

The New 'Local': Linking Geographical Indications and Organics

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Introduction

What do Parmigiano cheese, Bordeaux, Idaho potatoes, Basmati rice, and Darjeeling tea have in common? As the concept of 'local' sourcing and marketing becomes more important, these Geographical Indications (GIs) or appellations are a potentially unique form of competitive advantage available even for small farmers and enterprises. A GI legally identifies and formally recognizes a good as originating in a delimited territory, or region where a noted quality, reputation or other characteristic of the good is essentially attributable to its geographical origin and/or the human or natural factors there.

Organic standards, though valuable, may not offer the most appropriate way of safeguarding the actual provenance of local foods and conveying this to consumers in the marketplace. However, in more than a hundred nations, GIs are recognized as a unique expression of local agro-ecological and even cultural characteristics that have come to be valued as signals of high quality and local traditions. In many cases GIs can readily combine with organic certifications and thus provide a unique combination of assurance to consumers.

Description and Methods

A multinational team² has reviewed nearly 200 published studies on the experience in the EU, US, and elsewhere as well as assessed, via nine original case studies, what different popular origins have done with their GIs in Guatemala, Jamaica, Mexico, Ethiopia, India, Colombia, Kona, and Mongolia. The goal is to provide an objective 'Guide' to understanding, forming, and using GIs effectively (to be published by the UN's International Trade Center).

The literature review documents, among other things, the considerable success of many origins that have formal GIs to confirm and convey their local attributes to the market. This is measured by difference in revenue and employment for formally recognized GIs when compared to similar products in those regions.

In addition to reviewing the practical pros and cons of different approaches to GIs, the review will also explain the costs and benefits and provide information to assess the different instruments available. so that developing country producers, communities, policymakers and technical ministries for agriculture, commerce, intellectual property, etc. face unique

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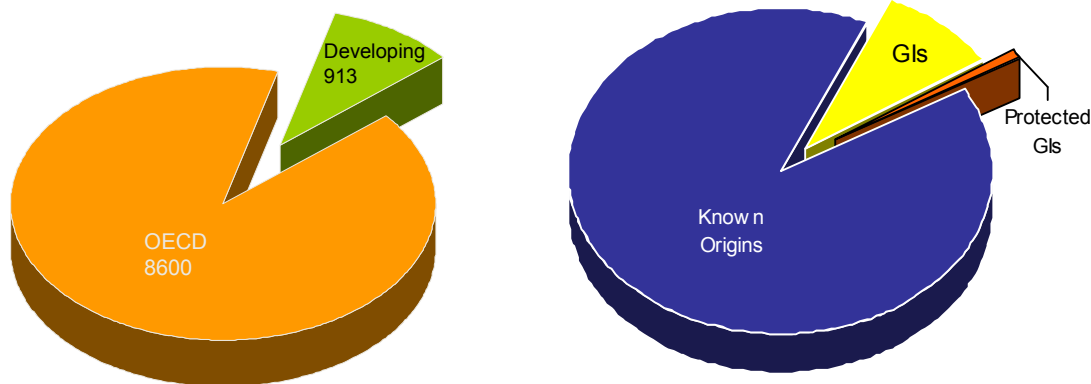
challenges and barriers to creating effective GIs. For e.g. to protect their GIs requires an understanding of the application of complex legal issues that differ considerably in different markets. One result of the review is a basic set of guidelines informing stakeholders about what to consider when undertaking the development of a GI.

Key Conclusions of the studies

Geographical Indications can prove to be a valuable asset for organic producers and marketers because GIs can complement and are in alignment with the precepts of organic agriculture. They can foster market-based support for local traditions and cultures. They provide an excellent framework for broad-based and equitable rural development at the regional level. Viable GIs are essentially building a legally protected brand and a reputation in the marketplace. They are not easy to achieve nor easy but also not easy to erode because they depend less on common factors of competition in the field of agrifood production such as costs of production.

Developed Nations have many well known GIs including: Scotch, Roquefort, Champagne, Parmigiano, Cognac, Feta, Kona, Vidalia, Port, and Bourbon. In contrast, developing nations have relatively few, but their success has increased the level of interest in them as a way of protecting the concept of local production in a manner that is harmonious with existing international trade regulations such as those of the WTO and particularly the TRIPS Agreement. Among the better known are: Ceylon tea, Pampas beef, Tequila, Basmati, Darjeeling, Blue Mountain, Tellicherry, and Café de Colombia.

Distribution of Geographic Indicators



- Nearly 10,000 protected GIs
- Developing countries all together have less than 10% of these
- EU 27 = 5,250 Protected GIs
- US = 950 Protected GIs

Although most of the protected GIs exist in developed nations, a far greater number of candidates to become GIs are known in developing nations. Most are neither formally demarcated nor protected by laws. Yet the market already recognizes Cambodian Kampong

pepper, Morocco Argan oil, Nicaragua's Chontaleno cheese, and Rooibos from South Africa. Such locally recognized origins offer a number of potential **unexplored opportunities**. There may be considerable benefits available from tapping into evolving consumer preferences for local foods that simultaneously offer a measure of quality assurance – as most GIs meet high standards, including, in some cases, for organic production. One question remains unanswered: will locally-oriented consumers also value the tradition and local cultural aspects of foods that are produced far from their markets?

GIs have **developmental** characteristics. They emphasize the local. They value the cultural aspects and traditional methods that are intrinsic to the production and processing of a product. They also value the land and its particular agro-ecological characteristics that make GI products unique. As such, they are also in accord with organic principles.

GIs are in alignment with **emerging trade demands** for quality, traceability, and food safety. They typically, though not always:

- Apply standards
- Use certification systems that can interface with others such as organics
- Tend to be traceable due to their uniqueness especially with the advent of low-cost DNA tracing
- Often implement appropriate processing technology

In these ways GIs can serve as conceptual frameworks to drive an **integrated** form of rural development. The institutional structures that are part of many successful GIs may be beneficial to local and regional governance as well as to organic certification management.

But, **GIs are not easy to achieve**.

- Success is often measured in decades and requires patient application and sustained commitment of resources.
- Issues of equitable participation among the producers and enterprises in a GI region are critical to consider, and not easy to accomplish
- Besides organizational and institutional structures to establish and maintain the GI, there may be ongoing operational costs to consider:
 - dissemination
 - marketing
 - monitoring and management (separate legal enforcement)
- Most of the successes from developing countries have come on top of a long-standing popular product and via further marketing by strong partners.

The potential long-term value can be extraordinary nonetheless and not only on the economic level (jobs, greater income, ancillary development such as tourism) but also on a cultural and local level in terms of the recognition of customary and value-adding traditions that convey a sense of a people and their relationship to a region.
