Interest in and market opportunities for special regional products

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Introduction

• Important option in agriculture is diversification.
• A questionnaire was held to ask farmers about their future plans.
• The results of this study were presented in Session 28.
• About half of the farmers choose for specialisation and about half for diversification.
• In the present study we look at market opportunities for special regional products as a form of diversification.
• This was a bilateral project between Slovenia and The Netherlands.
**EU definition**

Special Regional Products

- **Protected Designation of Origin - PDO**
  - raw material and processing in the area
  - natural product differences

- **Protected Geographical Indication - PGI**
  - processing in the area
  - link between product and area

- **Traditional Speciality Guaranteed - TSG**
  - traditional ingredients
  - traditional composition
  - traditional processing

**Categories of regional products and factors describing region-boundness**

- Breed
  - Territoriality
  - Typicality
  - Traditional
  - Collectivity

- **Special regional product**
  - Industrial regional product
  - Typical food product
  - Local produced
### Factors and aspects describing region-boundness (1)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Subject</th>
<th>Aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territoriality</td>
<td>Chain</td>
<td>Regional agriculture</td>
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<td></td>
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<td>Regional processing</td>
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<td>Regional trade organisation</td>
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<td></td>
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<td>Local/regional consumption</td>
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<tr>
<td>Typicality</td>
<td>Physical product / processing</td>
<td>Typical raw material</td>
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<td>Regional recipe</td>
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<td>Artisanal processing</td>
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<td></td>
<td></td>
<td>Limited production capacity</td>
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<td>Typical shape or packing</td>
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</tbody>
</table>

### Factors and aspects describing region-boundness (2)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Subject</th>
<th>Aspect</th>
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</thead>
<tbody>
<tr>
<td>Traditionality</td>
<td>Story of the product</td>
<td>Long tradition</td>
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<td>Exclusive historical bonds</td>
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<td>Quality of the story</td>
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<td></td>
<td></td>
<td>Traditional way (recipe, processing)</td>
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<tr>
<td>Collectiveness</td>
<td>Organisation</td>
<td>Primary producers</td>
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<tr>
<td></td>
<td></td>
<td>Processors</td>
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<td>Marketing</td>
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</tbody>
</table>
**Breed**

- Nanos and Tolmin cheese from milk of Brown breed in two regions
- Mohant from milk of local breed Cika
- Karst and Kocevje honey from local breed bee
- Sebrelje stomach and Ham from Prekmurje from traditional breeds of pigs

**Questionnaire to collect basic data**

- Nanos cheese
- Bovec cheese
- Extra virgin olive oil from Slovenian Istria
- Ham from Prekmurje
- Forest honey from Kocevsko
- Styrian Prekmurje pumpkin oil
- Karst honey
- Sebrelje stomach
- Prška Tünka
- Prekmurska gibanica
- Idrijski Zlikrofi
- Kostelska rakija
Interviews

• Nanos cheese
• Extra virgin olive oil from Slovenian Istra
• Ham from Prekmurje
• Forest honey from Kocevsko
• Karst honey
• Styrian Prekmurje pumpkin oil
• Sebrelje stomach
• Prleska Tünká
• Prekmurska gibanica
• Idrijski Zlikrofi

Impressions from questionnaire and interviews:

• Producers of special regional products present their products with enthusiasm and pride
• They know very well how to present the tradition, specialities and quality of their products – strong points (SWOT)
• They talk much more difficult about weaknesses of their products – SWOT
• They are very well able to indicate opportunities of their products – SWOT
• They are reluctant to start talking about threats facing them - SWOT
Use of official labels

It is surprising that producers do not yet use the official labels of special products (only Styrian Prekmurje pumpkin oil does)

It is not enough clear, that these products are certified (high costs)

Higher Quality
Organic Farming
Integrated Production

Information about products

- All producers agree that they need good, recognizable and wide spread advertising
- Common for all products together
- On national level
- With financial and professional support
- They realize that their products are not enough recognized in the market
Sale of regional local products

- Home sale (direct contact with buyers)
- Sale in market hall, on different performances (market stall)
- Sale in butik: special shop for all protected regional products (in bigger cities and tourist centres)
- Offer as souvenir (honey, rakija…)
- Sell in the range of tourist, hotel and catering: hotels, restaurants, health resorts, catering, sweetshops, …
- Supermarkets: reserve special place (market shelf) for special regional protected products – identification of products (no direct contact) – problem of logistics

Story

- The products need good and convincing story
  - Direct contact between buyer/customer and seller/producers
  - Public-informative material in different languages
  - Articles in newspapers and public appearance in media
  - Emphasis on the tradition, quality and specialities of product – part of story
  - The internal and external system of control is part of this story
  - Close link of product to region and/or province
**Organization of producers**

- Producers are organised as association or organization of producers.
- All members of such an organization do not yet certify their own products.
- No uniform accession of producers on the market.
- No rules and effective system of control concerning the use of the name of the product (e.g., idrijski zlikrofi, karst honey).
  - protection of the name!!!
  - penalty for falsification.
- In the market you can find products, that are sold under the same name at considerable lower prices (worse quality) – Consumers don’t know the actual quality of products!

**Volume of production**

- The volume is limited.
  - Supply for most products is smaller than demand;
  - No need to look for other market channels like supermarket.
  - They wish to sell their products on foreign markets (higher price!?!)
  - Too high profit margin in supermarkets – they destroy the added value of special regional products (Nanos cheese).
Opportunities

• Utilise local and traditional breed as part of the story
• Some products are health oriented, which is an international growth market
• Use positive image of the Alps in the product offer
• Alliances with tourist and governmental organisation could be useful!

Thank you!