

CAPACITY BUILDING WORKSHOP ON GEOGRAPHICAL INDICATIONS

Denis SAUTIER, PhD Senior Agrofood Economist, CIRAD – FRANCE Kuching, Malaysia | 25 September 2019





Promoting Intellectual

Property Rights in the

ASEAN Region







THE ROLES, FUNCTIONS AND BUSINESS MODEL OF THE COLLECTIVE GI ORGANISATION



1. Why a GI organization?



Why a GI Association?

- The product is the heritage of a community of producers, which is responsible for creating the reputation of the product, based on specific know-how and practices.
- All members of this community should participate into the GI initiative.
 - ✓ stakeholders involved at various stages of production (e.g., raw material producers, local communities/institutions, processors, distributors).
- A local product can only become a recognized GI if it is supported by a mobilized and organized community of producers, generally as an association, whatever is its legal form
- To avoid the tragedy of GIs: the under-utilization trap!



Key roles of the GI Association

- Draft the GI Specification.
- Participate in the implementation of the control.
- Identify and update the list of members (users).
- Provide technical consultancy (training, procedures, registration documents).
- Promote and market the GI product.
- Fight against misuses and infringements.



What the GI Association does NOT do?

- Produce / process the product!
- Buy and sell the product!
- Own the product!

GI associations are managing GI, they are not producer cooperatives:

GI association usually need specialised staff to implement the duty of the association.



Draft and apply for GI registration

- In the EU: only a group or, subject to certain conditions, a natural or legal person, shall be entitled to apply for registration.
 - any association, irrespective of its legal form or composition, of producers and/or processors working with the same agricultural product or foodstuff

D.Marie-Vivien



Contrast with Asia: application by government institutions

- Indonesia:
 - Gl guidelines recommend association/cooperative
 - In practice: majority by local authorities
- Thailand:
 - In practice: majority by local authorities
- Vietnam:
 - GI belong to the State
 - In practice: always by local authorities
- Malaysia:
 - In practice: majority by government institutions



Implementation of the quality control

- The GI Association within the Geographical area before placing the product on the market, ensures the quality control by:
 - Providing tools for self-controls,
 - Managing "internal controls" of the production/processing site and of the final products
 - Choosing and coordinating with the external control body (if any)
 - Ensuring the traceability of all producers
 - Facilitating conflict resolution and provide arbitrage in case of disputes
- Open questions:
 - mandatory to be member of the association to use the GI ?



Promotion and communication

- Promotion of the GI name: not the promotion of a particular producer/Enterprise
- Events / Fair / Festival
- Sales and tasting
- Flyers and booklets for consumers and producers
- Website of the association
- Collaboration with tourism offices
- Picture exhibition...

D.Sautier



Protection against Usurpation

- mainly the role of authorities "market police", boarder protection to ensure that the GI is not be usurped.
- But the GI Association should contribute by
 - Market monitoring and alerting the competent authority
 - Legal actions in front of courts



2. Building the GI organization



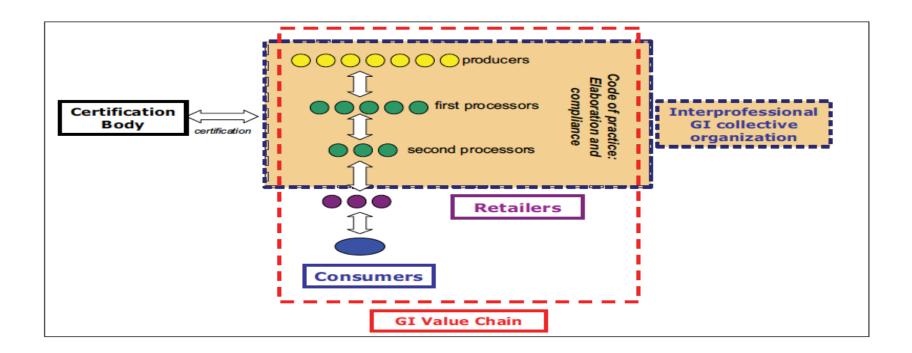
A representative GI Association

Important questions to address:

- ✓ Who should be part of the GI Association? Everybody (France) or representatives (Switzerland)
- ✓ How will the different segments of the value chain be represented?
- ✓ Should the GI Association be organized in "chambers"?
- Prerequisite = Understanding the value chain
 - ✓ Have clear picture of: the main stages of the value chain, the main stakeholders involved along the value chain, the flows of products (and by-products) along the chain.



Representativeness: Include all stakeholders influencing the quality





Which GI Association?

- Various forms in the EU
 - Consorzio, Organisation de Défense et de Gestion (ODG): Consejo regulador, Interprofession or Interprofessional Body (IPB)
- Can be independent, or included in a wider organisation (Product boards)
- Non discriminatory membership to the Association: only criteria should be: the compliance with GI specifications
- Clear and transparent rules and decision-making mechanisms
- Can include, or not, regional government
- "Not for profit" organisation



The governance of the Gruyère PDO





Mobilizing stakeholders: How? (1/2)

- Communicate as widely as possible the concept and invite
 value chain stakeholders and public authorities to consultations
- Form a working group of motivated individuals (ideally, various types of stakeholders along the Value Chain)
- Formalize the GI Association by organizing the first formal "General Assembly"; by electing the committee (and others), secretariat; by collecting membership fees (according to the volume of production).



Mobilizing stakeholders: How? (2/2)

- Work simultaneously on various issues, only register GI once everything is ready
 - the GI specification
 - the control plan
 - the GI association (statutes, rules, traceability tools and income sources)
- Balance between GI Association/ public authorities.





Stakeholders acting individually

Organised GI stakeholders acting as one entity



Incomes of the GI Association

- All these services require money
 - Quality control and Promotion are the main costly services
- ➤ Internal Income (i.e., income generated by services provided to the members):
 - Annual membership fees
 - Contributions per volumes (CpV)
- > External Income
 - Subsidies from various government institutions and or NGOS



Annual membership fees

- Should cover certain fixed costs:
 - decision structures (meetings of the board)
 - internal information (information leaflets)
- Gives the right to members to be informed and participate
- Should be set at a level that allows all to participate



Contribution per volume (CpV)

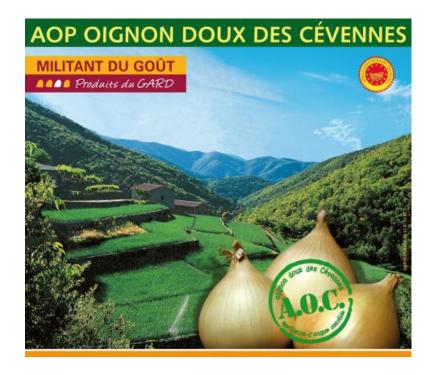
- GI users pay on the basis of the produce volume
- Important to identify the best point in the value chain where to perceive the contribution
- Usually the main source of finance
- In Europe, the Contribution per Volume goes from 0.5 % to 8% of the value of the final Product. Kampot Pepper: 0.5%



3. Examples of GI associations: Sweet onions from Cévennes, Chili from Espelette (France)



Sweet Onions Cévennes, France







The initial idea



Motivation of a group of producers:

- 1987: Creation of the Association for valorisation of sweet oignons: to keep and promote local variety; to produce together and differently
- 1991: Creation of Cooperative for marketing: "Origin Cevennes" (30 members)
- 1996: Creation of ADOC Association, targeting GI registration



The implementation of the GI strategy



ã Février



From 2003 – 2010 :

- GI Registration of "Sweet onion Cévennes " by French national authority for GI (2003),
- GI application and registration at EU level (2008)
- validation of control plan + choice of control body

Since 2010:

- new packaging
- new packing house
- website, on-line sale system
- Local shop for direct sales to consumers





GI « Defense and Management association »



- Gathers the value chain members:
 - 109 producers
 - 2 processors (packaging + marketing)
 - 19 producers-packers
- Management and Promotion
 - General Assembly: 1/ year
 Administration Board: 13 members
 Executive board: 4 members
- 2018: 2750 tons controled

D.Sautier 27



Budget of the GI organization

- Internal revenues
 - Fees of 0,03 € / kg sold with the GI (2 750 T)
- External income from Provincial authority + EU
 - Some support for GI promotion and communication
- Expenses:
 - 60% for the GI Association (particular internal control)
 - 30% for the external control
 - 10% for national GI organization

28



Organisation of the internal controls

- Habilitation of the operators and Updating of the list
- Planification of the Controls
- 10% of the seedlings are controlled
- 100% of the annual production is controlled
- Follow up of the corrective actions
- Organisation of the sensorial analysis commission
- Management: software and data base

D.Sautier



Branding: Promotion and Story-telling

Fairs Flyers Posters Photo contest Work with Chefs **Visits** Harvest festival Web site Direct sales









..

Promotion budget = 19 000 € (2017)



Chili from Espelette, France















Promotion, communication: Chili Espelette

- Opening a museum of Piment d'Espelette
 - 🦴 30 000 visitors per year



- Offer communication tool
- Link between media and producers



Participating to events



- ✓ Salon International de agriculture (Paris)
- ✓ Local and national flavors competition



Communication in social media



2310 followers

InterIG - Séte - 04 october 2018



Promotion, communication

Yearly Chili festival (each October)



20 000 visitors in 2 days

G7 meeting of First ladies (25/08/2019)





4. Example of Kampot Pepper Promotion Association, Cambodia



Kampot Pepper Promotion Association



- Registered by Ministry of Interior № 293 on 12th Dec.2009
- Address: AnkorCheyl, DamnakKantoutKhangTbong, Kampong Trach, Kampot
- Phone: 092 752 572 / 092 618 011
- E-mail: kppa2008@yahoo.com/ kppa2008@gmai.com



Annual budget ARISE+ ARISE+ ARISE + ARISE +

ACTIVITIES	BUDGET	%
Board and executive committee meetings	USD 954	3.3
Meeting with members to disseminate statutes, internal rules, BoS and training on book of matter accounting	USD 250	0.9
Registration of new members	USD 565	2.0
Training to internal inspectors	USD 100	0.3
Internal control	USD 4,000	14.0
External control	USD 6,700	23.4
Closing monthly balance	USD 204	0.7
Promotion and Marketing	USD 2,840	9.9
Annual General Assembly	USD 2,000	7.0
Fighting againts frauds	USD 3,000	10.5
Pepper analysis including sensorial anlysis	USD 1,200	4.2
Staff salary and others	USD 6,850	23.9
TOTAL	USD 28,663	
TOTAL INCOME FROM SERVICE FEE ONLY	USD 40,000	
BALANCE	+ 11,337 USD	

36 D.Sautier



Number of members of Association





Promotion and Communication

Development of promotional tools

- Leaflets
- Banners
- Videos
- ...etc.

Promotion activities through:

- Website (www.kampotpepper.biz), radio, television, magazine and other medias
- Participation in exhibitions in Cambodia and abroad



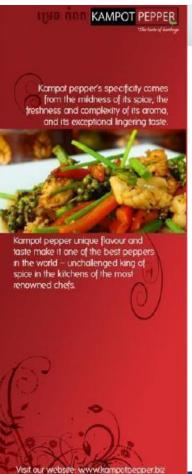


2.5. Promotion tools of Kampot pepper

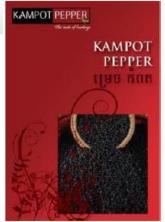


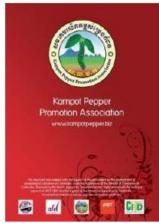


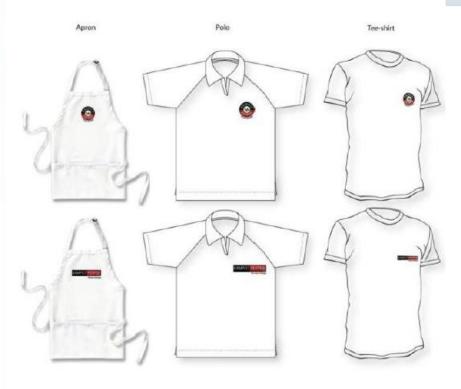
The last of heeting













5. Conclusions

- Producers' Association is the key player for managing the GI and making it successful:
 - many origin products exist, but only those supported by collective action can become successful GIs
- Better to create is as soon as possible:
 - when the GI is under construction
 - as deciding on the GI requirements for their product is motivating!





Thank you for your attention

denis.sautier@cirad.fr







Promoting Intellectual Property Rights in the

ASEAN Region

