

Improving sustainability of local pig breeds using quality labels – case review and trademark development in project TREASURE

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Branding strategy.
Pork value chain.

SUMMARY

The interest for traditional genetic resources, here comprised local pig breeds, has been increased in the last decades. Yet, at the time being, majority of local pig breeds still need to be supported with subsidies to ensure their conservation. However, the best strategy is if breeds could reach self-sustainability which is possible by an efficient marketing strategy of their products. The majority of studied breeds in project TREASURE are untapped, so the ambition is to develop an “umbrella” collective trademark that would gather together all breeds and that would create added values for their products. Major socio-economic aspects related to the implementation of the collective trademark include rights, responsibilities and expected added value for end-users. Based on the results obtained by an internal survey conducted in TREASURE, we have identified the main features of the collaborative trademark: 1) it should attract end-users such as farmers, breeders associations and meat processors; 2) it should be developed and promoted by an operational committee of end-users, under the coordination and supervision of TREASURE Consortium; 3) it should emphasize local pig genetic resources as the key common point, considering also production systems and nutrition; 4) it should explore possible collaboration or conflict with existing EU protected products (PDO, PGI, TSG) in order to optimally promote local products. An overview of intellectual property rights (IPR) in the context of pork value chains existing in the European Union is presented and prospects for TREASURE trademark analysed.

Aumento da sustentabilidade da produção de raças suínas locais através do uso de rótulos de qualidade – estudo de caso e desenvolvimento de uma marca comercial no projecto TREASURE

RESUMO

O interesse pelos recursos genéticos tradicionais, neste caso de raças suínas locais, tem crescido nas últimas décadas. No entanto, a maior parte das raças locais necessita, ainda, de ser subsidiada para garantir a sua conservação. Contudo, a melhor estratégia a seguir parece-nos ser garantir que essas raças atinjam autossustentabilidade o que será possível com uma estratégia de marketing eficiente para os seus produtos. A maioria das raças estudadas no projeto TREASURE são inexploradas, portanto a ambição é criar uma marca comercial coletiva (trademark) que servisse de “chapéu” que agregasse todas as raças e criasse valor acrescentado para os seus produtos. Os principais aspetos socioeconómicos relacionados com a implementação da marca comercial coletiva incluem os direitos, responsabilidades, e valor acrescentado expectável para os seus utilizadores finais. Baseados nos resultados obtidos num inquérito interno realizado no TREASURE, identificaram-se as principais características dessa marca comercial colaborativa: 1) deve atrair utilizadores finais como os criadores, associações de criadores e processadores de carne; 2) deve ser desenvolvida e promovida por um comité operacional constituído por utilizadores finais sob a coordenação e supervisão do consórcio do TREASURE; 3) deve realçar que os recursos genéticos locais suínos são o ponto-chave comum, considerando também os sistemas de produção e a nutrição; 4) deve ser explorada a possível colaboração ou conflito com os produtos presentemente protegidos pela EU (PDO, PGI, TSG) de forma a promover melhor os produtos locais. Apresenta-se uma análise dos direitos de propriedade intelectual (IPR) no contexto das fileiras de suínos existentes na União Europeia e as perspetivas para a marca comercial TREASURE analisada.

PALAVRAS CHAVE ADICIONAIS

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INTRODUCTION

Internationally binding commitments to conservation of biodiversity have revived the interest for local

(pig) breeds in the last decades. Besides their genetic merit for agro-biodiversity, local pig breeds represent the basis for sustainable local pork chains, as they are

adapted to specific local environment and fed various locally available feedstuffs, which is especially important for the regions with limitations in arable land and/or cereal production (Herrero et al. 2009). Local pig breeds and their respective production systems are able to respond to the expectations of modern society in regard to some environmental aspects (including forest management and landscape conservation; Lopez-Bote 1998, Edwards 2005, Dourmad & Casabianca 2013), animal welfare, food quality and healthiness (Verbeke et al. 2010). Traditional pork products represent often culinary heritage of the regions and have an excellent image among consumers due to typical quality attributes, which cannot be assured with pigs from conventional intensive production systems (Bonneau & Lebret, 2010). Successful cases of local breed chains exist in Europe; however, a big majority is characterised by small populations that are conserved thanks to the public economic supports (gene banks). These resources still remain untapped, with unexploited market potential of their products. One of the key challenges of TREASURE is thus to develop a collective trademark as part of the marketing strategy to improve the sustainability of pork value chains based on local pig breeds. TREASURE collective trademark has been thought as an “umbrella” trademark of the project with an open policy to all local pig breeds and their products (also those not directly involved in the project). The collective trademark is going to represent an important instrument of exploitation and its promotion represents one of the main objectives of the project.

CONSERVATION THROUGH UTILISATION

Developments in the pig production sector during the last century led to the reduction of the population size of many (local) pig breeds that were not profitable and became endangered. In the context of the (internationally binding) conservation of biodiversity the interest for autochthonous (local) breeds has been revived for the last decades. In spite of that, many breeds are still largely supported by special policy mechanisms in order to ensure their conservation (Mendelsohn, 2003). This is one of the critical points for the future because most of the local breeds are presently not managed in a secure way and depend upon financial support from the governments for conservation programmes. The best conservation strategy should ensure self-sustainable mechanisms that do not rely on external subsidies (Hiemstra, 2010). Theoretically, a self-sustainable condition of a local pig breed should be reached by the marketing (sale) of products characterized by an extra added value which in turn may assure sufficient economic incomes to the farmers who are incentivized to breed a sufficient number of animals for an adequate genetic management of the populations (Bozzi & Crovetto, 2013). Nevertheless, this condition is seldom attained in the local pig breeds and the intervention of public bodies is often considered essential for the conservation of endangered genetic resources (Signorello & Pappalardo, 2003). A sustainable use of autochthonous breeds is possible with better exploitation of the image and reputation of local breeds (extrinsic cues) as well as by associating quality attributes to their products (intrinsic cues). Studies have shown that consum-

ers' perception of extrinsic cues for quality inference is increasing (Grunert, 2006), whereas the intrinsic cues are important as limiting factors for acceptability and repurchase. Therefore, activities to increase market potential and value of products are key strategies to support *in situ* conservation of local breeds. The links between local breeds, geographical areas and product quality (its intrinsic cues) are important for the success of commercial strategies as demonstrated by the examples of successful pork value chains in Spain and Portugal where traditional local pigs (Iberico in Spain and Alentejano in Portugal) are kept in special agro-silvo-pastoral ecosystems. Other cases of sustainable pork value chains were built in recent years which confirm that breeds can become self-sustainable even when exercised in small sized systems using a branding strategy based on local pig breed (e.g. from Schwäbisch-Hällisches breed in Germany, Basque breed in France, Cinta Senese pigs in Italy). As reviewed by Bozzi & Crovetto (2013), there is a constant increase of general interest and research activities in local pig breeds, but also a clear gap between Ibérico and numerous other local untapped breeds in Europe, characterised by small populations. The economic potential of these local pig breeds and their production systems is far from being optimally exploited and represents a challenge and opportunity for the European pig sector in the future.

INTELLECTUAL PROPERTY RIGHTS AND RELEVANCE FOR AGRI-FOOD SECTOR

Intellectual property (IP) refers to the creations of the mind (covers industrial property rights and copyrights) and its formal legal system of protection is based on internationally binding agreements. IP can be protected in different ways (i.e. patent and utility model, trademark and certification mark, geographical indication, plant breeders' right, trade secret, industrial design). Its protection denotes intangible property rights. Its owner has the right to use, abandon or destroy it, to sell it or transfer the rights of use to others.

In the context of a marketing strategy in support of pork value chain discussed in the present paper, the focus will be on quality labels, considering in particular the concept of trademark and its positioning vis-à-vis the protection of geographical name. A trademark, which can be individual or collective, represents a sign/label used by a company or consortium to distinguish its goods (or services) on the market from those of the competitors. A trademark gives to its owner(s) exclusive right to its usage and prevents others from using it. It can be individual or collective (consortium of owners). A trademark has to be renewed every 10 years, the fee for protection is payed at registration. A geographical indication guarantees that a product is produced and has qualities due to a specific place (geographic location) of production. It is a collective sign/label and may be used by anyone who complies with the rules and quality setup. A geographical protection has indefinite time of registration. The European Union has set its own legal frame for geographical protection of food products (Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products

and foodstuffs). In principle, the geographical indication protects the use of the name, whereas the quality of a product is verified (certified) by a neutral body. On the other hand, there is no external control over product quality in case of trademark protection, only the sign/label of the product is protected to individualize and characterise the product and distinguish it on the market from its competitors.

Food preferences and differentiation is part of our (human) identity. In marketing, the concept of differentiation is fundamental for branding. A trademark (but the same is valid for geographical indication) is an integral part of a branding strategy and its importance is proportional to the attributes (extrinsic and intrinsic cues of the product) that determine buying decision. In the case of local pig breeds these cues are traditional breed, traditional production system, tasty product with regional identity. It is important to consider how to create the trademark that would attract the consumers. In that respect the choice of sign or label, avoiding the risk of infringing with other trademarks (or geographical indications), is a crucial and essential part for a strong branding strategy (what to communicate visually and verbally, where to advertise, distribution channels). The form of protection should be carefully chosen by the actors and adapted to individual situation. Sometimes the geographical indication is not a solution because a common protection is needed for many generic products from a specific breed. Another example could be protection of meat and meat products derived from an autochthonous breed but which is not reared in geographically limited area. Also, the trademark is less costly (no certification), it can offer less stringent frame of protection, and can be a good option at the start of value chain development. Thus, in the context of the TREASURE project, the idea was to develop an umbrella trademark embracing all local pig breeds. However, as mentioned earlier, some of the breeds are already integrated in pork value chains and so their interest for a new trademark is not evident or may even be conflicting. The challenge of the project is double; on one side to define the concept and rules that would be suited to variety of situations encountered in different local pig breeds and on the other not to interfere with already established IP protection of pork products.

RESUME OF DISCUSSIONS AND SURVEYS WITHIN CONSORTIUM

TREASURE project is a multi-actor project that involves many breeder associations of local pig breeds. This is a crucial aspect for the success of the trademark initiative. Internal discussions have been conducted within project consortium to understand the variety of situations existing in different European regions or local pig breeds and to identify potential interests, conflicts, advantages and drawbacks. Inquiry was also performed about trademark protection options (either registering European trademark via EUIPO - European Union Intellectual Property Office or registering via World Intellectual Property Organisation - WIPO). A survey has also been conducted within the TREASURE consortium to identify the interests of partners in relation to the trademark protection. After the annual meeting of the project in January 2016, project partners

(n=25) were invited to respond to the online questionnaire by the 28th of March 2016. It included 7 questions, each allowing a Yes/No answer and the possibility to include comments/motivations in an open way. All the partners filled the questionnaire.

Internal discussion at round table during annual project meeting revealed the attitude of partners in regard to the trademark. The following conclusions were drawn:

- Specific rearing and/or feeding system (possibly free range)
- Differentiation from intensive systems (e.G. Traditional way typical to region)
- Need for high standards regarding safety, quality and traceability
- Quality and healthiness properties differentiation
- Flexibility (embrace different situations in different countries)
- Make an overview of local breeds and their products already recognised/protected
- Integration or collision with other voluntary labelling schemes
- Common denominator is a local breed
- Operator and trademark owner(s) need to be identified

A web supported survey conducted among partners consisted of 7 questions and the results can be summarised as follows:

- The trademark should attract end-users (farmers, breeding organisations, meat processors)
- The trademark should be developed and promoted by an operational committee of end-users under supervision of treasure consortium
- The trademark should emphasize local pig genetic resources as the key common point within procedural guidelines, considering also other aspects like production system, nutrition
- The trademark may not be interesting for local pig breeds already having other protections
- Many parties outside the consortium that could be interested in adapting the trademark were mentioned
- The trademark should explore possible collaboration or conflict with existing eu protected signs
- The trademark should be protected as EU trademark (registered at euipo) and for serbia through madrid protocol (via wipo)

Based on both brainstorming with partners, general agreement was reached that the trademark should

- Use diversity of the breeds as element of characterization i.e. Genetic resources,

- Be flexible and able to adapt to different regions or areas,
- Represent the opportunity to increase the visibility of local breeds
- Should bring a message to the consumer on the production system and on animal welfare linked to local breeds,

Other remarks obtained in the process of brainstorming that are worth noting are:

Such trademark could be more effective in bringing information to the consumers than individual brands of local breeds

A brand that can act as a driving force to boost local pig productions on the market is needed

It will be a challenge to make consumer aware of the added value of local breeds

A guarantee of traceability is needed

Such trademark requires a specific characterization, otherwise the risk is to create great confusion with other quality certifications

It may be viewed negatively by breeders that already have a PDO certification, since it would link them to breeders with no quality certification.

CONCLUSION

Discussion with partners and review of the situations in different partner countries revealed that the attributes of pig genetic resource and traditional production system are the key extrinsic cues or attributes for branding strategy. *A priori* the interest for the umbrella trademark exists, but it may largely depend upon the breed. Less interest is expected in breeds which are already involved in pork value chains and have assured sustainability of the breed and production system. However, outside the TREASURE consortium other potentially interested parties were identified that could join the initiative. If properly managed, the trademark has good prospects. The next steps in the project will be to define the concept and rules for the trademark, which will take into consideration the conclusions of the surveys with partners.

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