act as owner of the seal and safeguard the quality that it certifies. In the case of Comté, this umbrella organisation – the Inter-professional Committee – includes representatives of the milk producers, the dairies and the cheese dealers. In drawing up the conditions of the seal of origin, the rights and duties of the different trades involved were defined and the way in which tasks, costs and takings were to be allocated was laid down. The certificate of origin is a key element of value chain governance, dictating the internal rules and the code of conduct for members. It guarantees the consumer a precisely defined quality and the image associated with the product. In purchasing the product the consumer contributes to the conservation of regional culinary, cultural and ecological diversity.

The milk for the Comté cheese comes exclusively from Montbéliard cows. This breed has been kept in the region for a long time; it is adapted to the local mountain climate and yields milk that is high in protein but low in fat. The animals of the 3,500 Comté enterprises are fed only on local fresh feed and hay. The use of silage as cattle feed is prohibited. At least a hectare of pasture is available for each cow; there is virtually no use of fertiliser. This preserves the species' diversity of the meadows. The farmers are organised into village cooperatives; each cooperative operates its own cheese factory where a master cheesemaker is permanently employed. The master cheesemaker is responsible for the quality of the cheese. The production process is tightly regulated, and before the cheese is sold it undergoes strict quality control. Independent controllers guarantee consistent quality standards. The entire production process is continually adapted to take account of the latest developments in science and production technology.

Advertising plays an important role in the marketing process. As with all branded products, detailed market surveys are carried out; they form the basis of the company's marketing and external communication strategies. A considerable proportion of takings is channelled into advertising.



The milk for this cheese comes exclusively from a local breed of cattle – the Montbéliard cows.

The Comté products are sold by middlemen and retailers, delicatessens and restaurants. The consumers acquire products of guaranteed origin and quality and are prepared to pay a premium for this.

Mexico: Mezcal – agave spirit with a long tradition

Mexico is an origin and diversity centre of agave; half of the approximately 450 species of agave grow here. Even in early times the agave was cooked in order to extract the sugar, which the Aztecs called ‘mexcalli’. Since distillation techniques were introduced in the 17th century, fermented agave mash has been distilled to make mezcal. Depending on the agave species used and local distilling techniques, different types of spirit are produced: tequila, bacanora or tobalá. Mezcal is the generic term for all spirits made from agave mash, irrespective of the agave species used.

The desire to protect these local drinks led Mexico to introduce a seal of origin (*Appellation d'Origine, AO*) for the three spirits tequila, mezcal and bacanora. The mezcal seal of origin permits more than a dozen different agave species to be processed for the manufacture of the product. Geographically, it covers a large area including five provinces and two cities. Not all the parts of the area are geographically connected; this makes quality control more difficult and renders it expensive. Since the boundaries of the area have been arbitrarily defined on the basis of political and administrative considerations, some districts that are home to traditional mezcal producers have been excluded from the AO. Producers in these districts where mezcal has been produced for centuries are now faced with the problem of being unable – for purely legal reasons – to use the term. The Mezcal AO Committee was not set up until ten years after the seal had been established. However, the regulations for the production of agave spirit drawn up by the committee did little to focus on quality. For example, they permit the addition of up to 20 percent of other sugars. Producers of pure mezcal without other sugars therefore find it more difficult to

obtain a higher price for their better quality spirit. As a result of these underlying system faults, it has not yet proved possible to create a significant awareness of quality among consumers or an identification with the seal of origin among producers. Nevertheless, certification has enabled mezcal to become better anchored in the market and this has strengthened the economic interest of producers in conserving many agave species.

Viet Nam: Tam Xoan rice – sought-after throughout the country

In the Nam province of northern Viet Nam a seal of origin for rice has been registered.

The province of Nam is an important rice-producing area on the Red River. The valley of the Red River is also a genetic centre for rice; more than a dozen of the sought-after fragrant rice varieties occur there. The Tam Xoan variety, which comes from the Hai Hau district, is particularly popular with the urban dwellers of the region. On account of this popularity, and to the annoyance of producers, rice from other districts is incorrectly sold as Tam Xoan rice. With support from a rural development centre the farmers have established their own value chain. As a first step the producers agreed on an action plan for the creation of a geographical seal. In 2003, the first year, 25 small farmers undertook production and five families assumed responsibility for processing and marketing the rice. By the second year, 442 enterprises had joined the association; they grew Tam Xoan rice on 54 hectares of land. In 2004, the registration of geographical origin was granted; this enabled regulations governing production, administration, marketing and profit distribution to be formally laid down and approved. From the outset, the certified Tam Xoan rice commanded a price that was half as high again as the price of non-certified Tam Xoan rice and the farmers were able to conclude a number of contracts with supermarkets.

Certification proved to be economically very worthwhile for all concerned. However, a study of the distribution of the local rice varieties in the area has shown that there is less genetic diversity in the Hai Hau district than in neighbouring districts. This is attributable to the preference for growing the more profitable Tam Xoan rice, which results in the suppression of other native varieties.

Advantages and opportunities of geographic certification

The suitability of geographic seals of origin for conserving genetic diversity in agriculture depends on the way in which they operate. The manufacture of Comté cheese serves to conserve the ancient and proven breed of Montbéliard cattle and their specific characteristics. The seal of

origin for Mexican mezcal contributes to the conservation of agricultural diversity: its comprehensive character permits the use of more than a dozen different agave species. This gives producers an interest in conserving these species. In the case of the Vietnamese rice variety Tam Xoan, the economic success of the seal of origin and its focus on a single variety led, on the other hand, to the suppression of other varieties.

Seals of origin are an aid to the consumer in making a purchase: the products are more easily identifiable and the seals provide additional information about quality and origin. In purchasing the product the consumer acquires not only quality but a piece of local culture, authenticity and reputation.

Geographic seals do not automatically protect agrobiodiversity

The following aspects help decide whether a seal of origin represents a viable option for the conservation of agricultural diversity:

" Are there already interesting products that are produced from local animal breeds or plant varieties? What specific characteristics do these products possess that could make them attractive to consumers – characteristics such as quality, positive image, contribution to the sustainable development of the region? What distinguishes these products from comparable ones of no specific origin?

- Do the social, ecological and economic conditions for sustainable production and marketing exist or could they be developed?
- In which geographic areas are the animals, plants and local products produced? Are these areas of origin very large or small, diffuse or clearly defined? Are there other common social, cultural or natural features that could further strengthen a producers' association?
- Are there possible partners for any processing that might be necessary and for the regional, national or international marketing of the products?

The following considerations should also be borne in mind in the development of geographical seals:

- The geographical boundaries should correspond to the actual area of origin and not to artificial administrative boundaries.
- High quality standards help to differentiate the certified products from the rest of the market segment.
- The management committee must work to ensure that members identify closely with the seal. This can be achieved through high quality, objective monitoring, transparency and credibility on the part of the committee, and equitable sharing of rights and duties among those involved (governance).
- A geographic seal of origin should if possible cover the marketing of a number of animal breeds or plant varieties; however, the uniqueness of the products must be maintained.

Further information:

Larson, J., 2007: Relevance of geographic indications and designations of origin for the sustainable use of genetic resources. A study prepared for the Global Facilitation Unit for Underutilized Species (GFU). (n.p.). Available at: http://www.underutilized-species.org/Documents/PUBLICATIONS/gi_for_sustainable_use_of_gr.pdf

Council Regulation (EC) No. 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialties guaranteed. (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_093/l_09320060331en00010011.pdf).

Council Regulation (EC) No. 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and food. (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_093/l_09320060331en00120025.pdf).

<http://www.comte.de/cgi-bin/comte.pl?action=comte&cid=9>.

http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm

The Issue Paper series "People, Food and Biodiversity" aims to:

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