

**The impact of territorial product qualification processes on the rural development
potential of small-scale food productions**

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Abstract

Qualification processes have existed for agrifood products for a very long time, in particular typical products, where qualification is based on the link to territory. Benefits of these processes have long been realised for the particular qualified producers involved, in terms of competition and marketing advantages. More recently however, product qualification has been put forward as a mechanism for achieving wider rural development benefits, via valorisation of shared, traditional materials and skills, and by stimulation of dynamic actor networks. However, the processes imply novel interactions between public and private bodies, operating in new types of arena. They may bring to the fore certain types of stakeholder with particular motivations that influence the way in which production and distribution activities are structured and executed. All of these are likely to impact on local rural areas in particular ways, not all beneficial. So in practice, how do those involved in small-scale food productions respond to qualification processes? What motivations and strategies do they exhibit? And what implications do these have for rural development? To address these questions, this paper presents contrasting case studies of small-scale food production from the UK and Italy, examining the key actors' motivations and strategies, as each responds to the opportunity to qualify their products under the system of European Union regulation 2081/92. As well as analysing how different response strategies are shaped and pursued, the cases also reveal how product qualification encourages processes of social construction around phenomena such as history, culture and identity. The consequences of these forces and processes for rural development are assessed.

1. Introduction

This paper considers the role that territory-based product qualification processes play in small-scale agrifood production activities, and the consequences this has for rural development. In this paper, we refer to qualification processes as the specification of production practices and/or product characteristics by a producer or group of producers, which are then linked to a particular brand name or quality label. Qualification processes have existed for a long time in agrifood products, and in particular typical products, where the basis of the qualification is the link to the local territory. The specification of Parmigiano Reggiano cheese, for example, dates from 1934 (de Roest and Menghi, 2000), and the present day qualification systems for wine, based on region of origin, are derived from protocols developed in the late 19th century to protect producers in prestige French wine-growing regions from fraud (Moran, 1993). The benefits to registered producers, in terms of marketing and competitive advantage, are well understood. More recently however, product qualification is being discussed as a mechanism to achieve rural development benefits: the legitimising, focal point for cross-sectoral activities delivering economic, social and cultural benefits to a wide variety of actors in rural areas. But does product qualification have this effect? The aim of this paper is to investigate what happens in practice when actors in a local rural area pursue qualification for an agrifood product. The evolution is traced of three contrasting cases of small-scale agrifood production, examining which actors were involved, what their motivations were and what the impacts of qualification were on development. In each case, the qualification system under consideration was EU regulation 2081/92 (CEC, 1992), which awards Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI). There is a strong rural development

justification underpinning this legislation¹, but can a formal tool, designed at European level, bring forth endogenous development processes? A secondary aim of this paper, therefore, is to consider the extent to which this particular qualification system encourages the rural development benefits it aims for.

2. Product Qualification for Agrifood Products: Theoretical Context

Qualification processes have their foundation, and logic, in theories of the competitive advantage of firms. Specification and labelling of a product raises its market profile and offers consistent quality guarantees to consumers, thereby generating higher returns to producers. That is, firms use qualification marks to capture the added value or economic rent derived from consumer confidence in the good reputation of the firm (Shapiro, 1983; Tirole, 1988). When this logic is applied to small-scale typical productions, where several producers and/or supply chain actors are involved, the qualification process effectively transforms the local knowledge and/or natural resources incorporated within the typical product (the basis of the added value) into the collective intellectual property of the actor group (Moran, 1993; Thiedig and Sylvander, 2000; Pacciani et al, 2001). Official certification resulting from the qualification process protects this intellectual property by preventing the typical product's reputation value from being usurped by competitors (Hamlin and Watson, 1997; Belletti, 2000). The added value or economic rent captured by the process is then distributed within the qualified group. Typical product actors who follow this logic, and who use qualification processes in this way, have been described as following a *sectoral*, *supply chain*, or *product reputation protection* strategy (Pacciani et al, 2001). The implication is that actors are motivated to engage in qualification processes for reasons of attaining competitive or marketing advantage.

However, when small-scale agrifood production is discussed in connection with rural development, a somewhat different strategy is implied. Under endogenous development theory, rural areas build on local assets that have some special or immobile characteristics linked to the area (Bryden, 1998; Terluin, 2003). Actors within the area mobilise these resources, via the provision of products, services and experiences, in order to stimulate consumption and attract revenues, which are then distributed widely within the territory (Ray, 1998). In this regard, small-scale agrifood production systems represent potentially very fruitful assets for endogenous development (Bessière, 1998; Nygard and Storstad, 1998; Brunori and Rossi, 2000; Marsden et al, 2000). They offer a breadth of interlinked resources including physical environmental (e.g. distinctive landscapes), cultural (e.g. techniques, know-how, myths, stories) and economic (e.g. skilled employment), thus contributing, potentially, to a wide range of initiatives that encourage diverse activities and novel interactions between multiple types of actor (e.g. tourist trails, markets, festivals, educational initiatives, community events). The use of typical agrifood products in this way may be described as a *territorial quality* or *extended territorial* strategy (Pacciani et al, 2001; Marescotti, 2003). Under this strategy, the values derived from the typical product stem from the territorial identity and associations of the product, rather than from intrinsic or physical qualities themselves. As such, the different dimensions of the typical product are utilisable by a broad range of actors who may apply them to a basket of goods and services (Pecqueur, 2001), resulting in a wide distribution of economic rent.

But what role does product qualification play within rural development processes? Can it confer any benefits? First, it may be argued that the explicit setting of quality standards for a product is an important foundation to any strategy which seeks to capture rent from the identity and characteristics associated with that product, however broadly defined. Qualification is therefore a helpful action to achieving a level of output that will stand the best chance of maximising revenues. Second, the qualification mark or label may be thought of as giving a formal public face to development activities, raising their profile and encouraging the creation of community bodies and groups through which political and financial representations can be made (Casabianca, 2003). Finally, the process of qualification itself may be socially and economically beneficial, as different actors uncover and debate key aspects of natural and cultural assets, deepening local knowledge and raising the possibility of dynamic new partnerships and networks. Yet in spite of these potential benefits, the following questions arise:

(i) Which actors get involved in product qualification and what are their motivations?

In the above discussion of the contribution of small-scale agrifood production to rural development, it is assumed that the most appropriate configuration of actors assembles itself around the qualification opportunity, and that a harmonious balance of private interests, civic concern and appropriate remuneration of effort ensues. Yet in practice, qualification processes may be dominated by one set of actors pursuing one set of interests, skewing the distribution of rent within the territory. This issue may have particular relevance to Regulation 2081/92, as studies show a tendency for PDO and PGI designations to be pursued by producer actors motivated by commercially defensive (reputation protection) or offensive (marketing advantage) goals (e.g. Lassaut and Lemeur-Baudry, 1999). Other actors or stakeholders may then contest the approach of the dominant actors, leading to conflicts. Whilst local institutions may play a critical role in managing the qualification process and the interests of diverse actors (Couznet et al, 2000; Marescotti, 2003), the question arises of which institutions get involved and how they manage interests to achieve rural development benefits.

(ii) How are the terms of qualification determined?

Product qualification, by its nature, implies the specification of standards of production and characteristics of finished products. When applied to small-scale agrifood systems where many producers are involved, qualification is usually referred to as a *code of practice*: a statement of production standards collectively agreed between individual producers. Under a territorial strategy, this code of practice would be drawn up via a consultative process involving diverse stakeholders, with the resultant code specifying practices based on a common understanding of authenticity, which stimulates the most beneficial impacts in terms of rural development. But in practice, qualification specifications involve processes of construction around phenomena such as tradition, heritage and local identity, which are open to different interpretations (Bérard and Marchenay, 1995; de Sainte Marie et al, 1995). Individual actors may disagree on these constructions, leading to conflicts, particularly where actors are heterogenous and multi-sectoral. Different actors may also promote particular constructions in order to pursue specific goals, such as the inclusion or exclusion of other types of actor (Vuylsteke et al, 2003). Problems such as these have been observed already in relation to Regulation 2081/92 (Casabianca and Coutron, 1998). But how do these processes evolve and what are the implications for rural development?

3. Case Studies

To investigate the above questions, three cases of small-scale agrifood production were examined, where the opportunity to qualify products under Regulation 2081/92 was pursued: Culatello di Zibello and the Cherry of Lari (both from Italy) and Beacon Fell Traditional Lancashire Cheese (from the UK). In each of these cases, which have been selected from a wider study of typical products undertaken within the EU research project DOLPHINS², a different qualification process evolves. The aim of here is to trace and compare the processes, and analyse the implications for rural development. Each case begins with a brief socio-economic context, followed by a description of the actors involved and their motivations. An account is then given of what happened as the actors responded to the opportunity to qualify their products, followed by a summary of the impacts on local development.

3.1. Culatello di Zibello

3.1.1 Product and socio-economic context

Culatello is a very ancient salami produced in the region of Parma (Italy). The product's origin is linked to the characteristics of small farm households, where pigs were bred for family consumption. Farmers would kill one or two pigs in the winter, season them, and then preserve them over the course of one year, moving them from the top storey in the winter to the downstairs cantina in the summer, to take advantage of the changing temperature and humidity conditions. Over time, the reputation of Culatello developed first because of the physical quality of the product - the taste is very similar to Parma Ham - and second, because of the product's rarity. Until recent decades, most Culatello was produced domestically, with only a few small restaurants and shops producing it commercially. Industrial production of Culatello began in 1980, by a local firm. Today, per annum production of the industrial version of the product outstrips the artisanal version (approximately 55,000 and 18,000 pieces respectively).

3.1.2. Key actors in the system and their motivations

Four sets of actors have played a role in the evolution of the Culatello system. First, small artisan producers. In total there are 13, of which 11 are local restaurant businesses, and only two are dedicated 'salami producers'. They are joined in a Consortium, with the objective of producing high quality Culatello using only artisan techniques, in this way differentiating themselves from the industrial competitors. The second actors are two larger industrial Culatello producers. One of these is a renowned international salami firm, operating in the market prior to the qualification process. Initially, this firm was not interested in joining the qualification because it was already selling Culatello successfully under its own brand name. The other industrial firm was created at the time of the PDO application, by some local entrepreneurs who perceived Culatello as a growth market opportunity compared with the mature market of Parma Ham. The third set of actors in this case is the local governments of Emilia-Romagna and Provincia di Parma. Motivated by the desire to promote development activity in the region, they assisted in the application process for the PDO, and encouraged other local entrepreneurs to participate in rural development initiatives based on Culatello. The final set of actors is the intermediate institutions: the association of pig breeders, the association of industrial slaughter (ASSICA) and local Chamber of Commerce. Their main interest was, and still is, to allow new industrial firms to get a share of the Culatello business.

3.1.3. The PDO qualification process – what happened?

In this case, it was one of the artisan producers who initiated the process. This producer, the owner of a high quality restaurant, perceived the PDO to be an opportunity to increase the value of the Culatello, and with that, his own economic activities. However, in taking forward the application process, he received help from the other artisan producers and also, notably, from the local governments. The role of the government actors became particularly significant in negotiating between the interests of the artisans and the intermediate institutions, particularly ASSICA. ASSICA contested the PDO application because it saw, in the restrictive code of practice being designed by the artisans, the possibility for industrial firms to be excluded from this very profitable market, at a time when other important markets like Parma Ham were stagnating. There were several points of dispute in the code of practice, however, a key issue related to processing techniques, with the artisans insisting on the long seasonal timeframe of the traditional method, whereas the intermediate institutions argued for shorter, year-round production to be allowed. In the end, the local governments arrived at a compromise whereby two designations, with different codes of practice, were applied. The first designation, “Culatello di Zibello of the Consorzio” applies to the Consortium of artisan producers and this specifies a tight code of practice highly reflective of the traditional, artisan method. The industrial producers are excluded from using this designation. However, by contrast, the code of practice that was finally agreed upon for the PDO designation involves a looser specification of activity, which allows the inclusion of the two industrial firms in the designation.

3.1.4. Qualification and rural development

As regards rural development activity linked to the qualification process, the local government actors have also been instrumental in organising “Culatello di Zibello Routes”. This initiative, which benefits from the profile-raising effect of qualification on Culatello, connects several types of firm inside the original area of production, such as restaurants, food shops and agro-tourism businesses, where consumers can find the small producers and taste Culatello. Other initiatives have also been organized by the local government actors, such as a fair, a marathon and a bike race, which are then linked to other gastronomic, cultural and environmental products of the territory. In spite of these initiatives, a lack of co-ordination exists between the producers and the other firms of the Culatello di Zibello Routes. Even inside the Consortium, co-ordination is very weak and all the initiatives that have been taken in the last few years have been strongly dependent upon the artisan producer who began the PDO application, and who now acts as Consortium president. Furthermore, although qualification has contributed to the reputation of the area, the economic rent derived from it has only been distributed amongst a certain set of firms, and there is a lack of integration of other farmers in the process. In fact, the tradition of domestic production of Culatello in farm households is still prevalent, but such actors are not involved in the Culatello “atmosphere”. Moreover, it may be argued that the process of qualification has brought into the area of production new industrial initiatives linked to Culatello, with the associated risks of damage to the environment (due the presence of industrial pork breeding), as well as threats to small producers.

3.2. Cherry of Lari

3.2.1 Product and socio-economic context

Cherry production owns a secular tradition in the Municipality of Lari, a small village in the hilly area near Pisa (Tuscany, Italy). The tradition is demonstrated by the presence of 13 native

cherry-tree varieties (Roselli and Mariotti, 1999), which, coupled with the peculiarity of the soils and the climate, form the basis of the specificity and reputation of the cherries of Lari. From the 1970s, cherry production suffered from a widespread crisis in agriculture, due to higher production costs of farmers relative to the nearby plains, and especially to the industrialisation process close to the area, resulting in a decrease in the number of farmers (especially the professional ones) and in supply. Today, although almost all farms in the Lari area own some cherry trees, only a few are professional producers and there are few specialised orchards. Part-time farming is widespread, whereby agricultural activity is treated as a contribution to the main source of income, almost always employment in industrial or service sectors, or from pensions. Only a few farms sell cherries to mass distribution firms, and a large proportion is consumed domestically or sold on local wholesale markets. Since 1957, producers based cherry promotion on the traditional annual cherry Festival, which used to attract many buyers, enhancing the product's notoriety. However, as agriculture and tree growing declined, the sales and marketing importance of the Festival decreased. At the same time, the strong identification by the Lari population of the cherry as a "cultural marker" has made it possible to carry the annual date on, changing its meaning from a product seller to an image and traditions seller. Local consumers have a strong preference for the product, and competition from other stronger production areas does not alter its positioning.

3.2.2. Key actors in the system and their motivations

The first set of actors in this case is the cherry farmers themselves - predominantly part-time, non-professional growers, who use agricultural activity to supplement their incomes. The producers have a high degree of geographical and cultural proximity to each other, and employ homogenous growing techniques and marketing channels. The second actors are the local consumers, who have recently shown renewed interest in traditional agrifood products. In turn this interest has been captured by the third actors, the many local agencies not part of the cherry production or supply chain: the Lari Municipality and local cultural and tourism associations, the Province of Pisa, the Tuscan Regional Administration, the local Chamber of Commerce, and Slow Food association. These actors are interested in connecting the image of the cherry to other rural amenities, such as landscape, environmental quality, art, culture and traditions, in order to promote the area. The involvement of these non-supply chain actors has increased the awareness of the cherry producers of the economic and cultural value of the cherry, strengthening their will to improve the quality image of the product. The fourth set of actors are some agents external to the local production system who have been undertaking research activities aimed at preserving the many native cherry tree varieties (National Research Council, ARSIA-Tuscan Region, University of Florence and Pisa). The involvement of these actors has been stimulated by a growing concern generally for the better preservation of biodiversity.

3.2.3. The PDO qualification process – what happened?

Although the idea of applying for a PDO came from some local small non-professional producers, whose main aim was to stimulate the agricultural production in the area and enhance cherry-tree growing, very quickly the PDO idea was 'captured' by the other local and less local actors, in particular the public administrations of the Region, the Province of Pisa and the Municipality of Lari, who aimed to use the reputation of the cherry of Lari to strengthen the image of the village and the whole area for tourist promotion. Thus from the beginning, the

interest and involvement of the producers themselves was rather low. Indeed, most were not aware of the meaning of the PDO, and were rather sceptical about its effectiveness for such a small quantity of production and short marketing channels. Nevertheless, in accordance with the requirements of Regulation 2081/92, a producers' association was set up in 2002, charged with devising the product specifications. Over the course of many meetings, the specifications were discussed, as well as problems and opportunities arising from the award of a PDO itself. In fact, consensus over the product specification was reached fairly easily, a fact that may be linked to the homogeneity of the producers, with no 'market leader' type present. Yet notwithstanding the agreement over product specification, to date, the PDO has not been applied for. This can be attributed to producer concerns over increased production costs arising from certification, as well as fears that the production area would be widened too much under the designation, due to the political pressure from public institutions, farmers' organizations, etc. to involve the maximum number of producers even in non traditional areas (Marescotti, 2003).

3.2.4. Qualification and rural development

The meetings held to investigate the qualification process resulted in discussion of many problems and issues, especially those concerning the future of cherry-tree cultivation. These discussions paved the way for other collective initiatives on technical, agronomic and marketing aspects. A collective brand and a collective processing plant for producing jams has been set up, as well as some educational initiatives with local primary schools on the cherry's history. On the back of this renewed enthusiasm and producer cohesion, the local Municipality was influential in constituting a National Association of Cherry Municipalities, dedicated to reinforcing research and promotional activities for cherries across Italy. Overall therefore, although the PDO itself has not been realized, the qualification process has delivered numerous benefits. It has reinforced solidarity and cohesion between farmers by making producers meet together when no association was active in the area previously (Casabianca, 2003). Through the producer association, the interests of producers are now represented in negotiations with agencies and institutions. Finally, the qualification process, by encouraging the defence and promotion of the cherry, has acted as a catalyst for the involvement of other local and non-local actors. The qualification process has been the stimulus for collective action in this case.

3.3. Beacon Fell Traditional Lancashire Cheese

3.3.1. Product and socio-economic context.

The product is a pressed cows' milk cheese, specific to the region of Lancashire (north west England). The north of this region is well suited to pasturing, hence there is a long history of dairying and cheese-making (Mason, 1999). Today, there are nine producers of traditional Lancashire cheese, the smallest producing @50 tons per annum, and the largest producing @2500 tons of cheese per annum, of which @500 tons is traditional Lancashire. Forces of industrialisation and standardisation have been strong in the UK dairy sector throughout the 20th century. These forces, combined with the existence of the Milk Marketing Board from the 1930s to the 1980s (a monopoly with statutory powers to buy and sell all UK milk) have militated against the existence of independent, on-farm milk processing, with the result that by the 1970s, only a very small number of small-scale and artisanal cheese-makers remained in the UK (Blundel, 2002). Numbers have increased in the last two decades as small-scale and speciality agrifood production has been revalorised, but production systems today tend to be

individualised, with generally low levels of collective activity between producers (Tregear, 2003).

3.3.2. Key actors in the system and their motivations

The first actor in this case (Producer 1), the largest producer, plays a critical role in both the pursuit of the PDO application and also in the general evolution of the system. In the 1960s, the father of the present manager developed a new version of Lancashire cheese, more easily made on a large scale, but hard and acid in character. His motivation was to meet requests from local traders who sought a high yielding, relatively cheap cheese to counter the threat of competition in the most important regional urban markets. In fact, the acid version became popularised, and it is this cheese that is now regarded as ‘Lancashire’ in the UK, being produced on an industrial scale by large creameries. In the meantime, Producer 1 continued to make both traditional and industrial varieties, as part of a wider portfolio of cheeses. In the 1990s, the present manager of the firm initiated the PDO application, motivated by the potential marketing advantage it could bring to the traditional product, in view of the recent market growth in speciality cheeses in the UK. The second actors in this case are the other traditional cheese-makers. These are smaller in scale than Producer 1, but who also make the traditional product alongside other flavour or maturation variants, as well as other types of cheese. Marketing and distribution activities are undertaken at the individual level, with personalised branding of products. As such, the interest of these actors is in protecting the quality of their cheeses and enhancing the competitive advantage of their brand identities. The final set of actors are the regional support institutions, including the county councils and regional development agency, and also North West Fine Foods, the speciality food group for the wider north west region. This group has the aim of supporting and developing the interests of small-scale speciality food producers in the region.

3.3.3. The qualification process – what happened?

The PDO application process was initiated by Producer 1, who perceived a potential marketing advantage in obtaining the designation. In accordance with the group application requirements of Regulation 2081/92, Producer 1 stimulated the interest of the other producers via the reactivation of a pre-existing producer association - the Lancashire Cheesemakers Association. This had originally been set up to bargain with the Milk Marketing Board, but had effectively been disbanded since the dissolution of the MMB in the 1980s. In drawing up the code of practice, the consensus reached was helped by the fact that notwithstanding some differences in production scale and technique, none of the applicant producers was pushing for an ‘industrial’ specification. Moreover, as protection of the name ‘Lancashire Cheese’ could not be applied for (this name now being considered generic for the reasons explained earlier), other industrial producers who may have contested the application were not drawn into the process. The issue of the protected name in fact gave rise to some creative constructions around identity. As the applicants had to find another name for the PDO, a map was consulted. A hill called Beacon Fell was identified as a relatively central geographical feature, equidistant from the location of all the applicant producers. Hence, the protected name applied for, and awarded, is ‘Beacon Fell Traditional Lancashire Cheese’. The applicants also had difficulty in defining a strict geographic boundary for the production area - as Regulation 2081/92 also requires - because no precedent existed to guide this. A pragmatic approach was adopted

therefore, with the final boundaries being drawn around the area of Fylde, north of the River Ribble, including the Preston and Blackpool districts of Lancashire.

3.3.4. Qualification and rural development

It is difficult to identify firm or direct links between qualification and rural development in this case. All the producer actors engage in some level of direct marketing and use short channels such as farmers' markets, both of which offer benefits in terms of retaining revenues within the region, generating employment, stimulating social interaction, etc. In these activities, the producers are supported by local government actors such as North West Fine Foods, that develop initiatives such as tourist trails. In addition, individual cheesemakers get involved in local communities by running courses and educational visits, although sometimes these efforts are limited by size of premises and regulations covering hygiene, safety and insurance. However, the extent to which the PDO qualification itself contributes to these activities is debatable. Only Producer 1 actually uses the PDO name and designation, and this is on products destined for supermarket outlets. Therefore the PDO is not actively contributing to the valorisation of the product. The PDO qualification may be considered to have brought more benefits in terms of reactivating a producer association and thereby encouraging more interaction and collective effort amongst the cheesemakers. Nevertheless, it should be noted that even after several years of qualification, the cheesemakers still act very much as individuals, with their own sourcing, branding and marketing, not to mention community activities.

4. Discussion

4.1 Product Qualification – a Tool for a Sectoral or Territorial Strategy?

The three cases presented here illustrate how one qualification opportunity - Regulation 2081/92 - can be captured by diverse types of actor with different motivations. The qualification process that ensues in each case is quite distinct, as is the outcome for rural development. For example, in one case (Cherry of Lari) qualification is captured by multiple, but well-coordinated actors as part of a territorial strategy. In another case (Culatello di Zibello), local government intervention helps to orient an otherwise sectoral strategy towards a more territorial approach. In the third case (Lancashire Cheese), one producer dominates the entire qualification process out of perceived marketing advantage, making pragmatic use of structures (a pre-existing association) and specifications (the PDO name) to achieve the desired result (an official designation that may, in future, confer marketing benefits to one product in a portfolio). The strategy adopted in this latter case is clearly not territorial, but neither is it sectoral, as *de facto*, little or no collective action exists. The qualification is used as part of a marketing strategy pursued by one individual firm. Table 1 summarises these highlights.

Table 1. Summary of how PDO qualification was pursued in the case studies

Case	Actor Involvement & Motivation	Evolution of Qualification Process	Rural Development: what strategy?
Culatello di Zibello	<ul style="list-style-type: none"> •Initiated by artisan producers, seeking to differentiate their product from the industrial version 	<ul style="list-style-type: none"> •Conflict between artisan and industrial producers over code of practice •Local administration mediates •Two qualifications awarded (PDO is loose specification) 	<ul style="list-style-type: none"> •Semi sectoral, semi territorial strategy
Cherry of Lari	<ul style="list-style-type: none"> •Initiated by part-time producer, but quickly captured by other (both public and private) actors seeking to use product reputation to strengthen whole area 	<ul style="list-style-type: none"> •Active discussions to develop code of practice •Springboard to wider socio-economic initiatives •PDO not applied for (producers sceptical about benefits) 	<ul style="list-style-type: none"> •Territorial strategy
Beacon Fell Traditional Lancashire Cheese	<ul style="list-style-type: none"> •Initiated and pursued by largest producer, in anticipation of marketing advantage 	<ul style="list-style-type: none"> •Re-activation of producer association •Little conflict over code of practice •Creative constructions over product name and boundaries 	<ul style="list-style-type: none"> •(Anticipated) individual marketing strategy

In light of these results, what influences the extent to which a qualification such as Regulation 2081/92 is used as part of a territorial strategy rather than a sectoral or individual marketing strategy? In other words, what factors are associated with the motivation of actors to engage in collective action to capture and distribute rent widely within a territory? On the basis of the three cases presented here, the following cross-cutting factors are proposed:

(i) Socio-economic context

This refers to the socio-economic context of the territory in which the typical product is embedded (Requier-Desjardins et al., 2003), which influences, for example, the tendencies towards collective effort by producer actors, and the degree or type of intervention of local public institutions in production systems and enterprise. The three cases differ with respect to these factors: the home region of Culatello has a well-established tradition of small-scale agrifood producers taking collective action, exemplified by the consortia of Parmigiano-Reggiano cheese and Parma Ham. This contrasts with the Cherry of Lari, where collective action is not so strong, and with Lancashire Cheese, where several forces have militated against the cooperative working of small-scale producers. Similarly with intervention of local public institutions, a tradition of intervention exists in the context of the Italian cases, but not the UK one. What are the implications for a territorial strategy? On the one hand, a tradition of collective action seems conducive to the motivation of actors to share rent, which is an important precursor to a territorial strategy. But, as the Culatello case shows, where that tradition rests only amongst supply chain actors, then the risk is that it is a sectoral, rather than a territorial strategy that develops from product qualification. On the other hand, although involvement of local institutions would seem to encourage a more cross-sectoral approach to development, the Cherry of Lari case highlights the critical role that producer actors still play in a territorial strategy - the need for their motivation and reward is essential. Therefore, for a

territorial strategy to ensue from qualification opportunities, different tactics need to be employed to engage the optimal mix of actors, with their diverse tendencies and motivations.

(ii) Economic vs cultural significance of product

A second feature of importance is the extent to which the product being qualified has economic significance to individual producer actors and/or cultural significance to the local region. Producers that rely heavily on the economic returns from the product in question are likely to take a very strong interest in the way that qualification specifications are devised. The behaviour of the industrial and artisan producers in the Culatello case exemplifies this. These producers were most concerned that the final specifications did not disadvantage them, either by excluding them (in the case of more industrial producers), or by allowing 'new' competitors into the system (in the case of artisan producers). The actors therefore become preoccupied with how the qualification will distribute rent within the sector or supply chain, rather than taking consciousness of qualification as a tool for a territorial strategy. Meanwhile, products that have high cultural significance seem to have much to offer a territorial strategy because of the wealth of traditions that accompany them, touching on various aspects of community life and events. Furthermore, where producer livelihoods depend less directly on the economic value of the product, the potential for their openness to a territorial strategy seems greater. The Cherry of Lari case, with its evolution from a product of economic significance to one of cultural significance, illustrates this effect well.

(iii) Access to, and visibility of the product in the territory

A third factor influencing whether qualification is used for a sectoral or territorial strategy is the type of resource offered by the typical agrifood product and the extent to which it is visible in the territory. If the typicality of the product is based on resources or techniques that are either free or easy to access (e.g. the planting of a cherry tree), a wide cross-section of the local population may become involved in the activity. Over time, the resource easily becomes a patrimonial, or collectively shared good, giving potential for a territorial strategy. Any product qualification that may be pursued subsequently, is likely to involve these multiple actors too. On the other hand, if the typicality of the product is based on relatively inaccessible resources (e.g. the knowledge, skills and facilities required to process high quality cheese or salami), the involvement of a smaller, narrower set of actors is implied, leading to the likelihood of a sectoral strategy being pursued. Product qualification then becomes a matter for the producer 'experts' to debate, rather than involving a wide cross-section of the population. Related to the basis of the typicality is also the extent to which the typicality is visible in the territory. If it is highly visible (e.g. cherry trees in every small farm or orchard), then it is easier to develop a territorial strategy linking to specific landscape and environmental features. In contrast, low-visibility resources (e.g. indoor pig units or domestic cellars in which salamis are matured) are more difficult to make the link with.

4.2 Product Qualification – Rural Development Benefits or Problems?

The three cases presented here also give insights into how product qualification itself stimulates rural development problems (e.g. conflicts between actors, threats to product quality and integrity) as well as benefits (e.g. cross-sectoral interactions, enhancements of civic pride). For example, in the Cherry of Lari case, although the process activated by qualification is beneficial to development, the PDO itself is not applied for due to anticipated problems over

producer costs and lack of exclusivity. In the Lancashire Cheese case, the qualification process is undertaken with little or no conflict, but the approach taken by the actors means that the social interaction and institution creation benefits are minimal. How might one distinguish when and where product qualification offers benefits rather than problems? The following characteristics are proposed:

(i) Heterogeneity of producer actors

Heterogeneity refers to characteristics such as product scale and degree of industrialisation, as well as the type of marketing channel pursued. Where there is a high degree of production scale difference between producer actors, such that some are very small-scale and artisan, whereas others are large-scale and more industrial, product qualification is likely to lead to conflicts. As product qualification involves the sharing of rent derived from the added values of a product with high reputation, sensitivities are high around the drawing of boundaries of exclusion/inclusion. The Culatello case demonstrates how artisan producers resist the inclusion of larger, more industrial producers, as such producers are seen as ‘free riders’ able to capture the rent accumulated via the efforts and resources already expended by the artisans. Artisan producers also fear the future loss of rent resulting from the drop in consumers’ quality perceptions of the product if larger producers are included in the qualification. By contrast, both the Cherry of Lari and Lancashire Cheese cases show less conflict in the drawing up of specifications, as the producers are more homogenous in terms of production scale. Less conflict implies more constructive and deep interactions between actors, with consequent benefits for development activities. However, as the Lancashire Cheese case has shown, lack of conflict does not necessarily imply collective action.

(ii) Local institution decisions

Following from the above, the cases demonstrate how local government actors may intervene between conflicting actors over qualification specifications and/or take responsibility for determining codes of practice, geographic boundaries, etc. The results of cases presented here accord with those of previous studies (e.g. Barjolle and Sylvander, 2000), which argue that such institutions tend to define rather loose codes of practice, motivated by the desire to include many actors in the qualification. This risks undermining the effective commercial operation of the qualification mark (it becomes insufficiently distinctive as a quality indicator to consumers), threatening to de-value the product, with consequent problems for development activities (Carbone, 2003). Moreover, if larger or more industrial producers are included within the qualification, this reduces the incentive for smaller, artisan producers to continue to engage in the environmentally or culturally significant practices that have the territorial development potential.

5. Conclusions

This paper set out to investigate the impact of territorial product qualification in the rural development potential of small-scale food productions, with particular reference to the designations under Regulation 2081/92. Overall, it has been shown that qualifications may be employed as part of a territorial strategy, although application in this way is dependent upon a certain mix of actors, with a certain mix of motivations.

Can qualification processes themselves bring development benefits? Results from this study are mixed. On the one hand, the processes of interaction and debate, and setting up of interest groups can be beneficial. However, qualification can also be a source of conflict between different actors, and decisions about codes of practice and exclusivity have to be made with care, if the qualification mark is to operate effectively as a market signal, and if the qualified producers are to be incentivised to engage in practices with the most development potential.

Overall, product qualification may be regarded as a mechanism for linking local and non-local actors, within the logic of the mixed exogenous/endogenous development model (Lowe et al., 1995). It is a means by which local actors can signal to, and attract revenues from, exogenous actors and institutions (Requier-Desjardins et al, 2003). But questions remain over who controls this mechanism, and how it can be managed to best effect for achieving rural development benefits.

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Notes

¹ “Whereas, as part of the adjustment of the common agricultural policy the diversification of agricultural production should be encouraged so as to achieve a better balance between supply and demand on the markets; whereas the promotion of products having certain characteristics could be of considerable benefit to the rural economy, in particular less-favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas.” (CEC, 1992).

² ‘Development of Origin Labelled Products: Humanity, Innovation and Sustainability’ European Union Concerted Action project QLK5-2000-00593.

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