

Regional foods and rural development: The role of product qualification

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Abstract

Qualification schemes have become popular tools for supporting regional foods, yet little is understood about the impacts they have on the rural development contribution of such foods. Qualification processes may stimulate new networks and community actions, but they may also be incompatible with strategies of extended territorial development because of their foundation in theories of competitive advantage. To explore these issues, the evolution is traced of three cases of regional food production, where local actors pursue the opportunity to qualify products under EEC Regulation 2081/92. The results reveal, in practice, the different experiences that can evolve under the same qualification mechanism, and also how the consequences for rural development can vary. The paper concludes with analysis of factors influencing the involvement and behaviour of actors in regional food qualification, and what these infer for the rural development approach pursued.

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1. Introduction

In recent years, much has been written about the contribution that regional foods¹ can make to rural development, and an established literature now exists on these products (Bessi re, 1998; Ilbery and Kneafsey, 1999, 2000; Marsden et al., 2000; Murdoch et al., 2000; Kneafsey et al., 2001; Parrott et al., 2002), as well as on alternative and relocalised food systems (Hinrichs, 2000; Mormont and Van Huylenbroeck, 2001; Renting et al., 2003; Goodman, 2004; Ilbery et al., 2004). In this literature, regional foods are conceptualised as a form of cultural capital with the potential to leverage wider social and economic benefits to local rural areas, and several empirical studies have indicated that regional foods can indeed play this role (e.g. Ventura and Milone, 2000; Brunori and Rossi, 2000). Often, the key leverage mechanism employed

in this approach is a territorially based qualification or certification scheme, which defines standards of production and supply that are beneficial to the socio-economic status of the area, signalled clearly to buyers by way of a mark or brand. Although a number of authors have considered such qualification schemes at a macro, political economy level (Moran, 1993; Parrott et al., 2002; Barham, 2003), to date there has been much less examination of the impacts of territorial qualification schemes at the micro level. How do different types of local actor respond to them, and with what consequences? To what extent do such qualification schemes augment or constrict the rural development possibilities of regional food products? The aim of this paper is to investigate what happens in practice when actors in a local rural area pursue qualification for a regional food product, examining in particular the links between the types of actor attracted by the qualification opportunity, their motivations and interactions, and the outcomes for rural development.

The paper is structured as follows. First, the theoretical basis of qualification schemes for food products is considered, including those founded on territory or locality. Next, the literature on specialist foods and rural development is reviewed, focusing on the different approaches that actors may adopt and the implications

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¹The foods analysed in this paper may be described as agro-food products with some special characteristics linked to local territory. We use the term 'regional food' to denote such products in preference to 'typical', 'speciality', or 'high quality' foods, as the latter contain more culturally nuanced meanings which would be contentious to use in a cross UK-Italian study.

for how qualification schemes may be employed in this context. Then, drawing from research conducted in the United Kingdom (UK) and Italy, three cases are presented which illustrate the kinds of processes that happen in practice when actors pursue a qualification opportunity. The paper concludes with examination of the dynamics of the cases and discussion of the factors influencing the impact of territorial product qualification on rural development. Throughout the paper, the focus of analysis is on the qualification scheme associated with EEC Regulation 2081/92, which offers Protected Designations of Origin (PDOs) and Protected Geographical Indications (PGIs) to agrifood products that demonstrate special characteristics linked to territory (CEC, 1992). Although there are differences in character between the two types of designation—for PDOs, products must have quality or characteristics *essentially* due to the local area, whereas for PGIs, products have a specific quality or reputation *attributable* to the local area (CEC, 1992: Article 2.2)—application procedures and levels of protection are the same for both designations. The scheme is very appropriate for the purposes of this study not only because of its explicit rural development justification,² but also its pan-European coverage allows exploration of how rural development actors at the micro level interpret and engage with a policy designed at the supra-national level.

2. Qualification and agrifood products

For the purposes of this paper, qualification may be defined as the specification of production practices and/or product characteristics by an agent, which is then linked to a particular name or label. Although the branded products of individual private firms represent one example of this process, in an agrifood context qualification is often associated with schemes involving numerous producer actors who agree to meet pre-determined codes of practice, then certified or guaranteed by an independent (often non-commercial) body. For example in the UK, the Soil Association offers a qualification scheme for farmers meeting its standards of organic production, and the Royal Society for the Prevention of Cruelty to Animals (RSPCA) offers its Freedom Food scheme to producers meeting its standards of animal welfare. In Italy, examples of schemes include the Slow Food Association's *Presidium* for agrifood products of excellent quality threatened with extinction (Nosi and Zanni, 2004; Murdoch and Miele, 2004), and the Regione Toscana Administration's mark for agrifood products made from regional plant varieties

and rare breeds (Regional Law of Tuscany no. 64/2004, art.11). Whilst qualification processes have been theorised as representations of the shifting moral and ethical conventions of societies (Busch, 2000; Parrott et al., 2002), and as instruments constructed by powerful actors to be wielded in geopolitical negotiations (Moran, 1993; Barham, 2003), at the micro level they have their foundation, and logic, in theories of the competitive advantage of firms. Qualification labels are market mechanisms, information signals employed by producers to stimulate favourable consumer responses, particularly when consumers are faced with choosing between products within the same category (Cochoy, 2004). Specification and labelling of a product raises its market profile and distinguishes it from competing items. Qualification also offers consistent quality guarantees to consumers, leading to repeat purchasing and development of a good reputation. Qualification labels therefore allow firms to capture the added value or economic rent derived from consumer confidence in the good reputation of a firm or producer group, via the controls they impose on product quality (Shapiro, 1983; Tirole, 1988; Anania and Nisticò, 2004).

In terms of regional products, qualification schemes have a long history. For example, 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 following the phylloxera outbreak (Moran, 1993; Allaire et al., 2005). The PDO and PGI qualification marks of EEC Regulation 2081/92 are themselves based on this wine qualification system, whereby the qualified product's character is tied to the physical (e.g. soils, climate) and/or cultural features (e.g. traditions of production and processing) of a local territory. Whilst this system may be regarded as only one convention towards food quality (Barham, 2003; Tregear, 2003), it may be argued that its logic is the same as for other agrifoods. That is, qualified producers of the regional product distinguish themselves from others by following a defined code of practice that attains certain standards or quality levels, which consumers value and are willing to pay a premium for. The qualification process effectively transforms the local knowledge and/or natural resources incorporated within the regional food (the basis of the added value) into the collective intellectual property of the actor group (Thiedig and Sylvander, 2000; Pacciani et al., 2001). Official certification resulting from the qualification process protects this intellectual property by preventing the regional food's reputation value from being usurped by competitors (Hamlin and Watson, 1997). The added value or economic rent captured by the process is then distributed within the qualified group, through a mechanism strongly influenced by the heterogeneity of the participants (e.g. their economic dimensions, access to different marketing channels) (Belletti, 2000).

²“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).

3. Regional products and rural development

To consider how the qualification process described above may impact on rural development, it is first necessary to consider in more depth how regional foods can contribute to the socio-economic well-being of rural areas. Following the principles of endogenous development theory (Bryden, 1998; Ray, 1998; Terluin, 2003), regional foods represent potentially fruitful resources for development as they can incorporate, and valorise, many local assets with special or immobile characteristics linked to the area (Bessi ere, 1998; Nyg ard and Storstad, 1998; Brunori and Rossi, 2000; Marsden et al., 2000). How such assets are valorised, however, may vary according to the types of actor involved and the strategies they choose to pursue. In particular, previous studies identify two theoretical approaches which actors may adopt. The first, described as a *supply chain strategy* (Pacciani et al., 2001), involves the building of a strong network of actors in the production and processing of the regional product, focusing energies on managing production levels, improving physical product quality, and implementing effective marketing. Under this approach, the regional product contributes to socio-economic well-being through the existence of a strong producer network, increased employment opportunities within that network, and increased revenues from the effective management of the supply chain and marketing of the product.

The second approach involves a different conceptualisation of regional foods as rural development assets. Here, actors perceive such products as offering a breadth of interlinked resources including physical environmental (e.g. distinctive landscapes, local animal breeds and plant varieties), and cultural (e.g. techniques, know-how, myths, stories), as well as economic (e.g. skilled employment). Thus regional foods are seen to contribute, 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). This approach to the use of regional products by local actors has been described as a *territorial quality* or *extended territorial strategy* (Pacciani et al., 2001; Marescotti, 2003). Under this strategy, it is the territorial identity and associations of the product that are the bases of value generation, rather than the physical outputs of a single production network and supply chain. The identities and associations are seen to be 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.

Whilst debates continue about the relative merits of these approaches and their possible inter-dependencies—for example, an effective supply chain strategy may give the basis to support an extended territorial strategy—the focus of this paper is on the role played by the use of qualification mechanisms for regional products. What processes do they stimulate and do they seem to encourage

one strategy rather than another? At first glance, qualification seems logically aligned with a supply chain strategy, as it offers a mechanism for those actors with the most direct investment in a regional product (i.e. the producers) to capture and retain the added values to the exclusion of others. However, if a qualification scheme is itself based on territory, different responses and motivations may be elicited. It may encourage the creation of new partnerships and bodies through which political and financial representations can be made (Casabianca, 2003), or it may stimulate processes of community learning and cultural pride, both of which align qualification more with the extended territorial strategy. To investigate these issues, the following specific aspects of qualification must be examined:

Which actors get involved in product qualification and what are their motivations?: In the above discussion of development strategies, the assumption seems to be that the most appropriate configuration of actors assembles itself around a qualification opportunity, and that a harmonious balance ensues of private interests (i.e. those of the relevant economic groups in the supply chain and system) and civic concerns. Yet in practice, qualification processes may be dominated by one set of actors pursuing one set of interests, skewing the distribution of rent within a supply chain and/or a territory. 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 (Marescotti, 2003), the question arises of which institutions get involved and how they manage interests to achieve rural development benefits.

How are the codes of practice in the qualification scheme determined?: Codes of practice are important to rural development as it is through these codes that the activities most beneficial to the socio-economic well-being of an area may be assured. However, by their very nature, such codes involve processes of construction, particularly around phenomena such as tradition, heritage and local identity, which are open to different interpretations (B erard and Marchenay, 1995; de Sainte Marie et al., 1995). The extended territorial strategy, in particular, implies that codes of practice are drawn up via a consultative process involving diverse stakeholders, arriving at a common understanding. But in practice, individual actors may disagree on codes, particularly where they are heterogeneous and multi-sectoral in nature. 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).

Of course, in examining which actors get involved in qualification and what strategies are pursued, socio-economic context (as described by Requier-Desjardins et al., 2003) is acknowledged as playing an important role. For example, in some southern European states there are regions with long-established food quality policies linked to

territory and/or strong social conventions towards collective action and sharing of common resources. In these areas, qualification processes might be expected to involve multiple actors and a disposition towards extended territorial strategies, in contrast to states or regions with industrial quality policies and/or more individualistic competition conventions, such as those popularly associated with northern Europe. On the other hand, micro level variations may exist within national or even local contexts, stimulating qualification processes that run counter to expectations based on macro characteristics. Although it is beyond the scope of the current research to take account of all possible contextual forces and their role in qualification processes, certain key conditions are explored in the case studies, and their influence is reflected upon further in the discussion.

Three cases of regional food production are now presented, where the opportunity to qualify products under EEC 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). The research was conducted as part of a larger EU funded study of the socio-economic aspects of origin labelled products.³ The cases were chosen on the basis of three criteria. First, to reflect diverse contextual conditions, cases from both a northern and a southern European country were selected. Second, in order to explore more deeply how the same qualification mechanism can stimulate diverse processes on the ground, the most famous, archetypal regional products were avoided and instead cases with less renown and more chequered production and protection histories were identified. Third, as the main purpose of the study was to follow how qualification processes evolve in practice, case products were sought where actors had responded to and pursued a PDO qualification opportunity, whether or not that process had led to the final award of a PDO.

Data collection for the three case studies took two main forms. First, to establish background and context, a phase of desk research was undertaken, involving scrutiny of trade publications and local press articles, brochures and websites of producers and/or their representatives, plus review of any previous studies or working papers relevant to the case, where they existed. Second, a series of depth interviews was conducted with the producers involved in each case, as well as other key actors such as representatives from local institutions and/or support agencies. In addition, in the case of the Cherry of Lari, the timing of the research permitted participant observation of producer meetings and association discussions, as the decisions over whether to apply for qualification were ‘live’ as the study was taking place. In the presentation that follows, each case begins with a brief socio-economic context, followed by a description of the key actors involved and their

motivations. The identification of these actors was an inductive process, therefore different categories of key actor appear for each case. An account is then given of what happened as the actors responded to the opportunity to qualify their products, finishing with a summary of the implications for local development.

4. Case 1: Culatello di Zibello

4.1. Product and socio-economic context

Culatello is a very ancient cured ham 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).

4.2. 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, leaving only two as dedicated ‘cured ham 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 industrial competitors. The second actors are two larger industrial producers. One of these is a renowned international 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

³Development of Origin Labelled Products: Humanity, Innovation and Sustainability (‘DOLPHINS’), QLK5-2000-00593.

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.

4.3. The PDO qualification process—what happened?

In this case, it was one artisan producer 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. Of the several points of dispute in the code of practice, a key one 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. This excludes industrial producers. 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.

4.4. Qualification and rural development

As regards rural development activity linked to the qualification process, the local government actors have 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 organised 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 ‘Routes’. Even inside the Consortium co-ordination is very weak, and all initiatives taken in the last few years have depended strongly on the artisan 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 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.

5. Case 2: Cherry of Lari

5.1. Product and socio-economic context

Cherry production is 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 professional ones), and in supply. Currently, although almost all farms in the Lari area grow some cherry trees, only a few are professional producers and there are few specialised orchards. Part-time farming is widespread, in which 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.

5.2. 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 homogeneous 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, Universities of Florence and Pisa). The involvement of these actors has been stimulated by a growing concern for better preservation of biodiversity.

5.3. *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’

organisations, etc. to involve the maximum number of producers even in non traditional areas (Maresscotti, 2003).

5.4. *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.

6. Case 3: Beacon Fell Traditional Lancashire Cheese

6.1. *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 approximately 50 tons per annum, and the largest producing approximately 2500 tons of cheese per annum, of which about 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 have been revalorised, but production systems today tend to be driven by individual firms, with generally low levels of collective activity between producers (Tregear, 2003).

6.2. 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.

6.3. 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.

6.4. 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 super-market 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.

7. Discussion

7.1. Product qualification—a mechanism for a supply chain or territorial strategy?

This paper sought to examine the role that qualification schemes play in rural development activities based on regional foods, in particular, whether they are aligned with supply chain or extended territorial strategies. The results illustrate clearly how a single qualification opportunity can be captured by diverse types of actor with different

motivations. The experiences that ensue are quite distinct, as is the outcome for rural development, even for a qualification scheme (EEC Regulation 2081/92) which is based on territory and has an explicit rural development justification. 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 (Culatello di Zibello), local government intervention helps to orient a supply chain 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 supply chain, 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 findings.

In light of these results, we now contemplate some of the features that have played an influential role in the strategic evolution of the three cases. It is emphasised that these features are specific to the cases studied and they are not put forward as definitive or generalisable. They are offered tentatively for future, larger-scale research to examine further or verify.

Socio-economic context: Earlier in the paper, socio-economic context was highlighted as important to the

evolution of qualification processes. In practice, the cases reveal how such contexts can and do play a role: witness, for example, the differences between Italian and UK socio-political conventions on local institutional involvement in qualification processes (high in the case of Culatello and Cherry of Lari, low in the case of Lancashire Cheese). However, the three cases also reveal how pathways to qualification can be influenced by conditions at the local or micro level, leading to experiences that differ from those that might be expected of the nation states concerned. For example, in terms of disposition of producers towards collective action, the home region of Culatello has a well-established tradition of this, exemplified by the consortia of Parmigiano-Reggiano cheese and Parma Ham. However, this contrasts not only with the region of Lancashire Cheese, where several forces have militated against the co-operative working of small-scale producers, but also—perhaps surprisingly—with the region of the Cherry of Lari, where collective action amongst producers is also not so strong. In turn, the cases also reveal that a context such as level of collective action can have complex impacts on the type of product qualification strategy pursued. 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

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

| Case | Actor involvement and motivation | Evolution of qualification process | Strategy pursued |
|---|--|---|--|
| Culatello di Zibello | 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) | Semi supply chain, semi territorial strategy |
| Cherry of Lari | 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) | Territorial strategy |
| Beacon Fell Traditional Lancashire Cheese | 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 | (Anticipated) individual marketing strategy |

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, the experiences in these cases suggest that 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.

Economic vs. cultural significance of product: A second feature of importance revealed in these cases is the extent to which the product being qualified has economic significance for individual producer actors relative to cultural significance for the local region. The Culatello case shows that producers who rely heavily on economic returns from the regional product can take a very strong interest in the way that qualification specifications are devised. The Culatello 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 became preoccupied with how the qualification would distribute rent within the sector or supply chain, rather than approaching qualification as a tool for a territorial strategy, which is a different way of thinking about value creation and remuneration of local resources. Conversely, the Cherry of Lari case shows how cultural significance of products can contribute much to a territorial strategy because of the wealth of traditions that accompany them, touching on various aspects of community life and events. In this case, the effect was compounded by the relatively low reliance of producers on the economic value of the product, which gave greater potential for their openness to a territorial strategy. Overall, the Cherry of Lari case illustrates the evolution that can take place from a product of economic significance to one of cultural significance.

Access to, and visibility of the product in the territory: A third strategy-influencing feature revealed in these cases is the type of resource offered by the specialist regional product and the extent to which it is visible in the territory. Specifically, the Cherry of Lari case illustrates how a wide cross-section of a local population can become involved in territorial activities if the special character of the product is based on resources or techniques that are either free or easy to access: i.e., the planting of a cherry tree. In this case, the resource became a patrimonial or collectively shared good and the qualification scheme that was pursued subsequently involved the multiple actors. On the other hand, the Culatello and Lancashire Cheese cases illustrate that if the special character of a product is based on relatively inaccessible resources (e.g. the knowledge, skills and facilities required to process high quality cheese or ham), the involvement of a narrower set of actors is implied, encouraging the pursuit of a supply chain strategy. It is noteworthy that in these latter two cases, product qualification became a matter for the producer ‘experts’ to debate, rather than involving a wide cross-section of the

population. Related to the basis of the special character is the extent to which the production activities are visible in the territory. Highly visible activities (e.g. cherry trees growing in every small farm or orchard), lend themselves to the development of a territorial strategy linked 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.

7.2. 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 was beneficial to development, the PDO itself was not applied for due to anticipated problems over producer costs and lack of exclusivity. In the Lancashire Cheese case, the qualification process was undertaken with little or no conflict, but the approach taken by the actors meant that the social interaction and institution creation benefits were minimal. How might one distinguish when and where product qualification offers benefits rather than problems? In the cases studied here, two key characteristics can be drawn out. As with the identification of features of importance to strategy, these characteristics are not proposed as definitive, but could be investigated in future, larger-scale research projects.

Heterogeneity of producer actors: First, the three cases reveal how conflict between producer actors pursuing qualification is linked to their heterogeneity, which refers to characteristics such as production scale and degree of industrialisation, as well as the type of marketing channel pursued. In the case of Culatello, where a high degree of production scale difference existed between producer actors, product qualification was associated with conflicts. Artisan producers resisted the inclusion of larger, more industrial producers, as the latter were seen as ‘free riders’ able to capture the rent accumulated via the efforts and resources already expended by the artisans. The artisan producers also feared the future loss of rent resulting from the drop in consumers’ quality perceptions associated with larger producers being included in the qualification. By contrast, both the Cherry of Lari and Lancashire Cheese cases showed less conflict in the drawing up of specifications, as the producers were more homogeneous 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 also demonstrated, lack of conflict does not necessarily imply collective action.

Local institution decisions: Following from the above, the cases also reveal the impacts of local institutions on the

rural development benefits of qualification, via their intervention in conflicts over qualification specifications and/or their taking responsibility for determining codes of practice, geographic boundaries, etc. In both the Culatello and Cherry of Lari cases, local institutions revealed a tendency to define rather loose codes of practice, motivated by the desire to include many actors in the qualification. These results accord with those of previous studies (e.g. Barjolle and Sylvander, 2000). The implications are that not only do such tendencies risk undermining the effective commercial operation of the qualification mark (it becomes insufficiently distinctive as a quality indicator to consumers), which threatens de-valorisation of the product and consequent problems for development activities (Carbone, 2003), 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.

8. Conclusions

This paper set out to investigate the impact of territorial product qualification on the rural development potential of specialist regional foods, with particular reference to EEC Regulation 2081/92. The case study method employed means that only tentative conclusions can be drawn, based on the specific experiences of the case products analysed. The cases presented here suggest that contrary to some theoretical logic, qualification may indeed be employed as part of an extended territorial strategy, although its success is dependent upon a particular mix of actors, exhibiting a certain mix of motivations. Can qualification processes themselves bring socio-economic benefits to rural areas? 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, the cases presented also show that qualification can 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 qualified producers are to be incentivised to engage in practices with the most development potential. With this in mind, the three cases presented here suggest it may be useful to conceptualise institutional involvement in qualification processes in two phases: *ex ante* and *ex post*. In the *ex ante* phase (i.e. during pursuit of qualification), producer actors concern themselves over the critical issue of the codes of practice, attempting to reach the best compromise over inclusion/exclusion. Institutional intervention in this phase must strike a balance between active participation (or even leadership) on the one hand, to help stimulate producers who lack a tradition of collective action, and reticence on the other hand, so as not to upset producer negotiations and cause a loss of socio-economic cohesion. In the *ex post* phase however (i.e. after the award of a qualification), institutions can play a more active role,

using the qualification as part of a territorial strategy without altering, or threatening to alter, the codes of practice.

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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